

Fine Organic Industries Limited

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Date: July 25, 2024

To BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	To National Stock Exchange of India Limited Plot No. C/1, "6" Block, Exchange Plaza Bandra Kurla Complex, Bandra (East) Mumbai - 400 051
Security Code: 541557	Symbol: FINEORG

Sub: Annual Report under Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir/Madam,

Pursuant to Regulation 34 (1) of the Listing Regulations, please find enclosed herewith the Annual Report of the Company for the financial year 2023-24 along with the Notice of the Annual General Meeting to be held on Wednesday, August 21, 2024, at 11:00 a.m. (IST) through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM).

In accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Annual Report along with the Notice of the Annual General Meeting are being dispatched electronically to those Members whose email IDs are registered with the Company/ KFin Technologies Limited ("Registrar and Transfer Agents" of the Company) /Depository Participants.

We request you to disseminate the above information on your website.

Thanking you,

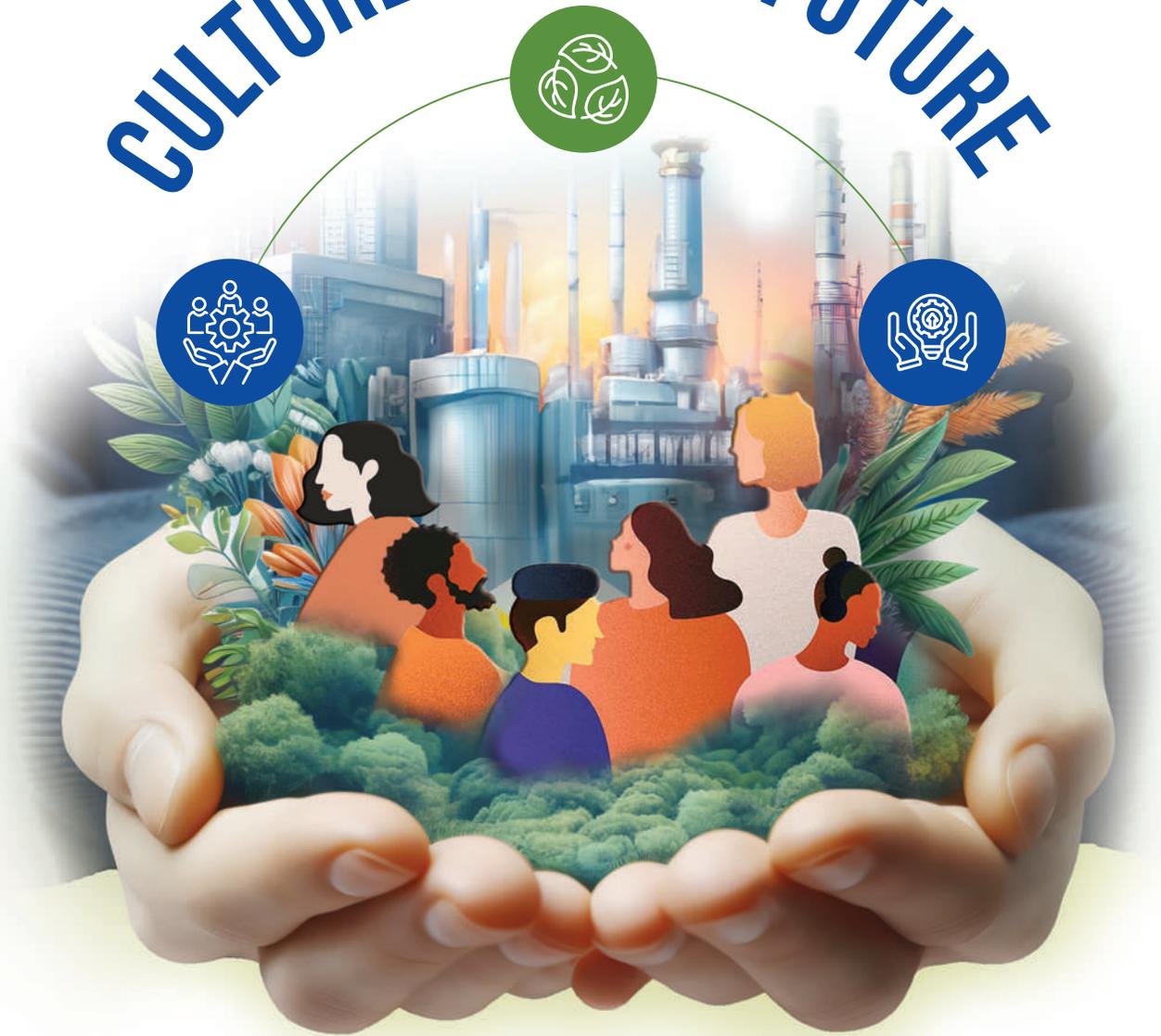
Sincerely,

For Fine Organic Industries Limited

Pooja Lohor
Company Secretary and Compliance Officer

Encl: as above

CULTURE NATURE FUTURE



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INVESTOR INFORMATION

Market Capitalisation	₹ 12,370.84 crores
CIN	L24119MH2002PLC136003
BSE Code	541557
NSE Symbol	FINEORG
Bloomberg Code	FINEORG:IN
AGM Date	August 21, 2024
AGM Mode	Video Conferencing

For more investor-related information, please visit:

<https://www.fineorganics.com/investor-relations/financial-information/annual-reports>

Or simply scan to view the online version of the report.



Disclaimer

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

About the Report

The contents of this Report have been defined considering the most significant indicators of our activities, the impact of and commitment to the Company's interest groups, the efforts in enhancing sustainability, and the level of detail established by the International Integrated Reporting Council (IIRC).

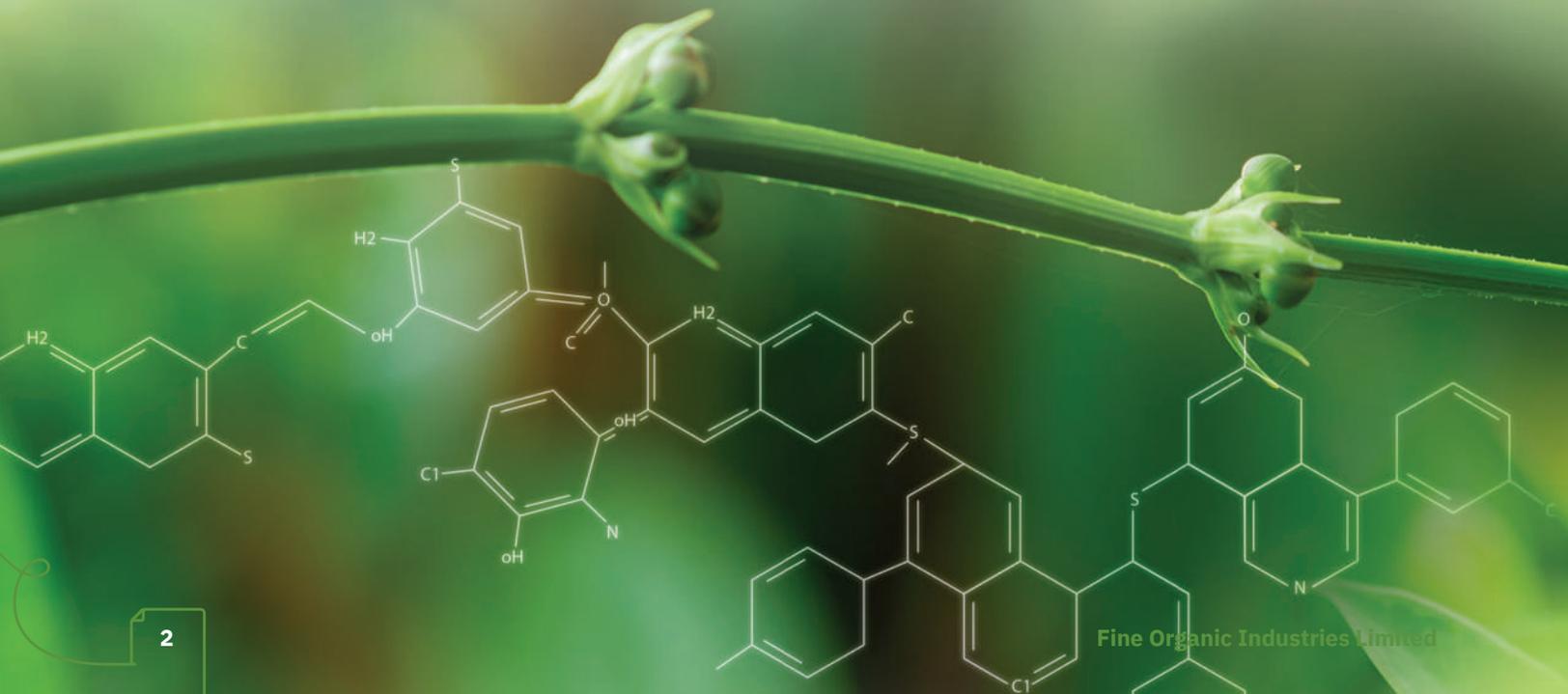
This Report complies with BSE and NSE regulations and includes the eligibility disclosure requirements. The structure and content of this Integrated Annual Report are based on the Framework Guidelines of Value Reporting Foundation (IIRC).

The standalone and consolidated financial statements have been prepared in accordance with Indian Accounting Standards. Our interest groups are the Fine Organics employees, suppliers, customers, shareholders, partners, local governments, and the communities in which we are active.



CULTURE NATURE FUTURE

At Fine Organics, our journey of growth, progress, and value creation is guided by three fundamental pillars: **Culture**, **Nature**, and **Future**. These pillars shape our decisions, drive our actions, and define our purpose as we strive to positively impact society and the environment. We seek to pioneer change and lead by example in the specialty chemicals industry.





Culture

Our foundation is deeply rooted in a culture of excellence, innovation, and integrity. With a heritage spanning years, we foster a workplace culture that values collaboration, innovation, and continuous learning. This culture fuels our passion for excellence and sets us apart in the world of specialty performance additives.



Nature

At the heart of what we do is a deep respect for nature. As a responsible corporate entity, we believe we are stewards of the environment and are committed to sustainable practices that minimise our ecological footprint. From responsibly sourced raw materials to eco-friendly manufacturing processes, we endeavour to align our operations with the natural world, ensuring a greener, more sustainable future for generations to come. We firmly believe that sustainable development must be the cornerstone of value creation for all our stakeholders, enabling us to meet our customers' evolving needs without compromising on the ability of future generations to meet their own.



Future

Our commitment to innovation propels us into the future, where we eagerly embrace both challenges and opportunities. Through our relentless focus on R&D, we pioneer new technologies and solutions for various industries.

FINE-Tuning a Culture of Excellence for a Better Future

With a heritage spanning over half a century, Fine Organic Industries Limited ('Fine Organics', 'We', 'The Company') has pioneered high performance specialty additives within the Indian market. We stand tall as a respected international player rooted in India, offering specialty performance additives that act as the secret ingredient, transforming end products and significantly enhancing their performance.





Our forte lies in crafting specialty additives for a myriad of applications, showcasing a solution-centric approach, and strong commitment to innovation.

We take pride in creating unique specialty additives that enhance everyday life, from the foods people eat to the products they use everyday.

As a leading producer of additives for foods, polymers, cosmetics, and coating, among others, we are an integral part of your everyday life. Our additives play a pivotal role in shaping the modern industrial landscape, from fortifying the durability of plastics to ensuring the freshness of foods.

With a portfolio boasting over 510 products and grade tailored for various industrial applications, our products are synonymous with quality, sustainability, and customer satisfaction. We are backed by multiple manufacturing facilities in Ambernath, Badlapur, Dombivli, and Patalganga.

In a world increasingly gravitating towards environmentally conscious products, the Company stands at the vanguard. We champion eco-friendly solutions that embody our core values of innovation, integrity, and environmental stewardship.

Philosophy



Our Vision

To become a preferred supplier of oleochemicals derived green additives globally



Our Mission

- » To use our expertise in oleochemistry and build a compelling portfolio of specialty green additives and ingredients for various end-user applications
- » To expand state-of-the-art infrastructure for research and manufacturing
- » To develop a lean, empowered team that is aligned with the organisation's core values



Core Values

- » **Integrity**
To display trust, responsibility, and accountability in building lasting relationships with customers and stakeholders
- » **Execution Excellence**
To demonstrate pride, passion, and professionalism
- » **Customer First**
To anticipate and fulfil customer needs
- » **Entrepreneurial Thinking**
To convert unconventional ideas into action with positive impact

Key Numbers that Define Us

50+

Years of Experience

890+

Direct Customers

7

Manufacturing Facilities

1

R&D Facility

80+

Countries Where We Export

850+

Employees

33+

Scientists and Technicians

> 11%

Employees Completed
25 Years of Journey

> 35.35%

Women Employees

Innovating with Our Natural Strengths, Expertise, and Excellence

Strong R&D and Innovation-Led Business

Strong R&D Capabilities

Our dedicated state-of-the-art R&D centre harnesses technology and the expertise of our seasoned scientists and technicians, helping them create high-performance additives. Through continuous innovation, we aim to develop new products across various industries. We also aim to constantly grow our product portfolio and maintain a competitive edge in the market.

In-House Design and Engineering

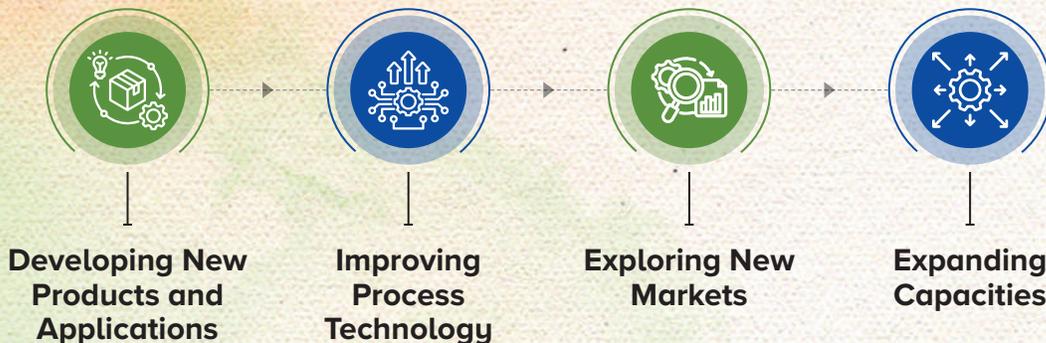
At Fine Organics, we excel in in-house design and engineering, creating holistic customer value through robust manufacturing capabilities. Our strategically located facilities near ports ensure seamless global distribution, meeting customer demands efficiently. We set new benchmarks in quality and consistency, maintaining high safety and productivity standards. Our products are appreciated worldwide for their consistent quality and packaging.



TECHNOLOGY DEVELOPMENT + **RELENTLESS FOCUS**

INNOVATIVE PRODUCTS AND SOLUTIONS

Our Focus is on





Diversified Product Portfolio

At Fine Organics, we offer a comprehensive range of products that cater to a diverse array of industries. Our specialised segments include Food Additives, Polymer Additives, Feed Nutrition Additives, Coating and Specialties, and the CosPha sector.

Specialised Business Model

Backed by robust R&D and in-house manufacturing capabilities, we have solidified the Company's position as one of the largest players in the industry, offering premium performance additives to both Indian and international markets.

Aspect	Entry Barriers	Our Approach
 <p>Limited Players</p>	<p>Globally, the market is dominated by a few very large companies.</p>	<p>We distinguish ourselves as the reputed player in the global market, actively expanding our global presence and solidifying our position.</p>
 <p>Customer Loyalty</p>	<p>Extended and costly product processes lead to high switching costs for customers. This further leads to reliance on established suppliers due to the critical nature of performance ingredients in their end products.</p>	<p>Our customers exhibit strong loyalty due to the high switching costs associated with our products, which are critical for their end products.</p>
 <p>Technology Complexity</p>	<p>The specialty green performance additives industry is characterised by complex technology and intricate manufacturing processes, creating significant entry barriers. Developing product formulations, driving innovation, and mastering process technology are both time and capital intensive endeavours. Additionally, providing robust technical support to customers is essential, ensuring they can effectively integrate and optimise these advanced additives in their applications.</p>	<p>We have leveraged our early-mover advantage to establish an in-house manufacturing setup. This strategic positioning has enabled us to consistently deliver high-performance products, reinforcing our leadership in the industry. Our technical support team plays a crucial role in assisting our customers by providing expert guidance and solutions tailored to their specific needs. By offering in-depth knowledge and hands-on assistance, we enable our customers to overcome technical challenges and achieve their goals more effectively.</p>
 <p>Regulatory Compliance</p>	<p>Due to their direct impact on human life and the environment, additives must meet stringent regulatory standards.</p>	<p>Our eco-friendly oleo-derived green additives comply with stringent quality parameters and industry regulations.</p>

Diversified Customer Base



510+
Products and Grade



890+
Direct Customers



200+
Distributors



Disclaimer: Map not to scale. All data, information and maps are provided 'as is' without warranty or any representation of accuracy, timeliness or completeness



80+
Countries



5,200+
End Users



USA & Europe
Warehouses

At Fine Organics, we leverage our diverse customer base to reduce reliance on any single customer or industry, ensuring stable revenue less susceptible to market fluctuations. We boast a well-established distribution network spanning multiple regions and countries. This is supported by an extensive presence with warehouses located in the USA and Europe through our subsidiaries.

Highly Experienced Management Team

Our experienced management team at Fine Organics drives the Company's success with their seasoned leadership and industry expertise. Our team's collective knowledge and strategic vision steer us towards continued growth and innovation.

Dominant Position

Pioneer, and the largest-manufacturer of specialty performance additives in India and a strong player globally

Fully automated production facilities with multiple production sites

One of the few global players in specialty food emulsifiers

One of the few global players in the polymer additives industry

One of the few leading players to develop proprietary technology to manufacture green additives



OUR JOURNEY

FINE Our Future and Path to Success

1970

THE YEAR OF FOUNDATION

Established as 'Fine Organic Industries,' a partnership firm by the late Mr. Ramesh Shah and the late Mr. Prakash Kamat

1973-06

ESTABLISHED MANUFACTURING AND R&D FACILITIES

1973-88

- » Commissioned first food additives facility in Dombivli
- » Set up second facility in Ambernath

2001-02

- » Commissioned facility at Badlapur
- » Incorporated the Company under the name of Fine Organic Industries (Mumbai) Private Limited

2005-06

- » Established R&D centre in Navi Mumbai
- » Commissioned large manufacturing facilities in Ambernath

2008-17

OUR EXPANSION AND PARTNERSHIP PROWESS

2008-12

Expanded capacity addition phase-wise in Ambernath

2014-17

- » Signed a Joint venture with Netherlands-based bakery premix manufacturer Zeelandia International
- » Incorporated Fine Organics (USA) INC., a wholly owned subsidiary, in the State of Texas, USA, as a strategic expansion into the American market
- » Undertook additional capacity expansion at the Ambernath facility
- » Amalgamated Fine Research and Development Centre Private Limited and Fine Specialty Surfactants Private Limited
- » Incorporated Fine Organics Europe BV, a wholly owned subsidiary in Europe to expand the Company's presence and operations in the European market

2018-23

OUR READINESS TO ACHIEVE MORE

2018-22

- » Initiated an IPO and got listed on the BSE and NSE
- » Commissioned a new plant at Ambernath and Patalganga
- » Joint Venture Company (JVC) in Thailand for the purpose of carrying on the business of manufacturing of Speciality Chemical products and supplying, exporting and distribution of such products.

2023

Incorporated 'Fine Organic Industries (SEZ) Private Limited,' a wholly owned subsidiary in India, to engage in the manufacturing of specialty chemical additives

FINE Excellence through Our Fine Solutions

At Fine Organics, we boast a diversified product portfolio spanning multiple industries, including food, polymer, coating, cosmetics, feed nutrition, and specialty additives. With tailored solutions for each sector, our diverse range of products caters to a wide spectrum of needs. This ensures versatility, performance, and innovation across different applications.



Food Additives

Our additives play a vital role in improving the quality of food products, enhancing their structural integrity, and extending shelf life.



Polymer Additives

Customised to meet various requirements, our polymer additives enhance a wide range of plastic and rubber products, guaranteeing both versatility and optimal performance.



Coating Additives

Our coating additives enhance the appearance and usability of coatings, elevating their overall quality.



Key Highlights

As pioneers in the manufacturing of food emulsifiers in India, we have expanded our product range to meet the growing technical requirements of food industries.

Our expertise in oleochemistry has enabled us to create a diverse range of additives for polymers, rubbers and elastomers.

Our products for CosPha applications serve as essential base ingredients, enhancing the appearance and functionality of skincare products like creams, lotions, and ointments.

Leveraging our oleochemistry expertise, we have developed a range of functional additives and special formulations for various industries.



Cosmetic Emollients

Our emollients facilitate the creation of diverse cosmetic structures, ensuring long-term stability, heightened sensory perception, and chemical stability for sensitive active agents.



Feed Nutrition Additives

Providing a sustainable alternative, our feed nutrition additives replace harmful antibiotics, optimise feed efficiency, and offer technical advantages to end products.



Specialty Additives

Our extensive range of specialty performance additives is tailored to meet the unique requirements of various industries, delivering exceptional results.

Insights from Our Chairman



Our focus on adding new facilities, incorporating new product lines, and implementing process improvements and technology upgrades further strengthens our competitive position and supports future growth initiatives.



Dear Shareholders,

It gives me immense pleasure to address all of you and provide a review of the year's performance and our progress.

Embracing a Holistic Approach: Culture, Nature, Future

The theme for this year, 'Culture, Nature, Future,' encapsulates the Company's holistic approach to growth and sustainability. We prioritise fostering a culture of collaboration, respect, and

continuous learning, ensuring each team member feels valued and inspired. Succession planning is central to our focus on driving growth, with leadership transitions marking crucial milestones. Amidst this trajectory, we remain dedicated to exploring new ideas and expanding our business. As we focus on driving the Company's growth in the coming years, succession planning takes centre stage to ensure seamless transitions in leadership. Passing the baton of the Company's leadership to a new team marks a crucial step



in our journey. 'Nature' highlights our commitment to environmental stewardship, minimising our ecological footprint through sustainable practices. 'Future' reflects our forward-looking approach to innovation and impact, embracing emerging trends and technologies to shape a brighter future for all stakeholders.

Global Resilience: Navigating Macroeconomic Challenges

The global economy has shown remarkable resilience despite facing several challenges, including the Israel-Hamas war and the Red Sea Crisis. Despite these challenges, the global economy remained stable with a growth rate of 3.2% in CY 2023. It is forecasted to remain steady through CY 2024 and CY 2025 according to IMF. In 2023-24, India's economy grew impressively at 8.2% according to PIB, marking the third consecutive year of surpassing the 7% mark. This growth is attributed to the Indian Government's efforts to rejuvenate both the physical and digital infrastructure to strengthen connectivity, boost the manufacturing sector's competitiveness, and promote exports.

2023-24 Performance: Thriving Amid Adversity

Despite challenges like geopolitical tensions, fluctuating freight charges, and container availability issues, the Company has maintained its upward trajectory. Leveraging our global presence, we have adeptly responded to evolving customer demands while keeping capacities engaged throughout the year.

Despite a challenging year, we remain steadfast in our commitment to growth

and resilience. Our revenue from operations stood at ₹ 2,123 crores and EBITDA stood at ₹ 534 crores, we maintained a strong EBITDA margin of 25.2%. Our Profit After Tax (PAT) stood at ₹ 411.9 crores, while our Return on Capital Employed and Return on Net Worth stood at 24.74% and 21.44% respectively. These results highlight our ability to adapt and sustain profitability in tough market conditions.

Moreover, our focus on adding new facilities, incorporating new product lines, and implementing process improvements and technology upgrades further strengthens our competitive position and supports future growth initiatives.

Valuing Our People: Our Greatest Asset

Our employees are not just stakeholders but our most valuable assets. Despite facing tough and challenging conditions, they have consistently contributed significantly to our progress. We remain committed to providing them with comprehensive health and insurance benefits and other amenities. Moreover, we prioritise job security to instill confidence among our workforce. Recognising our responsibility towards these foundational aspects, we continuously strive to strengthen our reputation as an employer of choice, dedicated to the well-being of our employees.

Championing Sustainability: Our Commitment to ESG

Environmental, Social, and Governance (ESG) practices are deeply ingrained in our corporate culture and operational framework. We have implemented various initiatives to reduce our carbon

footprint and advance sustainability across our operations. By prioritising sustainability, we have minimised our environmental impact and operational efficiency improvements.

While sustainability is integral to our business ethos, we indirectly support our clients in achieving their ESG goals with solutions that align with their sustainability initiatives. This approach benefits the environment and enhances our overall value to our clients, fostering long-term partnerships based on shared environmental values.

Closing Remarks: A Vision for the Future

As we reflect on our journey and the achievements we have made together, I extend my deepest gratitude to our dedicated team, whose commitment and hard work have driven our success. I also want to express appreciation to our valued stakeholders for their continued support and trust in our vision. Looking ahead, we remain resolute in our pursuit of excellence, innovation, and sustainable growth. Together, let's embrace the opportunities that lie ahead and continue to make a positive impact in our industry and beyond. Thank you for being a part of our journey.

Best Wishes

Mukesh Shah

Chairman

From the MD's Desk



We are poised to not only meet but exceed the expectations of our stakeholders while contributing to a more sustainable future through innovation and responsible practices.



Dear Shareholders,

It is with great pleasure and a sense of responsibility that I address you all for the first time as the Managing Director. As we look back on the past year and chart our course for the future, I extend my sincere gratitude for your continued support and commitment.

Specialty Chemical Industry: A Growing Force

According to Grand View Research, the global specialty chemicals

market, valued at US\$ 641.5 billion in 2023, is anticipated to advance at a CAGR of 5.2% from 2024 to 2030. This impressive growth is largely driven by the increasing demand for pharmaceuticals, food and feed additives, and flavours and fragrances, among other sectors. This positive trend reflects the critical role that specialty chemicals play in various industries and underscores the exciting opportunities that lie ahead for our business.

The Indian specialty chemicals industry

has experienced significant growth in recent years, solidifying its position as a key player in the country's chemicals and petrochemicals market. Record levels of investment in capital expenditure and strong revenues emphasise this growth, fuelled by robust demand from global clients seeking alternatives to China and a rise in domestic consumption. India's attractiveness as a manufacturing hub is further strengthened by factors such as low-cost operations, skilled labour,



and favourable government policies. With investments in R&D, operational scaling, and efficiency measures, India is poised to expand its global market share. It is set to emerge as a compelling alternative hub for specialty chemical manufacturing, attracting numerous global manufacturers looking to diversify their production capacities.

Specialty Performance Additives: Driving Sustainable Solutions

At Fine Organics, we remain committed to the specialty performance additives business, recognising the tremendous potential of oleochemistry. We are determined to explore new avenues and expand our product range, using raw materials plant sources and highly automated facilities that ensure quality consistency at global benchmark levels.

Our goal is to continue expanding within this sector, leveraging our technical expertise and commercial experience. To strengthen our global presence, we actively explore acquisitions and new opportunities. We are confident that these strategic initiatives will enable us to reach greater heights and deliver sustained value to our shareholders.

Strategic Expansion: Enhancing Global Footprint

We have incorporated a wholly owned subsidiary of the Company in Maharashtra, named Fine Organic Industries (SEZ) Private Limited. This subsidiary is in process of acquiring a strategic parcel of land at the JNPA in Mumbai for a greenfield expansion project. This expansion marks a pivotal moment for our future growth, as it will enable us to enhance our global footprint by exporting our products manufactured at this new facility.

This expansion seamlessly integrates with our overarching international strategy, epitomised by our joint venture, Fine Organic Industries (Thailand) Co. Limited which focusses on manufacturing, exporting, and distributing specialty additives.

R&D Facility: Driving Innovation and Efficiency

The recent relocation of our R&D facility from Mahape to Dombivli in Maharashtra marks a pivotal move aimed at bolstering our operational efficiency and advancing our capabilities. Equipped with cutting-edge technology, our new R&D hub is spearheaded by seasoned scientists and researchers, underscoring our commitment to excellence in innovation and developing cutting-edge solutions.

Our focus is on exploring new end-use opportunities with oleochemical-derived green additives. It plays a crucial role in developing a diverse range of additives across industries including food emulsifiers, cosmetics, coatings, polymers, rubbers, and animal feed nutrition, among others. By leveraging our robust R&D infrastructure, we are actively engaged in rigorous trials to introduce novel products that meet the dynamic demands of our customers globally.

This strategic shift underscores our dedication to sustainability and pioneering solutions, reinforcing our position as an industry leader. We are poised to not only meet but exceed the expectations of our stakeholders while contributing to a more sustainable future through innovation and responsible practices.

Recognitions: Celebrating Excellence

Fine Organics, a leading player in the specialty chemicals industry, has been honoured with the prestigious recognition of being named Forbes Best Under 200. This accolade highlights the Company's outstanding performance and excellence within the specialty chemical sector. We have demonstrated our ability to compete and excel alongside other notable businesses, further solidifying our reputation as a top performer in the industry.

Closing Note: A Promise for the Future

As I draw this letter to a close, I sincerely thank each of you for your continued support and confidence in our collective vision. It's been an honour to address you for the first time as Managing Director, and I am truly humbled by the opportunity to lead the Company forward.

As we embark on this journey together, I am inspired by the passion and dedication that permeates every facet of the Company. With your continued partnership and commitment, I am confident that we will navigate any challenges and seize countless opportunities on the horizon.

I am excited about the road ahead and the incredible possibilities that await us. Let us remain strong in our pursuit of excellence, innovation, and sustainable growth, always mindful of our responsibility to our stakeholders and the communities we serve.

Best Wishes

Jayen Shah

Managing Director

Understanding the Nature of our Operations and our FINE Landscape

At Fine Organics, we strategically align value creation within a dynamic operational landscape shaped by internal and external forces. Recognising key megatrends is pivotal for our enduring success. It guides us in identifying opportunities, managing risks, and making informed strategic decisions. Our commitment is to remain vigilant, leveraging strengths to drive growth and prosperity in the forthcoming year while enhancing our impact on key megatrends.



Indian Economic Ascendancy: A Growth Trajectory Amid Global Uncertainties

The Indian economy continues to maintain its growth trajectory, despite global economic uncertainties. In 2023-24, India's economy grew impressively at 8.2%, surpassing previous forecasts (Source: PIB). This can be attributed to several factors including a rebound in private consumption, increased investment activity, and recovery in exports. Moreover, India has cemented its position as the world's third-largest economy, trailing only the USA and the UK. It has surpassed Hong Kong in claiming the fourth spot in global stock markets.

Riding the Wave of Growth

Growing Consumer Base

With continuous R&D efforts and a keen understanding of diverse industry needs, we successfully cater to customers worldwide. The expanding global population further fuels the demand for our products, driving the Company's growth on a global scale.

High Focus on Sustainability

At Fine Organics, we don't just talk about sustainability, we live it. We actively work towards replacing traditional synthetic chemicals with environment-friendly additives. Our dedication to sustainable practices aligns with market demands, and the increasing emphasis on sustainability serves as a positive indicator for the Company's growth trajectory.



Industry Insights: The Upward Trajectory of the Global Specialty Chemicals Market

The global specialty chemicals market size was valued at US\$ 641.5 billion in 2023 at a CAGR of 5.2% from 2024 to 2030. This growth can be attributed to the growing demand for pharmaceuticals, food and feed additives, and flavours and fragrances, among others.

(Source: <https://www.grandviewresearch.com/industry-analysis/specialty-chemicals-market#:~:text=Specialty%20Chemicals%20Market%20Size%20%26%20Trends,5.2%25%20from%202024%20to%202030>)

The oleochemicals market also presents a significant growth opportunity. Sourced from sustainable origins such as vegetable oils and animal fats, oleochemicals offer eco-friendly substitutes for synthetic chemicals. Their versatile applications span diverse industries, including food and beverages, feed nutrition, plastics and polymers, cosmetics, pharmaceuticals, rubber, and coatings.

At Fine Organics, we aspire to emerge as a premier provider of specialty performance additives, strategically positioned to meet the escalating market demand. This positions us at the forefront of an immense growth potential within the dynamic specialty chemicals sector.



Unveiling the Growth Catalysts and Factors Driving Industry Expansion



Food Additives

End-User Applications

- » Bakery Products
- » Confectionery
- » Biscuits
- » Oil and fats
- » Dairy products
- » Beverages

Growth Drivers

- » Increased consumption of packaged foods
- » Increased number of end-user applications
- » People moving towards a busy lifestyle
- » Changing food habits



Polymer Additives

End-User Applications

- » Packaging films
- » Bottle caps
- » Wires and cables
- » Furniture
- » Automobiles
- » Pipes and fittings
- » Biodegradable plastics
- » Recycling

Growth Drivers

- » Replacing the use of conventional plastics
- » Recycling of plastics
- » Increased use of bioplastics
- » Increased use of plastic as a substitute of other materials
- » Demand for green polymer additives
- » Development of performance polymer additives
- » Increasing urbanisation and replacement of metal and wood
- » Increased use of package materials



CosPha

End-User Applications

- » Creams, lotions
- » Skincare
- » Hair care
- » Cleanser
- » Home care
- » Ointments

Growth Drivers

- » Growth in Tier II and III cities
- » Increased demand for men's cosmetics
- » Growing demand for cosmetics, personal care and home care products



Coating and Specialities

End-User Applications

- » Automotive lubricants
- » Roads and highway
- » Printing inks and Coatings for metal, papers etc
- » Other specialty applications

Growth Drivers

- » Increase in infra-projects
- » Growth in automobile sales
- » Increasing usage in industrial protective coating
- » Growing e-commerce
- » Increased demand for paint protecting coating
- » Growth in niche products
- » Increased use of specialty papers



Feed Nutrition Additives

End-User Applications

- » Poultry feeds
- » Cattle feeds
- » Aquaculture

Growth Drivers

- » Growing health and safety awareness in the food processing industry
- » Increased demand for quality end products
- » Growing awareness about the healthy products

Creating FINE Values through Strategic Practices

Capitals



Financial Capital

We are dedicated to creating value for all stakeholders, including employees, shareholders, governments, and communities, by effectively deploying capital throughout our operations.



Manufactured Capital

Our manufacturing facilities are strategically located near ports to ensure efficient global distribution and enhanced customer service.



Intellectual Capital

Investing in research and consumer insights is crucial for us. We utilise our R&D capabilities and proprietary technologies to develop innovative products that strengthen our brand.



Human Capital

We prioritise the well-being and development of our 850+ employees. We foster a customer-focussed and high-performance culture based on our core values.



Social Capital

Sustainability and reputation management are integral to our business model. We are committed to creating value for our community, business, labour, and government stakeholders in all regions where we operate.



Natural Capital

We prioritise the sustainable use of natural resources in our manufacturing processes. Our procurement strategies emphasise long-term sustainability and environmental impact mitigation.



Long-Term Value Creation for Stakeholders



Customers

At Fine Organics, we prioritise strong customer engagement, forging lasting relationships to deeply understand evolving needs. Our commitment involves delivering reliable solutions consistently refining offerings to align with dynamic market trends.



Suppliers

We prioritise partnering with reliable suppliers, emphasising mutual value, innovation, technology, and ethical behaviour. Open communication is key as we continually enhance our relationships, addressing any gaps for ongoing improvement



Employees

We advocate for transparent communication with our employees to boost productivity and promptly address conflicts. Cultivating a culture of unity and inclusivity within our team fosters a collective sense of fulfilment in achieving business objectives.



Investors and Shareholders

We prioritise transparent communication with our investors and shareholders. Our ethical relationships with banks, credit rating agencies, and investors ensure timely support and funding, enabling us to capitalise on superior investments.



Communities

We prioritise community engagement through open dialogue and positive relations. Our initiatives encompass environmental stewardship, supporting underserved populations. Projects focussed on improving local well-being, protecting ecosystems, and supporting livelihoods reflect our commitment. Additionally, we prioritise equal access to education and healthcare for those in need.



Government/Regulators

At Fine Organics, our collaboration with local authorities is key to prioritising policy and strategic issues. Our streamlined planning process enables the development of a strategy focussed on compliance, interpreting regulations, and ensuring uninterrupted operations.

Value Created

Financial Capital

We are committed to strengthening our financial stability and growth, facilitating strategic investments for future expansion and innovation, delivering returns to shareholders, fostering economic development, and enhancing community welfare.

Manufactured Capital

We focus on enhancing supply chain agility, optimising logistics, and strengthening global competitiveness by enabling a quick response to market demands.

Intellectual Capital

We drive innovation, develop cutting-edge products, enhance competitive advantage through quality improvement, and build a strong brand reputation.

Human Capital

We are dedicated to creating a motivated, well-trained, and skilled workforce, promoting employee well-being, fostering a culture of excellence, and enhancing productivity.

Social Capital

We make a positive impact through our CSR initiatives, which encompass education, healthcare, and women's empowerment, fostering trust and loyalty among stakeholders. These efforts ensure the long-term viability of our business through sustainable practices. Additionally, our oleochemicals-derived additives and product solutions assist customers in achieving their sustainability goals and preparing for the future.

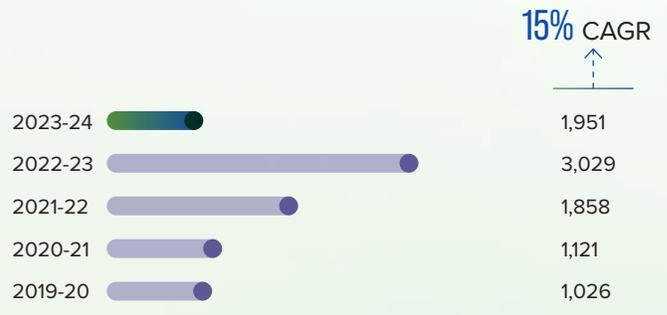
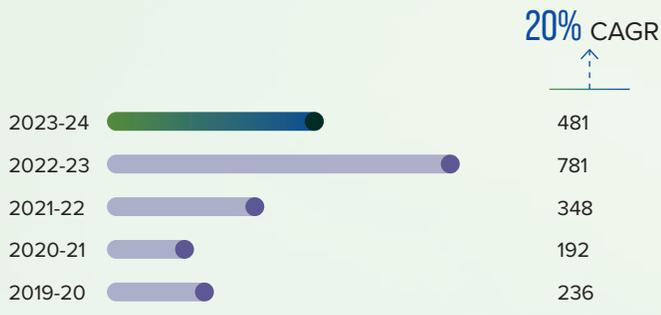
Natural Capital

We prioritise minimising environmental impact through our six Zero Liquid Discharge (ZLD) manufacturing units, which promote sustainability and conserve natural resources while ensuring regulatory compliance. Our commitment to environmentally friendly practices is further demonstrated by sourcing approximately 85% of our raw materials from renewable vegetable origins.

OUR FINANCIAL CAPITAL

Building a FINE Future through Robust Financial Growth

Companies need to review their financial performance to understand their finances, plan operations, and achieve their goals. At Fine Organics, we monitor any investment made in equipment or R&D. It is important to understand the utilisation of resources and lower unwanted expenses.


Revenue from Operations (Standalone) (₹ in crores)

EBITDA# (₹ in crores)

EBITDA Margin (%)

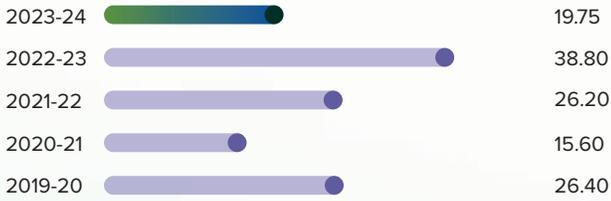
PAT* (₹ in crores)

PAT Margin (%)



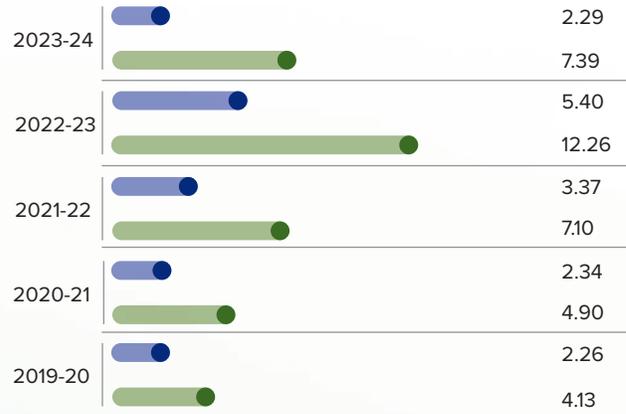

Return on Net Worth

(₹ in crores)



Fixed Asset Turnover

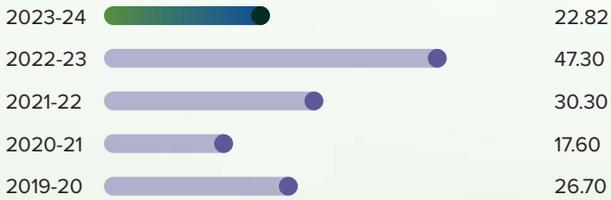
(X)



● Net ● Gross

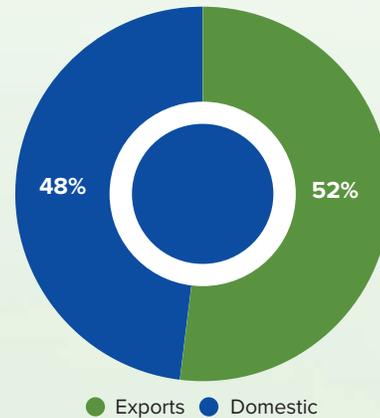
RoCE##

(%)



Revenue Distribution for 2023-24

(%)



Debt-Equity

(X)



EBITDA= Earnings before Interest, Tax, Depreciation, and Amortisation Less Other income

RoCE: Return on Capital Employed

* PAT: Profit after Tax

Return on Net Worth = Net Profit After Tax / Total Net Worth

Net Debt = Total Long-Term Debt + Short-Term Debt + Current

Maturities of Long-Term Debt – Cash and Bank Balances

Return on Capital Employed = EBIT (Excluding Other Income) / (Total Debt + Total Net worth)

Fixed Asset Turnover (Gross) = Net Revenue from Operations / Total Gross Block of Fixed Assets including Land

Fixed Asset Turnover (Net) = Net Revenue from Operations / Total Net Block of Fixed Assets including Land

Fostering Engagement for Sustainable Impact and Cultivating FINE Connections

We identify any individual, group, or institution with a direct or indirect impact on our operations or business chain as a key stakeholder. This includes customers, shareholders, suppliers, communities, government and regulatory authorities, and employees. The Company conducts regular mapping exercises to identify and engage with its stakeholders.

Stakeholder Group	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement
 <p>Customers</p>	Customer meets, online survey, emails, online grievance mechanism, video conference	Ongoing	Product information, feedback, grievances, product-related queries, regulatory compliances, price changes
 <p>Shareholders</p>	Press releases, emails, media releases, Annual General Meeting, stock exchange intimations, website uploads	Quarterly, Half-yearly, Annual, as required	Financial performance, key risks and mitigation, operational highlights, share price appreciation, dividend distribution



Stakeholder Group	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement
 <p>Suppliers</p>	<p>Events, emails, video conferences, meetings</p>	<p>Quarterly, annually, as required</p>	<p>Timely delivery, payment terms and conditions, quality and consistency of goods procured</p>
 <p>Communities</p>	<p>Partnership with local charities, community visits</p>	<p>Ongoing</p>	<p>CSR activities, community complaints, awareness programmes, community development</p>
 <p>Government and Regulatory Authorities</p>	<p>Annual Report, regulatory filings, facility inspections, one-on-one meetings</p>	<p>Annual and periodic</p>	<p>Compliance and good governance practices</p>
 <p>Employees</p>	<p>One-to-one interactions, emails, senior management meet, internal communication platforms</p>	<p>Ongoing</p>	<p>Career development, salary and benefits, work ethics, policy communication, team building</p>

Crafting the Future with Innovation and Excellence

At Fine Organics, our R&D capabilities are integral to our intellectual capital, forming a foundation of our innovation efforts. This empowers us to comprehend market dynamics and anticipate future product needs, facilitating the creation of new and advanced solutions for various applications.





We focus on oleochemistry and provide sustainable additive solutions across various industries. Our expertise allows us to offer flexible, customised solutions for different materials, leveraging geography and diverse natural resources to create adaptable and sustainable formulations.

With state-of-the-art equipment and under the guidance of experienced scientists and technicians, we prioritise innovation and quality. Our latest achievement is establishing an R&D plant in Dombivli, Maharashtra.

Our investments in R&D team position us one step ahead of competitors. The synergy of R&D capabilities and intellectual properties at Fine Organics reinforces our commitment to innovation and staying at the forefront of our industry.

In addition, our in-house engineering capabilities enable us to design and construct plants efficiently to suit processes developed by our R&D. This helps us minimise capital expenditures and accelerate commissioning timelines for swift operational deployment.

Path Forward

Pioneering New Products

Innovation is at the core of our operations. A relentless pursuit of excellence drives our commitment to developing new products. This involves leveraging cutting-edge technology, industry insights, and a dedicated team to create solutions that meet evolving customer needs.

Elevating Process Technology

Continuous improvement is ingrained in our culture. We focus on enhancing process technology to ensure our efficiency, quality, consistency and sustainability in our operations. This boosts productivity and reinforces our commitment to delivering industry-leading solutions.

Venturing into New Markets

Market dynamics are ever-evolving, and we proactively embrace change. Our strategy involves exploring new markets to identify untapped opportunities. This expansion allows us to reach a broader audience and diversify our presence in various regions.

Scaling Up Capacities

We invest in expanding our production capacities to meet growing demand and ensure seamless supply chains. This strategic move positions us to cater to a larger customer base while maintaining the high standards that define our brand.

Our multifaceted approach encapsulates our dedication to innovation, efficiency, market exploration, and scalability. It is a holistic strategy aimed at ensuring that the Company remains a trailblazer in the industries we serve.

Paving the Way Forward with Manufacturing Expertise

Our dedication to manufacturing excellence is fundamental to value creation at Fine Organics. We strategically invest in state-of-the-art facilities to optimise production and operations, ensuring the delivery of premium additives to meet global demand.

We prioritise environmental responsibility, integrating green technology and sustainable practices into our manufacturing processes from inception. Utilising cutting-edge technologies, our in-house process design system automates operations to achieve maximum efficiency. Our automated processes, from raw material handling to product packaging, facilitate the efficient delivery of high-quality products cost-effectively and timely. This automation guarantees product consistency, leading to increased customer satisfaction.

Plant Locations

Dombivli | Badlapur | Ambernath | Patalganga





Shining the Spotlight on Our Sustainability Efforts

Amidst escalating climate change and socio-economic challenges, embracing ESG imperatives has emerged as a critical business directive for us. In alignment with this ethos, we have embedded ESG principles into our corporate strategy, anchoring our approach with defined objectives and a comprehensive governance framework to enact substantial positive change on a broad scale.





SDGs Impacted



Putting Our Green Commitment into Action

Environment

Our commitment to environmental responsibility is woven into every aspect of our operations. We prioritise eco-friendly, plant-based raw materials for majority of our products. This ensures that they are natural, renewable, and classified as 'Green Additives' across various applications.

We are committed to environmental sustainability, implementing the Reduce, Reuse, and Recycle (3R) approach across all production facilities to conserve natural resources. This includes reducing resource consumption, minimising waste production, and fostering sustainability. Our water conservation efforts involve reducing daily water usage, upskilling staff, and monitoring water consumption. The process effluent quantities are minimum, and whatever effluent gets generated at facility undergo treatment in the Effluent Treatment Plant



(ETP). Out of the total of seven manufacturing facilities, six facilities have already implemented Zero Liquid Discharge (ZLD) and the treated effluent is subsequently recycled as makeup water for cooling towers or other utility needs. The ZLDs consist of primary, secondary and tertiary treatment and followed by the Agitated Thin Film Dryer (ATFD). The only exception is an old small-scale manufacturing unit located in Badlapur, which currently discharges treated effluent into CETP for further disposal.

Domestic effluents or sewage undergoes treatment in the dedicated Sewage Treatment Plant (STP). The STP consists of primary, secondary and tertiary treatment followed by UV treatment. Treated domestic effluent is utilised for gardening purposes. Bio sludge generated during the treatment process is utilised as manure. In the case of smaller units, sewage is collected in septic tanks and subsequently directed to soak pits.

We prioritise energy efficiency, utilising variable frequency drives (VFDs) and energy efficient LED lighting, alongside integrating solar energy through 'sky pipes' for indoor lighting. Transitioning from furnace oil to natural gas has reduced CO₂ emissions and eliminated SO₂ levels, contributing to cleaner production facilities. Afforestation efforts have seen the planting of numerous trees, aiding carbon sequestration and improving environmental well-being.

To address plastic waste, we have implemented measures to reduce plastic packaging and responsibly manage plastic waste through implementation of EPR guidelines & compliances. Employees are encouraged to minimise plastic usage, and collected plastic waste is sent to authorised recyclers. These practices reflect our holistic commitment to environmental stewardship, aligning our operations with responsible and eco-conscious principles.

For further information, please refer to Principle 2 and Principle 6 of BRSR.

Nurturing Our Greatest Asset: People

Our organisational culture is centred around fostering respect, collaboration, and growth among employees, inspiring them to align their values with the Company's goals. We invest in the development and well-being of our workforce, through continuous training, maintaining a positive work environment, and providing occupational health services. We also prioritise talent acquisition and retention, supported by industry-leading recruitment consultants and continuous learning opportunities. Additionally, we also offer employee perks such as health coverage, carpooling facilities, and equal remuneration practices.

Learning and development are integral to our people strategy, with training programmes covering technology, skill-building, team-building, communication, and safety. We prioritise employee health and safety through diverse training programmes, maintaining a zero-incident philosophy. Our workforce allocation practices reflect our commitment to diversity and inclusion, valuing qualifications, competency, knowledge, abilities, attitude, and experience.

We uphold human rights, preventing discrimination, child labour, and sexual harassment, providing equal employment opportunities. The Company treats all employees and business partners with respect and dignity, fostering a harmonious work environment and upholding individual rights.



For further information, please refer to Principle 3 and Principle 5 of BRSR.

Community Impact: CSR Initiatives

Making a Positive Impact through Our CSR Programmes

Sustainable growth is a collective endeavour, where one's progress must contribute positively to the entire ecosystem. CSR is crucial for achieving this, and at Fine Organics, we are committed to impactful initiatives across various domains.

Education

Education is a fundamental right of every child, and we believe in its power to transform lives, addressing issues such as poverty, equality, and access to opportunities. We actively collaborate with educational societies across India, striving to provide quality education and create a lasting impact on the future of many.





Healthcare

Comprehensive healthcare is essential for the overall well-being of individuals and communities. We are dedicated to creating a positive impact on public health by collaborating with various NGOs across India. Our healthcare initiatives aim to bridge the gap in access to basic healthcare facilities, ensuring that those in need receive essential medical support. Through these efforts, we are committed to promoting community well-being and contributing to the broader goal of enhancing public healthcare.



Women Empowerment

Empowering women is synonymous with creating equal opportunities. We support various welfare institutions across India that focus on empowering women. These initiatives include training programmes aimed at fostering financial independence, and enabling women to make decisions and take control of their lives.

In alignment with our commitment to sustainable growth, these initiatives underscore our belief in contributing meaningfully to our communities, fostering a positive and lasting impact.



For further information, please refer to Principle 8 of BRSR.

Governance: A Pillar of Trust and Transparency

Prioritising regulatory compliance and transparent reporting is a foundational principle at Fine Organics. This approach adds value for regulators and plays a crucial role in promoting effective monitoring and adherence to relevant regulations. Our commitment to ethical conduct and compliance with standards goes beyond regulatory requirements; it actively contributes to the realisation of sustainable development goals. By aligning our practices with ethical and sustainable principles, we aim to positively impact both our industry and the broader global community.

Governance Framework

At Fine Organics, we maintain a well-structured governance framework that guides us in adhering to a comprehensive set of rules and regulations. This framework is designed to streamline the overall functioning of the Company, ensuring the accurate dissemination of information related to both financial and non-financial aspects.

Our Board of Directors and various committees and policies embody diversity and experience. These components collectively promote ethical behaviour and ensure compliance with relevant laws and regulations. The Board, consisting of both executive and non-executive directors, brings a wide range of skills and expertise to enhance the overall effectiveness of the organisation.



Policies

Adhering to the highest standards of ethical conduct and integrity is a fundamental principle at the Company, playing a major role in shaping our corporate culture. Our comprehensive set of policies spans various crucial areas, including CSR, code of conduct, whistle-blower policy, sexual harassment policy, fair disclosure code, etc.

The robust foundation of strong corporate governance and policies not only reinforces the Company's potential but also establishes it as a promising, trustworthy, and value-driven entity for our stakeholders. By implementing these policies, we strive to ensure that our operations are ethical and compliant and sustainable in the long term.

Some supporting policies adopted by Fine Organics that add value to the Company:

- » Archival Policy
- » Code of Conduct for Board of Directors and Senior Management Personnel
- » Corporate Social Responsibility Policy
- » Determination of Materiality Policy
- » Diversity of Board of Directors Policy
- » Dividend Distribution Policy
- » Materiality of Related Party Transactions Policy
- » Nomination and Remuneration Policy
- » Policy for Determining Material Subsidiaries
- » Sexual Harassment Policy
- » Whistle Blower Policy



Leveraging Sustainable Growth through Expertise of Our FINEst Minds

Our Board of Directors is dedicated to upholding the highest standards of corporate governance, transparency, and accountability. Through their stewardship, they ensure that the Company remains focussed on its mission, vision, and long-term objectives.



Mr. Mukesh Shah
Chairman & Director

- » Joined in 1973, holds a bachelor's degree in science from University of Mumbai
- » Played a key role in establishing quality control, global sales and marketing



Mr. Jayen Shah
Managing Director

- » Joined in 1986, holds a master's degree in science from University of Mumbai
- » Played an instrumental role in creating a strong vendor-partner network
- » Played a key role in developing and managing channel partners for the organisation's products in India



Mr. Tushar Shah
Executive Director & CEO

- » Joined in 1989, and led several initiatives, such as ERP, CRM, and logistics
- » Played a key role in the development of the first-automated additive manufacturing facility



Mr. Bimal Shah
Executive Director

- » Joined in 2009, holds a bachelor's degree in science from Purdue University, and a master's degree from Boston College
- » Led new projects, processes, and additional capacities



Mr. Nikhil Kamat
Executive Director

- » Joined in 1987, holds a master's degree in biochemistry from University of Mumbai
- » Played a key role in operations, productions, planning, handling technical, environmental and regulatory tasks



Mr. Prakash Apte
Independent Director

- » On board since November 2017, holds a bachelor's degree in Mechanical Engineering from University of Pune and a diploma in business management from University of Mumbai
- » Previously served as the Managing Director of Syngenta India



Mr. Mahesh Sarda
Independent Director

- » On Board since November 2017, holds a bachelor's degree in commerce from University of Mumbai and a degree in law from Saurashtra University
- » A qualified Chartered Accountant and Company Secretary
- » Previously served as a Partner at Deloitte Haskins & Sells LLP



Mr. Thiruvengadam Parthasarathi
Independent Director

- » On board since November 2017, holds a BTech Degree in Chemical Engineering from IIT, Madras and a post graduate diploma in industrial engineering and fellow member of the Institute of Cost Accountants of India
- » Previously served as a Senior Director at Deloitte Touche Tohmatsu India Private Limited



Ms. Pratima Umarji
Independent Director

- » On board since November 2017, holds a bachelor's degree in Law and Economics from the University of Mumbai
- » Previously held the position of Principal Secretary Law (Legislation) with the Government of Maharashtra
- » Ex-panel Member of the 'Lok Adalat,' Bombay High Court



Mr. Kaushik Shah
Independent Director

- » On board since January 2018, holds a bachelor's degree in commerce from University of Mumbai; qualified Chartered Accountant and Company Secretary
- » Previously served as the Managing Director of Fulford (India) Limited



Ms. Rashi Mehta
Independent Director

- » On board since February 2024, holds a Bachelor's Degree in Arts, and Law Graduate from University of Mumbai and Specialised course in Digital Protection – Intellectual Property Rights from George Washington University
- » Currently, Partner at Universal Legal

Board's Demography

5

Number of Board Meetings

Board's Dependence

6

Number of Independent Directors

5

Number of Executive Directors



Corporate Information

Board of Directors

Mr. Mukesh Shah

Chairman & Whole-Time Director

Mr. Jayen Shah

Managing Director

Mr. Tushar Shah

Whole Time Director & Chief Executive Officer

Mr. Bimal Shah

Executive Director

Mr. Nikhil Kamat

Executive Director

Mr. Prakash Apte

Independent Director

Mr. Kaushik Shah

Independent Director

Mr. Mahesh Sarda

Independent Director

Mr. Thiruvengadam Parthasarathi

Independent Director

Ms. Pratima Umarji

Independent Director

Ms. Rashi Mehta

Independent Director (w.e.f. February 2, 2024)

Board Committees

Audit Committee

Mr. Mahesh Sarda, Chairman

Mr. Prakash Apte

Mr. Kaushik Shah

Mr. Thiruvengadam Parthasarathi

Mr. Jayen Shah

Mr. Tushar Shah

Nomination and Remuneration Committee

Mr. Thiruvengadam Parthasarathi,
Chairman

Ms. Pratima Umarji

Mr. Mahesh Sarda

Mr. Mukesh Shah

Corporate Social Responsibility Committee

Mr. Jayen Shah, Chairman

Mr. Prakash Apte

Mr. Kaushik Shah

Mr. Mukesh Shah

Mr. Tushar Shah

Stakeholders' Relationship Committee

Ms. Pratima Umarji, Chairperson

Mr. Prakash Apte

Mr. Kaushik Shah

Mr. Mukesh Shah

Mr. Jayen Shah

Mr. Tushar Shah

Risk Management Committee

Mr. Prakash Apte, Chairman

Mr. Thiruvengadam Parthasarathi

Mr. Jayen Shah

Mr. Nikhil Kamat

Ms. Sonali Bhadani

Executive Committee

Mr. Mukesh Shah, Chairman

Mr. Jayen Shah

Mr. Tushar Shah

Mr. Bimal Shah

Mr. Nikhil Kamat

Strategic Growth Committee

Mr. Mukesh Shah, Chairman

Mr. Jayen Shah

Mr. Tushar Shah

Mr. Thiruvengadam Parthasarathi

Mr. Prakash Apte

Chief Financial Officer

Ms. Sonali Bhadani

Company Secretary & Compliance Officer

Ms. Pooja Lohor

Auditors

B Y & Associates,

Chartered Accountants

Principal Bankers

Union Bank of India

Citibank, N.A

Registered Office

Fine House, Anandji Street,
Off M.G. Road, Ghatkopar East,
Mumbai 400077, Maharashtra, India

CIN: L24119MH2002PLC136003

Tel: +91 (22) 2102 5000

Email: investors@fineorganics.com

Web: www.fineorganics.com

Registrar and Transfer Agents

KFin Technologies Limited

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Nanakramguda, Serilingampally,
Hyderabad, Rangareddi – 500032,
Telangana

CIN: L72400TG2017PLC117649

Toll free number: 1-800-309-4001

Email: einward.ris@kfintech.com

Website: https://ris.kfintech.com

Management Discussion and Analysis

GLOBAL ECONOMY

In 2023, the global economy demonstrated remarkable resilience, recovering from the prolonged impact of the COVID-19 pandemic despite ongoing geopolitical tensions and challenges related to the cost of living. While inflation reached its peak in 2022, it is now receding more rapidly than initially anticipated, leading to a less severe impact on employment and economic activity. This encouraging trend is credited to favourable supply-side advancements and proactive measures implemented by central banks to stabilise inflation expectations.

The forecast for global GDP growth predicts stability at 3.1% in 2024, with a slight increase to 3.2% in 2025. Led by solid growth in mainland China and India, Asia-Pacific's real GDP is forecast to pick up from 3.2% to 4.1% in 2023 and 4.6% in 2024, accounting for about 60% of global growth. This resilience is attributed to stronger-than-expected performance in the United States and several major emerging market economies, as well as ongoing fiscal stimulus in China. However, these projections fall below the historical average of 3.8% (2000-2019) due to factors such as high central bank rates, reduced fiscal support amid significant debt burdens, and sluggish productivity growth. Inflationary pressures are easing across regions due to the resolution of supply-side constraints and tighter monetary policies. Global headline inflation is projected to decrease from 6.8% in 2023 to 5.8% in 2024 and further to 4.4% in 2025.

(Source: <https://www.cnbc.com/2024/04/16/imf-upgrades-global-growth-forecast-as-economy-proves-surprisingly-resilient-despite-downside-risks.html>)

Outlook

In 2024-25, the global economy has a more precarious path to cover. Despite headwinds from tighter monetary policies, reduced government stimulus, and sluggish productivity, growth is projected to reach a modest 3.1% and 3.2% in 2024 and 2025, respectively. The inflation is expected to cool off at 5.8% in 2024 and 4.4% in 2025, which calls for policymakers to exercise caution in managing its descent to prevent impeding growth. Faster disinflation and China's recovery present an optimistic outlook, while geopolitical tensions and persistent inflation pose downside risks. Long-term growth, especially in emerging markets, hinges on structural reforms aimed at boosting productivity and ensuring debt sustainability.

(Source: <https://mediacenter.imf.org/news/imf-world-economic-outlook-january-update/s/23d478e1-994f-41c4-b428-879d0e0e68ef>)

INDIAN ECONOMY

India's economy continues on a robust growth trajectory despite global uncertainties, achieving an 8.2% growth rate during 2023-24, according to the PIB. This growth is driven by increased public sector investment and a strong financial sector. This growth is driven by strong domestic demand for consumption and investment, along with the government's continued emphasis on capital expenditure. The industry and service sectors were the primary growth drivers in the first half of the financial year, with India registering the highest growth among major advanced and emerging market economies during 2023-24. The economy is expected to become the third-largest in 2027 in US\$ at the market exchange rate, with its contribution to global growth rising by 200 basis points in 5 years.

India's robust economic growth can be attributed to the government's focussed economic policies aimed at revitalising the country's growth potential. The manufacturing, services, and agriculture sectors have all played significant roles in driving India's GDP growth. Notably, the manufacturing sector has seen remarkable expansion, contributing approximately 17% to the GDP. With ambitious projections of a 21% growth trajectory over the next 6-7 years, manufacturing stands as a pivotal driver of economic advancement. This success is further strengthened by transformative initiatives such as the PM GatiShakti initiative, the National Logistics Policy, and the Production Linked Incentive (PLI) scheme.

The service sector, representing the largest segment of India's economy, has demonstrated remarkable growth, with Gross Value Added (GVA) at current prices estimated at ₹ 146.35 lakh crores in 2023-24. Comprising 54.86% of India's total GVA of ₹ 266.78 lakh crores this sector's expansion is fueled by factors such as the increasing number of educated and skilled workers, the burgeoning middle-class population, and the burgeoning digital economy.

In agriculture and allied sectors, the growth rate of GVA has shown a notable increase from 2.10% in 2018-19 to 3.96% in 2022-23. Government policies, reforms, developmental programmes, and schemes have aimed at improving agricultural growth prospects and farmer incomes. These efforts have yielded tangible results, with the GVA of the agriculture and allied sector registering an average annual growth rate of 4% over the past five years.

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2001124>, <https://prsindia.org/budgets/parliament/demand-for-grants-2023-24-analysis-agriculture-and-farmers-welfare#:~:text=The%20Ministry%20has%20been%20allocated.of%20the%20total%20Union%20Budget.>)



Management Discussion and Analysis (Contd.)

Outlook

India's growth outlook remains optimistic and promising, with ambitious targets set to propel the nation towards economic milestones. Aspiring to become a US\$ 7 trillion economy by 2030, India is poised to reach the significant milestone of a US\$ 5 trillion economy within the next three years, making it the third-largest economy globally. This trajectory is driven by the stability and robustness of domestic demand, along with the expansion of private consumption and investments, underpinned by ongoing structural reforms. With a firm commitment to transformation, India not only focusses on economic growth but also aims to transition into a developed country by 2047. These ambitious goals, coupled with sustained efforts to enhance competitiveness and foster innovation, pave the way for continued growth and prosperity on India's journey to becoming a global economic powerhouse.

(Source: <https://www.crisil.com/en/home/events/india-outlook.html>)

INDUSTRY OVERVIEW

Specialty Chemicals

Globally, the specialty chemicals industry has emerged as a vital segment within the chemical sector, experiencing substantial growth and significance. The growth is driven by factors, including the rising demand for sustainable specialty chemicals, high-performance materials, and downstream value-added opportunities. Moreover, the increasing per capita disposable income and shifts in consumer preferences have led to an improvement in demand for end-user industries like agrochemicals and home/personal care products. Furthermore, this has led to rising demand for specialty chemicals.

In 2023, the chemical industry encountered challenges like global inflation, oil price volatility, and geopolitical tensions, posing potential headwinds for Companies.

To add to this, the Red Sea crisis significantly impacted the industry, particularly in Europe, disrupting raw material supply chains and leading to increased freight surcharges

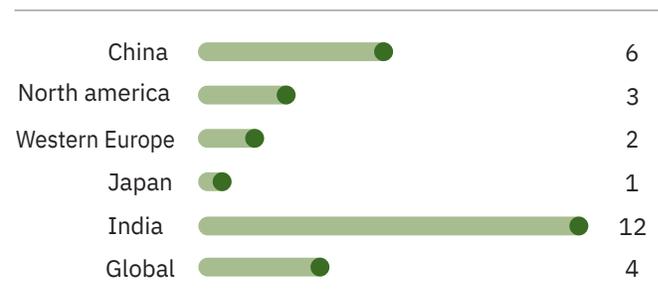
and increased lead time. Despite these challenges, the industry is adapting by diversifying sourcing channels, optimising inventory management, and exploring alternative transportation routes. While the initial impact was substantial, proactive measures have mitigated some of the disruptions.

Today, the industry is positioned to lead the material transformation and combat climate change, with chemical producers playing a crucial role in addressing these pressing issues. The market is propelled by ongoing research and development efforts, facilitating the production of goods with optimal and sophisticated characteristics. In the global specialty chemicals market, the Asia-Pacific region takes the lead as the largest and fastest-growing, fuelled by rapid urbanisation, growing demand for application-specific chemical specialties, and increasing population growth led by India and China.

INDIAN SPECIALTY CHEMICALS MARKET

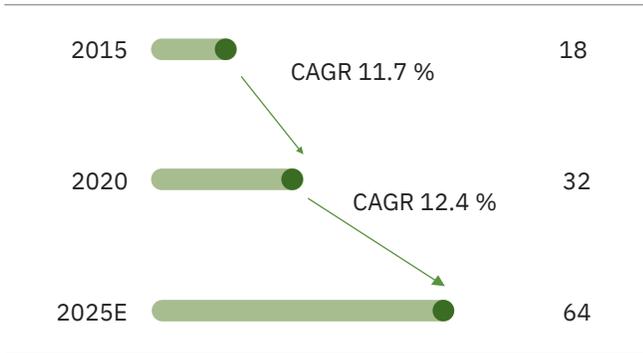
In recent years, the Indian specialty chemicals industry has undergone remarkable growth, solidifying its position as a pivotal player in the country's chemicals and petrochemicals market. This growth is characterised by record-high investments in capex and robust revenue, driven by strong demand from global clients.

Exhibit 1: Specialty chemicals market CAGR (%) among select regions (FY 2020-2025)



Management Discussion and Analysis (Contd.)

Exhibit 2: Indian specialty chemicals industry size (USD billion)



(Source: <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2022/11/Specialty-Chemicals-industry-India.pdf>)

The specialty chemicals industry is experiencing robust growth propelled by heightened demand across various end-user sectors worldwide, including textile, food processing, and personal care. This demand highlights the versatility and applicability of specialty chemicals across industries. India is poised to emerge as a compelling alternative hub for specialty chemical manufacturing, fuelled by reduced operational cost disparities with China and the implementation of the 'China plus one' strategy. Consequently, this strategic shift has enticed numerous global manufacturers to relocate their capacities to regions like India, enabling Indian Companies to produce specialty chemicals at a competitive cost and export them to major international markets, particularly the US and the European Union.

India's appeal as a manufacturing hub is reinforced by several factors. Firstly, its low-cost operations, abundant feedstock, skilled labour, favourable government policies and improved infrastructure create a conducive environment for industry growth. Additionally, its extensive coastline and navigable waterways facilitate efficient trade routes, while import substitution prospects further enhance its attractiveness. Moreover, the country's enhanced ease of doing business and a supportive macroeconomic environment continue to attract foreign specialty chemical manufacturers. With strategic investments in research and development, operational scaling, and efficiency measures, India is well-positioned to expand its global market share and gain a competitive edge in the specialty chemicals industry.

Oleochemicals

In 2023, the global oleochemicals market hit a significant milestone, reaching a valuation of US\$ 37.88 billion, marking a pivotal moment in its growth trajectory. Forecasts predict a steady ascent at a Compound Annual Growth Rate (CAGR) of 6.3%, projecting the market to soar from US\$ 40.37 billion in 2024 to US\$ 65.38 billion in 2030, underscoring its resilience and potential for further expansion. The market's momentum is driven by the rise in demand for sustainable alternatives to petroleum-based chemicals and the surge in the implementation of stringent regulations promoting sustainability. This shift is attributed to the increasing adoption of oleochemicals across a diverse range of end-use sectors. These sectors include industrial, personal care & cosmetics, and food processing.

Oleochemicals, sourced from natural and renewable origins like vegetable oils, offer a greener alternative for various industries, including personal care, cosmetics, food & beverages, plastics, lubricants, and biofuels. Their versatility allows them to replace petrochemical-based products in various applications, ranging from animal feed to surfactants and plasticisers. Whether as essential components in industrial processes or as key ingredients in personal care, oleochemicals significantly enhance product quality, sustainability, and performance. Moreover, their natural origin and environmentally friendly attributes resonate with the growing consumer preference for eco-conscious and sustainable solutions. As a result, oleochemicals are poised for sustained growth momentum, driven by shifting market dynamics and the continuous pursuit of innovation and sustainability across industries worldwide.

(Source: <https://www.fortunebusinessinsights.com/oleochemicals-market-106250>)

INDUSTRY SEGMENT

Food Additives

Food additives play an important role in preserving the freshness or enhance their colour, flavour, or texture. While the preservation of food dates back thousands of years, with ancient techniques using natural additives like salt, vinegar, and spices to extend shelf life and enhance flavour, recent years have witnessed significant advancements in the food additive industry. Particularly significant are the bio-synthesis methods for colourants and additives. Today, the use of food additives is integral to the production of numerous modern



Management Discussion and Analysis (Contd.)

products, including processed food, bakery, chocolate, and dairy products, and confectionary highlighting their indispensable role in contemporary food manufacturing.

Global Outlook

The food additives market size is projected to grow from an estimated US\$ 141 billion in 2024 to US\$ 167.88 billion by 2029, registering a CAGR of 3.55% during the forecast period (2024-2029). This growth is driven by several factors, including the increasing popularity of functional foods, the growth of the processed food industry, and the rising demand for convenience foods. Additionally, increased awareness of food safety standards and the desire for extended shelf life are contributing to the market's upward trajectory.

The Asia-Pacific region is poised to witness the fastest CAGR during the forecast period, attributed to the increasing awareness of healthy lifestyles and nutrition, coupled with rising per capita disposable income levels.

(Source: <https://www.mordorintelligence.com/industry-reports/global-food-additives-market-industry>)

India Outlook

The demand for processed food in India is witnessing a notable uptick, driven by shifting lifestyles and a growing inclination towards convenience among consumers. This trend is accompanied by a newfound openness to exploring new and unconventional flavours. Consequently, there has been a significant increase in the consumption of various packaged and processed foods, including cereals, and beverages like soft drinks, bakery items, and ready-to-eat meals. This surge in demand has propelled the sales of food additives in India, with the market reaching US\$ 26.34 billion in 2023 and anticipated to hit US\$ 28.77 billion in 2024. Moreover, projections indicate further growth, with the market expected to reach US\$ 42.15 billion by 2029. Despite a relatively low market concentration, the additives market is forecasted to expand at a CAGR of 6.5% during 2024-2029.

India's rich tapestry of cultures and regions gives rise to diverse food consumption patterns nationwide. This diversity underscores the need for a range of food additives to cater to varying culinary preferences, driving demand. Additionally, India's status as a top global milk producer has fostered a thriving dairy industry, further boosting the need for food emulsifiers.

(Source: <https://www.techsciresearch.com/news/338-india-food-additives-market-to-register-growth-at-over-12-cagr.html>, <https://www.mordorintelligence.com/industry-reports/india-food-additives-market>, Perry Hope Partners - 2023 Global Innovative Markets Forecast)

Factors Driving the Food Additives Industry

- Increasing demand for processed and convenience foods, driven by shifting consumer lifestyles, propels the food additives industry
- Growing awareness of food safety and a preference for natural or organic products also contribute to market growth
- Requiring superior food additives for food preservation, Asia, African and Middle Eastern countries, with hotter climates and rapid economic growth, face unique challenges
- Rising disposable incomes and urbanisation rates are fuelling an expansion in the food additives market
- Improving functionality and meeting consumer demands, advances in food science and technology lead to the development of new additives
- Rising demand for food additives in the hospitality sector, particularly in hotels and restaurants, is driven by trends in advanced nutrition and food preservation to prevent spoilage

Plastics and Packaging

Plastic additives are essential for modifying the properties of plastic products during compounding and processing, enhancing performance, durability, and protection from weather, UV light, and water damage. They also provide crucial characteristics like flame retardancy for safety. Advancements in the plastic industry focus on promoting a circular economy and addressing plastic waste challenges, with trends favouring bio-based raw materials and increased plastic recycling. In this context, plastic additives play a vital role in developing sustainable and eco-friendly plastic products.

(Source: https://plastics-rubber.basf.com/global/en/plastic_additives.html)

Management Discussion and Analysis (Contd.)

Global Outlook

The plastic additives market is undergoing significant growth, driven by various factors such as the expansion of the packaging industry, changing lifestyles, urbanisation trends, and increased plastic usage across different sectors. With a forecasted CAGR of 5.3% between 2023 and 2030, the market indicates sustained momentum. Moreover, the Asia-Pacific region dominated the market in 2023, holding a substantial share of 55%.

One of the primary drivers of this growth is the escalating demand for packaging solutions, both in industrial and household contexts. Plastic additives play a crucial role in enhancing the properties of plastics, rendering them vital across a spectrum of applications, including roofing, pipes, cables, safety gear, household products, and kitchenware.

The versatility of plastic additives finds application across multiple industries, including packaging, processing and polymers, rubbers, pipes, construction, automotive, consumer goods, textiles, agriculture, and the medical sector. Particularly, the automotive and construction industries are major consumers of plastic additives, leveraging their desirable qualities, such as increased impact strength, improved coupling, higher elongation, reduced brittleness, and enhanced plasticity.

In addition to conventional plastic additives, the market is witnessing a growing interest in bio-plastic, bio-degradable plastic, and compostable plastic additives. These eco-friendly alternatives align with the global push towards sustainability, offering biodegradable solutions that mitigate environmental impact and promote a circular economy.

(Source: <https://www.marketresearchfuture.com/reports/plastic-additives-market-1753><https://www.precedenceresearch.com/plastic-additives-market#:~:text=The%20global%20plastic%20additives%20market,expansion%20of%20the%20automotive%20sector.>)

India Outlook

India's consumption of plastic additives, including plasticisers, flame retardants fillers, and stabilisers, represents a significant statistics. These additives serve as pivotal ingredients in plastic production, essential for enhancing their longevity and safety. The Indian Plastic Additives Market was US\$ 58.056 billion in 2022 and is projected to register a CAGR of 5.44% from 2022 to 2028.

India's plastic industry is experiencing growth due to factors such as urbanisation, a growing middle class, strong economic growth, and efficient manufacturing centres. Plastic additives are witnessing high demand across various industries, including packaging, automotive, consumer goods, construction, electronics, agriculture. This surge in demand is primarily fuelled by the increased production of finished goods, such as wires, cables, pipes, packaging films, and auto parts, particularly within the Indian market.

Furthermore, the government has implemented strict regulations regarding the use of non-biodegradable plastics and is promoting the use of biodegradable plastics. This move is expected to increase demand for biodegradable plastics in the coming years, leading to a subsequent increase in demand for green additives in India.

(Source: <https://www.techsciresearch.com/report/india-plastic-additives-market/3803.html>)

Growth Drivers of Plastic Additives

- Increasing demand for plastic materials across industries and consumer goods
- Packaging industry drives growth in plastic additives demand
- Shifting consumer preferences towards eco-friendly plastic products, especially in food packaging
- Rising adoption of polymers for their unique properties
- Enhancing the durability, heat sensitivity, and strength of polymers & plastic additives play a crucial role in various industries

Cosmetics

Cosmetics encompass a wide range of products designed to cleanse, beautify, alter appearance, and maintain or enhance the condition of the skin or hair with minimal impact on the body. These products utilise various additives such as emollients, cosmetic emulsifiers, preservatives, fragrances, colorants, surfactants, water, vitamins, and antioxidants. These additives facilitate the manufacturing of cosmetics in diverse forms, including creams, gels, pastes, lotions, solutions, lipsticks, powders, and sprays. They play a crucial role in ensuring the long-term physical stability of products during transport and storage, while also preventing microbial contamination by inhibiting the growth of yeast and bacteria. Additionally, additives help maintain the freshness and safety of cosmetics for consumer usage. The cosmetics market comprises several primary product categories, including



Management Discussion and Analysis (Contd.)

skincare, haircare, makeup, perfumes, toiletries, oral cosmetics, and deodorants. Each category caters to specific consumer needs and preferences, contributing to the overall diversity and growth of the cosmetics industry.

(Source: <https://www.fortunebusinessinsights.com/cosmetics-market-102614>)

Global Outlook

The global cosmetic ingredients market is propelled by a growing awareness of beauty and personal care, evolving consumer lifestyles and trends, increased usage of cosmetics, and rising disposable incomes worldwide. Cosmetic ingredients find application in skincare, hair care, facial makeup, colour cosmetics, and fragrances.

Moreover, there's a global trend towards safer and more natural options in cosmetic chemicals. This shift is driven by consumer preferences for organic products and concerns about hazardous chemicals. Stringent government regulations aimed at limiting the use of harmful substances further influence the cosmetic chemical industry. Additionally, these regulations prioritise consumer safety by promoting the adoption of safer, organic alternatives and restricting the use of hazardous elements in cosmetic formulations.

(Source: <https://www.industryresearch.biz/>, <https://www.alliedmarketresearch.com/cosmetic-chemicals-market>)

India Outlook

India is one of the fastest-growing countries in Asia. The country's cosmetic ingredients market reached US\$ 87.4 billion in 2023 and is projected to record robust growth between 2025-29, registering a CAGR of 4.25%. In the Indian cosmetics ingredients market, there is a growing demand for high-quality ingredients, such as botanical extracts and advanced formulations, to cater to the increasing demand for premium skincare products. As income levels rise, consumers are more willing to invest in premium skincare products that offer superior quality and efficacy. The demand for premium products has paved the way for the introduction of innovative and high-end skincare brands in the Indian market.

The personal care ingredients industry, which encompasses essential components such as emollients, surfactants, emulsifiers, rheology modifiers, and conditioning polymers, has experienced a significant surge in demand. This growth can be attributed to several factors, including the rise in

disposable income among Indian consumers, changing consumer preferences towards organic and natural cosmetics, and the booming cosmetic industry in India.

Digitalisation has spurred online beauty retail, granting access to a wider array of products. As lifestyles evolve, consumers seek holistic beauty solutions, contributing to a paradigm shift in product choices.

(Source: <https://www.techsciresearch.com/report/india-personal-care-ingredients-market/1255.html>)

Growth Drivers in Cosmetics Additives

- Desire for self-care and grooming
- Increase in demand for skincare and haircare products
- Rise in consumer awareness
- Focus on improving ingredient texture
- Trends in men's and women's cosmetics
- Preference for natural products
- Importance of personal and feminine hygiene
- Impact of social media on product exposure

Coating Additives

Additives serve as essential raw materials in coatings, enhancing product quality, stability, and performance for various end-user applications. While the quantities used may be modest, their impact on functional improvement is significant. In the printing process, additives play a crucial role in enhancing the properties of printed surfaces, which may include materials like plastic, cardboard, paper, and metals. Coating additives find applications across diverse industries, including automotive, industrial, architectural, wood, and furniture sectors. In the automotive industry, these additives contribute to improving coatings' durability, corrosion resistance, and aesthetic appeal. Similarly, in the industrial and architectural sectors, they enhance substrate adhesion, impact resistance, viscosity control, and surface finish quality. Additionally, coating additives are integral to construction paints, where they play a vital role in improving substrate preparation, impact resistance, viscosity adjustment, and overall surface effectiveness.

(Source: https://www.coatingsworld.com/issues/2015-12-01/view_features/understanding-the-function-of-additives/)

Management Discussion and Analysis (Contd.)

Global Outlook

The coating additives market had a value of US\$ 11.12 billion in 2023 and is expected to hold a market share of US\$ 17.77 billion by 2033. The industry is anticipated to flourish at a healthy CAGR of 4.8% between 2023 and 2033. The Asia-Pacific region accounts for the largest market share and is primarily driven by rapid industrialisation, growing construction activities, and the expanding automotive sector. Meanwhile, the North American market thrives on a combination of technological advancements, a discerning consumer base, and stringent environmental regulations. The coatings additives market is set to grow due to rising demand from various industries, including construction, building, automotive, architecture, wood and furniture, among others. These additives are commonly used in the construction industry to improve viscosity and surface effectiveness.

(Source: <https://www.futuremarketinsights.com/reports/coating-additives-market>

<https://www.imarcgroup.com/coating-additives-market>)

Indian Outlook

The Indian coating additives market is a significant and rapidly growing segment within the global coating additives industry. India's market for coating additives is experiencing substantial growth, with the Indian coating additives market being identified as the fastest-growing market in the Asia-Pacific region. The market is being primarily driven by factors such as rapid urbanisation, infrastructure development, and a growing automotive sector in India. Additionally, the demand for advanced, environmentally friendly coatings and additives is on the rise in India, aligning with global trends towards sustainability and eco-friendly products. The growing emphasis on architectural coatings in India is contributing to the expansion of the coating additives market in the country.

(Source: <https://www.technavio.com/report/coating-additives-market-industry-analysis>)

Growth Drivers for Coating Additives

- Growing demand for consumer goods like paint boosts packaging sales
- Escalating production of paints and coatings in automotive, equipment manufacturing, and consumer durables drives demand for additives

- Rising demand for coating additives in the construction industry can significantly affect crop availability, consequently leading to price hikes in commodities. These price fluctuations may, in turn, influence farmers' decisions regarding the types and quantities of crops to plant. Ultimately, such shifts in agricultural practices can have implications for the cost of additives within the industry.

Business Overview

Fine Organic Industries Limited (referred to as 'Fine Organics or 'the Company') stands at the forefront of pioneering and innovating unique specialty additives tailored for a diverse range of industrial applications. These additives, spanning from plastics to packaging, foods, cosmetics, rubbers, feed nutrition, and coatings, play a pivotal role in enhancing everyday life.

The increasing demand for oleochemical-based additives underscores the significance of the Company's contributions to the market. The Company's eco-friendly additives have received acclaim for replacing potentially harmful chemicals across various industries, ensuring top-notch performance without compromising on safety. With growing environmental awareness among consumers, there is a notable shift towards 'green' and 'sustainable' products. Additionally, the Company leads this movement by providing environmentally friendly alternatives that meet stringent performance standards.

The Company's state-of-the-art production facilities located in Patalganga, Badlapur, and Ambarnath reflect its commitment to manufacturing excellence. Backed by a highly dedicated team of scientists and technicians operating within an innovative R&D centre, the Company is primed to deliver cutting-edge solutions tailored to the precise needs of its customers. The Company's approach not only emphasises technological prowess but also demonstrates a keen understanding of market demands. This is further bolstered by the Company's in-house manufacturing capabilities and robust design & engineering facilities, ensuring seamless integration from conception to execution.

Furthermore, the Company has established a wholly owned subsidiary Company named Fine Organic Industries (SEZ) Private Limited in India. This new subsidiary is formed with the intent of manufacturing specialty chemical products for exports, further strengthening the Company's presence and capabilities in the industry.



Management Discussion and Analysis (Contd.)

Food Additives

As a trailblazer in emulsifier manufacturing and marketing in India, the Company caters to the diverse needs of the food industry with its range of emulsifiers and functional additives. Expanding its product offerings, the Company now provides a comprehensive range of additives, including anti-fungal agents, bread improvers, beverage clouding agents, and other specialised blends. These additives not only uphold the quality of food products but also enhance their structure and extend their shelf life. The Company serves a wide-ranging customer base, including bakeries, ice cream manufacturers, dairy product manufacturers, confectionery manufacturers, and chewing gum manufacturers, ensuring its products cater to diverse culinary needs.

Polymer Additives

Leveraging the versatility of oleochemistry, the Company has nurtured a robust portfolio of additives tailored for various polymers, rubbers, and elastomers. These plastic additives deliver a spectrum of advantages lubricant additives alleviate surface friction between plastic film-to-film and film-to-metal interfaces, enhancing operational efficiency; antistatic additives aid in the dissipation of static charges, rendering plastics safer to handle; and anti-fog agents restore visibility by mitigating fog formation on plastic films. Moreover, through continuous innovation and expertise in oleochemistry, the Company pioneers solutions that optimise performance across diverse plastic applications.

Specialty Additives for Cosmetics

This product range serves cosmetic and pharmaceuticals (CosPha) applications, comprising functional additives

and base ingredients crucial for skincare and haircare formulations. These offerings are instrumental in crafting an array of products, including creams, gels, pastes, lotions, and ointments, each customised to meet diverse consumer needs. By providing essential components for formulation, the Company's products in CosPha empower manufacturers to create products with varied compositions, ensuring versatility and efficacy across skincare and haircare segments.

Feed Nutrition Additives

The Company's innovative range of feed additives is crafted to substitute hazardous antibiotics commonly administered to poultry, offering numerous commercial advantages. One key benefit of the Company's green supplements is their capability to boost antibiotic properties, while simultaneously reducing mortality rates. Additionally, these supplements improve fat digestibility and energy efficiency in poultry and cattle. Furthermore, the Company's additives elevate feed effectiveness and efficiency, imparting a myriad of technical benefits to end products, thereby enhancing safety and nutritional value.

STANDALONE FINANCIAL HIGHLIGHTS

Particulars	2023-24	2022-23	Change (%)
Revenue from Operations (₹ in lakhs)	1,95,114.29	3,02,914.62	(35.59%)
EBITDA (₹ in lakhs)	55,251.94	84,537.03	(34.64%)
EBITDA Margin (%)	28.32%	27.91%	1.47%
PAT (₹ in lakhs)	36,755.15	59,059.89	(37.77%)
PAT Margins (%)	18.83%	19.50%	(3.38%)

Key Ratios Variance	2023-24	2022-23	Variance (%)	Comments
Inventory Turnover (%) Net Credit Sales/Average Inventories	7.90	12.11	(34.75%)	The ratio has reduced mainly due to decrease in sales as compared to previous year.
Interest Coverage Ratio (%) (Earnings Before Interest and Taxes (-) Other Income/Finance Cost)	182.20	164.18	10.97%	The debt has been fully repaid during current financial year.
Current Ratio (%) (Current Assets/Current Liabilities)	8.67	5.50	57.62%	The Ratio has improved due to efficient usage of working capital and full repayment of debt.
Debt-Equity Ratio (%) (Total Debt/Shareholders Equity)	0.00	0.02	-	The debt has been fully repaid during current financial year.
Debtors' Turnover (%) (Net Sales/Average Accounts Receivables)	4.73	7.49	(36.88%)	The ratio has reduced mainly due to decrease in sales as compared to previous year.
Operating Profit Margin (%) (Profit before Interest and Taxes (-) Other Income/Net Sales)	21.74%	24.21%	(10.21%)	Reduction in sales and operating profit has impacted the ratio.
Net Profit Margin (%) (Net Profit after Taxes/Net Sales)	18.84%	19.50%	(3.38%)	-
Return on Net-Worth (Net Profit after Taxes/Average Shareholders Equity)	21.73%	47.62%	(54.37%)	Ratio has been reduced on account of reduction in net profit after tax of the Company as compared to previous year.

Management Discussion and Analysis (Contd.)

RISK MANAGEMENT

The Company acknowledges the multifaceted nature of its operations, recognising the myriad risk factors that could potentially affect its future operational and financial performance. Through its dedicated risk governance team, the Company diligently identifies and assesses these risks, devising strategic mitigation plans to minimise their impact and optimise business growth. With an integrated approach, the Company aims to enhance value for every customer by responsibly managing associated risks. The organisation's robust risk governance structure includes a Board-level Risk Management Committee chaired by an Independent Director, overseeing the review of risk management guidelines, frameworks, and recommended limits. Additionally, operating units manage risk at their respective levels, ensuring alignment with overarching risk management policies and systems, thereby safeguarding the Company's interests, while fostering sustainable growth.

Economic and Market Risk

The economic and market risks faced by the Company are intertwined with global economic conditions. The Company heavily relies on export customers and end-users spread across Europe, North and South America, the Middle East, Africa, Australia, and Asia. Economic downturns in these markets, coupled with disruptions in banking and financial systems, unfavourable government policies, rising inflation, reduced spending power and consumer confidence, and political uncertainties, pose significant challenges. Further complicating matters are the varying economic conditions across different countries. Collectively, these factors impact the Company's operations, potentially leading to credit market risks, diminished consumer and business confidence, fluctuating commodity prices, volatile exchange rates, and various other challenges.

Response

The Company regularly monitors the macro-environmental landscape, conducting thorough and timely assessments to safeguard business continuity. The Company's extensive product portfolio and global presence, combined with a diverse customer base, serve as effective measures to mitigate risks associated with specific sectors.

Increase in Freight Cost

The Red Sea crisis and potential geopolitical scenarios have further heightened concerns not only in terms of the security

of maritime trade routes, but also the impact on overall trade and ultimately leading to disruption in global commerce. The situation has highlighted the vulnerability of critical infrastructure in the value chain, such as shipping lanes and location of ports, to asymmetric threats. This crisis has led to longer transit times, un-announced changes in certain routes and thereby delays of 2 to 3 weeks or more, congestions and container availability issues. Route changes have become necessary to navigate around the affected area, adding further complexity to logistics operations and exacerbating existing challenges in the shipping industry.

Response

To mitigate these challenges, the Company has diversified transportation modes, optimised shipping routes, enhanced supply chain visibility, collaboration with stakeholders, and continuous monitoring of market conditions.

Competition Risks

The Company encounters substantial competition from numerous prominent players across all product lines and markets. Competitors may innovate and introduce superior products, potentially impacting the market's acceptance of the Company's offerings. These developments could have a negative influence on the Company's margins and profitability.

Response

Renowned for delivering best-in-class products, the Company is esteemed for its development of unique specialty additives that are both environmentally friendly and sustainable, serving a diverse range of everyday applications. The Company remains committed to innovation, continually striving to develop new products and investing in advanced technologies to facilitate the commercial production of its latest innovations.

Commodity Price Risk

Agricultural commodity prices are prone to substantial fluctuations, influenced by factors such as weather conditions, government policies, global demographic changes, and competition from substitute products. India, being a net importer of edible oils, relies on imports for around 70% of its consumption, including oils like palm, soybean, and sunflower. The volatility in commodity markets can significantly affect the profitability of businesses engaged in sourcing raw materials and selling finished products to various industries.



Management Discussion and Analysis (Contd.)

Response

The Company faces commodity price risk in its operations, although it does not currently partake in direct commodity hedging activities. However, the Company employs internal systems to monitor raw material prices derived from commodities to the fullest extent possible. Additionally, the Company mitigates commodity price risks by establishing long-term or short-term contracts with vendors and customers whenever feasible, thus enhancing stability in its operations.

Foreign Exchange Risks

The Company is exposed to foreign exchange risks stemming from its business activities, assets, and liabilities denominated in foreign currencies. Approximately 52% of the Company's revenue from operations is generated through export sales, with a significant portion invoiced in US\$ and Euro. Additionally, the Company imports goods, primarily raw materials, which account for around 31% of its total raw material procurement value, mostly denominated in US\$.

Response

To mitigate foreign currency exposure, the Company occasionally employs forward contracts as hedging instruments for both export and import transactions.

Human Resource Risk

The success of the Company hinges significantly on the dedication and expertise of its employees. Furthermore, the ability to sustain and appoint key personnel plays a pivotal role in shaping the Company's future performance. The departure of one or more key personnel, or a decrease in their level of involvement, could adversely affect the Company's business, financial health, and operational outcomes. Inadequate attraction and retention of skilled talent could further impede the Company's growth trajectory.

Response

The Company implements a robust remuneration strategy along with comprehensive incentives and recognition programmes to mitigate attrition risks. Additionally, regular employee training initiatives are conducted to ensure their skills remain current and aligned with evolving industry demands.

Regulatory Risks

The stringent regulatory standards govern various aspects, including food products, ingredients, food contact packaging materials, feed nutrition additives, and cosmetic substances.

These standards serve to safeguard consumers against health risks across all countries where the Company operates. Similarly, regulations extend to plastic additives used in manufacturing packaging materials for food and medical products. In addition to complying with Indian laws, rules, and regulations, the Company must adhere to the legal frameworks of each country where it markets its products, in line with industry norms. Additionally, The Company is subject to diverse foreign, central, state, and local laws and regulations pertaining to pollution, environmental protection, storage, handling, transportation, treatment, disposal, and remediation of hazardous substances and waste materials. Moreover, changes in environmental regulations have the potential to hinder or disrupt the Company's operations.

Response

The Company maintains strict adherence to applicable regulatory standards, ensuring compliance across its manufacturing processes. Moreover, the Company emphasises the integration of environmentally sustainable practices, aiming to minimise its ecological footprint while delivering high-quality products.

Quality Risk

Additives, despite being used in minute quantities, significantly influence the performance of end-use materials across sectors like foods, plastics, cosmetics, feeds, and coatings, among others. Hence, it is imperative for customers to thoroughly validate their quality and performance. Additionally, since many additives are used in foods, feeds, cosmetics, and food packaging materials, they must meet stringent health and environmental regulations globally. Any lapse in quality standards could result in reputational damage, order cancellations, and loss of customer trust, necessitating the importance of rigorous quality assurance measures.

Response

The Company maintains a firm commitment to enhancing quality standards through internal process development, automation, instrumentation, and quality management initiatives. These efforts are aimed at upholding the highest levels of quality and consistency across the Company's operations.

Environment, Health and Safety

The Company rigorously complies with safety, health, environmental, labour, workplace, and associated laws and regulations. Non-compliance with existing or forthcoming laws or regulations could significantly impact the Company's business, financial status, and operational results.

Management Discussion and Analysis (Contd.)

Response

The Company's strategic Environmental, Health, and Safety (EHS) policies serve as a foundation for risk mitigation. Decisions are guided by the framework outlined in these policies, effectively minimising associated risks.

HUMAN RESOURCES

The Company highly values its employees, considering them integral to the Company's success. The loss of skilled personnel could potentially impact the Company's performance. Therefore, the organisation is committed to promoting and initiating skill development programmes to equip its employees to effectively tackle major challenges. These initiatives not only boost employee morale but also foster a healthy work environment.

The organisation considers its human capital as its most valuable asset, essential for shaping a sustainable future and ensuring the smooth functioning of the Company. Consequently, the HR policy prioritises the identification and retention of talented individuals. As of March 31, 2024, the Company's workforce comprised 850 dedicated individuals.

In essence, the Company recognises the importance of nurturing its human capital and strives to create an environment where employees can thrive, ensuring the Company's sustained success.

INTERNAL CONTROL SYSTEMS

The Company rigorously implements and oversees robust internal control systems to safeguard all assets against unauthorised use or disposition. This is achieved through meticulous maintenance of records and timely reporting. Moreover, complementing these efforts is an extensive internal audit programme, thoroughly reviewed by the Company's management along with relevant policies, guidelines, and procedures.

The primary objective of the internal control system is to ensure the reliability of financial and other records, enabling the accurate preparation of financial statements and ensuring accountability for assets. The management is committed to periodically reviewing and making necessary adjustments to the internal control system to effectively address emerging needs effectively.

To strengthen internal control further, the Company's process framework encompasses well-documented standard operating procedures and clearly defined authorities with built-in controls. Additionally, the internal control system continuously improves through extensive internal and external audits, as well as periodic reviews by management.

Furthermore, the Company employs a proactive risk mitigation strategy, systematically assessing and addressing potential risks. The Risk Management Committee convenes at regular intervals to review key risks and mitigation measures, initiating corrective actions as needed. This approach ensures the Company remains resilient in the face of evolving challenges and uncertainties.

CAUTIONARY STATEMENTS

The Management Discussion and Analysis Report containing the Company's objectives, projections, estimates and expectations may constitute certain statements that are forward-looking within the meaning of applicable laws and regulations. The statements in this Management Discussion and Analysis Report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.



BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting their Twenty-second Annual Report along with the audited Standalone as well as Consolidated financial statements for the financial year ended March 31, 2024.

FINANCIAL RESULTS AND STATE OF AFFAIRS:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	for the year ended March 31, 2024	for the year ended March 31, 2023	for the year ended March 31, 2024	for the year ended March 31, 2023
REVENUE & PROFITS				
Total Revenue from operations	1,95,114.29	3,02,914.62	2,12,295.17	3,02,307.66
Profit before interest, Tax & Depreciation	55,251.94	84,537.03	60,326.64	89,345.50
Less: Interest & Finance Charges	232.01	446.08	243.30	456.72
Less: Depreciation	5,614.63	4,788.83	5,614.87	4,789.30
Profit for the year before Tax & exception items	49,405.30	79,302.12	54,468.47	84,099.42
Exceptional item	(56.32)	-	(56.32)	-
Profit for the year before Tax Profit for the year before Tax & exception items	49,348.98	79,302.12	54,412.15	84,099.42
Less: Provision for Taxation				
- Current	12,850.00	20,500.00	13,454.99	22,543.58
- Deferred	(256.17)	(257.78)	(232.25)	(254.39)
Short (Excess) provision for earlier years	-	-	-	-
Net Profit/(Loss) after Tax	36,755.15	59,059.89	41,189.41	61,810.23
Other comprehensive income	(80.05)	63.11	(80.05)	63.11
Total Comprehensive Income	36,675.10	59,123.00	41,109.36	61,873.34
RETAINED EARNINGS				
Opening Balance of Retained Earnings	1,49,661.20	93,360.71	1,53,300.94	94,250.11
Add: Profit for the year	36,755.15	59,059.89	41,189.41	61,810.23
Less: Appropriations:	-	-	-	-
Final Dividend	2,759.40	2,759.40	2,759.40	2,759.40
Transferred to Other Reserve/ Non-controlling interest	-	-	-	-
Balance as at end of the Year	1,83,656.95	1,49,661.20	1,91,730.95	1,53,300.94

The Standalone as well as the Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS').

On a consolidated basis, the revenue from operations decreased to ₹ 2,12,295.17 Lakhs in FY 2023-24 from ₹ 3,02,307.66 Lakhs in FY 2022-23. The profit before tax decreased to ₹ 54,412.15 Lakhs in FY 2023-24 from ₹ 84,099.42 Lakhs in FY 2022-23.

On a standalone basis, the revenue from operations decreased to ₹ 1,95,114.29 Lakhs in FY 2023-24 from ₹ 3,02,914.62 Lakhs in FY 2022-23. The profit before tax decreased to ₹ 49,348.98 Lakhs in FY 2023-24 from ₹ 79,302.11 Lakhs in FY 2022-23.

For more details on the Consolidated and Standalone financial results, please refer to Management Discussion and Analysis Report which forms a part of this Annual Report.

BOARD'S REPORT (Contd.)

SHARE CAPITAL:

During the year under review, there was no change in the share capital of the Company. The Paid-up share capital of the Company as on March 31, 2024 is ₹ 1,533 Lakhs divided into 3,06,59,976 equity shares of ₹ 5/- each.

DIVIDEND:

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the Company has adopted the Dividend Distribution Policy, which details various parameters subject to consideration of which the Board may recommend or declare Dividend. The Dividend Distribution Policy is available on the Company's website at <https://www.fineorganics.com/investor-policies/>. Your Directors are pleased to recommend a Final Dividend of ₹ 10 /- per equity share of the face value of ₹ 5/- each fully paid-up for the financial year ended March 31, 2024.

If the dividend, as recommended above, is declared by the Members at the ensuing Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 3,065.99 Lakhs.

TRANSFER TO RESERVES:

The closing balance of the retained earnings of the Company for the FY 2023-24, after all appropriations and adjustments was ₹ 1,83,656.95 Lakhs.

SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES:

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 ("the Act"), a statement containing the salient features of financial statements of the Company's subsidiaries and joint ventures in Form AOC-1 is attached to the financial statements of the Company.

The separate financial statements of the subsidiaries are also available on the website of the Company at www.fineorganics.com and will also be made available for inspection by the members at the Registered Office of the Company during business hours on all working days as required under Section 136 of the Act. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary.

During the year under review, Fine Organic Industries (SEZ) Private Limited was incorporated in India on

October 10, 2023 as wholly owned subsidiary of the Company for manufacturing specialty chemical additives. Further, the Board in its meeting held on November 11, 2021 approved the termination of Joint Venture Agreement with Adcotech GmbH for the Company i.e. FineADD Ingredients GmbH subject to the completion of applicable regulatory formalities. The liquidation of the said joint venture entity was completed during this year and the company ceased to exist with effect from November 21, 2023.

As on March 31, 2024, the Company has three subsidiaries i.e. Fine Organics (USA), Inc., Fine Organics Europe BV and Fine Organic Industries (SEZ) Private Limited and two joint venture companies i.e. Fine Zeelandia Private Limited and Fine Organic Industries (Thailand) Co., Ltd.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

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



BOARD'S REPORT (Contd.)

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Presently, the Board of Directors of the Company comprises 5 (five) Executive Directors and 6 (six) Non-Executive Independent Directors including 2 (two) women Non-Executive Independent Directors.

Change in Leadership Team

Based on the recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors of the Company at its meeting held on February 02, 2024 reviewed the roles and responsibilities of leadership team of the Company and approved inter-alia the following:

Mr. Mukesh Shah (DIN: 00106799) was re-designated from Chairman and Managing Director to Chairman and Whole Time Director of the Company with effect from April 01, 2024. The shareholders of the Company by way of postal ballot on March 26, 2024 approved the re-designation of Mr. Mukesh Shah as a Chairman and Whole Time Director of the Company with effect from April 01, 2024. All other terms and conditions of his appointment, as approved by the shareholders in the 20th Annual General Meeting dated August 23, 2022 shall remain valid and in full force and effect.

Mr. Jayen Shah (DIN: 00106919) was re-designated from Whole Time Director and Chief Executive Officer to Managing Director of the Company with effect from April 01, 2024. The shareholders of the Company by way of postal ballot on March 26, 2024 approved the re-designation of Mr. Jayen Shah as a Managing Director of the Company with effect from April 01, 2024. All other terms and conditions of his appointment, as approved by the shareholders in the 20th Annual General Meeting dated August 23, 2022 shall remain valid and in full force and effect.

Mr. Tushar Shah (DIN: 00107144) was re-designated from Whole Time Director and Chief Financial Officer to Whole Time Director and Chief Executive Officer of the Company with effect from April 01, 2024. All the other terms and conditions of his appointment, as approved by the shareholders in the 20th Annual General Meeting dated August 23, 2022 shall remain valid and in full force and effect.

Based on recommendation of the NRC, the Board of Directors of the Company appointed Ms. Sonali Bhadani, Senior Vice President – Finance of the Company as the Chief Financial Officer of the Company with effect from April 01, 2024.

Appointment

Based on the recommendation of the NRC, the Board at its meeting held on February 02, 2024, appointed Ms. Rashi Mehta (DIN: 10420079), as an Additional Director in the capacity of Non-Executive and Independent Director of the Company, with effect from February 02, 2024 for a term of 5 (five) consecutive years till February 01, 2029. The shareholders of the Company by way of postal ballot on March 26, 2024 approved the appointment of Ms. Rashi Mehta as a Non-Executive and Independent Director of the Company for the aforesaid tenure.

Retirement by Rotation

Mr. Tushar Shah (DIN: 00107144) retires by rotation and being eligible has offered himself, for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice. The brief details of Mr. Tushar Shah, who is proposed to be re-appointed as required under Secretarial Standard 2 ("SS-2") and Regulation 36 of the Listing Regulations is being provided in the Notice convening the AGM of the Company.

The Non-Executive and Independent Directors of the Company and their relatives had no material pecuniary relationship or transactions with the Company or its subsidiaries, during the three immediately preceding financial years or during the current financial year, apart from receiving remuneration as Non-Executive and Independent Director.

Pursuant to the provisions of Section 149(7) of the Act, the Independent Directors of the Company have submitted declarations stating that they meet the criteria of independence as provided in Section 149 (6) of the Act along with Rules framed there under read with Regulation 16 (1) (b) of the Listing Regulations. Pursuant to Regulation 25(8) of the Listing Regulations, the Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise, proficiency and they hold the highest standards of integrity.

BOARD'S REPORT (Contd.)

The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs (IICA) in terms of provisions of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

As on March 31, 2024, the Key Managerial Personnel ('KMP') of the Company were: Mr. Mukesh Shah, Chairman and Managing Director; Mr. Jayen Shah, Whole Time Director and Chief Executive Officer; Mr. Tushar Shah, Whole Time Director and Chief Financial Officer; Mr. Bimal Shah, Whole Time Director, Mr. Nikhil Kamat, Whole Time Director and Ms. Pooja Lohor, Company Secretary.

Based on the above restructuring in the Board and KMPs, the KMPs of the Company with effect from April 01, 2024 are: Mr. Mukesh Shah, Chairman and Whole-time Director, Mr. Jayen Shah, Managing Director; Mr. Tushar Shah, Whole Time Director and Chief Executive Officer; Ms. Sonali Bhadani, Chief Financial Officer and Ms. Pooja Lohor, Company Secretary

NUMBER OF BOARD MEETINGS:

The Board met five times during the year under review on May 24, 2023, July 26, 2023, October 17, 2023, October 30, 2023 and February 02, 2024 respectively. The maximum gap between two Board meetings did not exceed 120 days. The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report forming part of the Annual Report.

COMMITTEES OF THE BOARD:

As on the date of this report, the Board has the following committees:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Stakeholders' Relationship Committee
- iv) Corporate Social Responsibility Committee
- v) Risk Management Committee.
- vi) Executive Committee
- vii) Strategic Growth Committee

All the recommendations made by the Board Committees including the Audit Committee, were accepted by the Board.

Detailed information of these Committees and relevant information for the year under review are set out in the Corporate Governance Report.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD:

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee of the Company ('NRC') has defined the evaluation criteria, procedure for the Performance Evaluation process for the Board, its Committees and Directors.

The performance of the Board and its functioning were evaluated based on various criteria including expertise and experience of the Board, industry knowledge, diversity, Board Meeting procedure, Board Development, succession planning etc.

All committees of the Board were evaluated based on various criteria including their function and duties, periodical reporting to the Board along with their suggestions and recommendations and procedure of the Meetings etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated by the Independent Directors. The evaluation of Chairperson was done based on criteria which among others included managing relationship with shareholders and employees, board, management and leadership qualities. The performance of all Executive Directors as well as Independent Directors has been evaluated by entire Board based on the criteria which includes participation at Board/Committee Meetings, managing relationships with other fellow members and senior management, personal attributes like ethics and integrity etc.

The Board and NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting and the feedback received from the Directors on the performance of the Board and its Committees was also discussed. The Directors expressed their satisfaction with the evaluation process.

NOMINATION AND REMUNERATION POLICY:

The Company has in place a Nomination and Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the Listing Regulations which is available on website of the Company i.e. <https://www.fineorganics.com/investor-policies/>



BOARD'S REPORT (Contd.)

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has an adequate system of internal financial controls that is commensurate with the size, scale and nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards, safeguarding of its assets, prevention and detection of errors and frauds and timely preparation of reliable financial information.

AUDITORS:

I. Statutory Auditors

M/s. B Y & Associates, Chartered Accountants, Mumbai (Firm Registration No. 123423W) whose term of office was until the conclusion of the 20th AGM of the Company were re-appointed as the Statutory Auditors of the Company at the 20th AGM held on August 23, 2022 for a further term of 3 years i.e. from the conclusion of the 20th AGM up to the conclusion of the 23rd AGM to be held in the year 2025. As per the provisions of Section 139 of the Act, M/s B Y & Associates have confirmed that they are not disqualified from continuing as the Auditors of the Company. The report of the Statutory Auditors for the FY 2023-24 alongwith notes to Schedules is a part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remark.

II. Cost Accounts and Cost Auditors

The Company is required to make and maintain cost records for its products as specified by the Central Government under sub-section (1) of section 148 of the Act. Accordingly, the Company has been making and maintaining the records as required. The Cost Audit Report for the year ended March 31, 2023 was filed with the Central Government within the prescribed time.

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s Y. R. Doshi & Associates, Cost Accountants, Mumbai (Firm Registration No. 000286) as the Cost Auditors of the Company to audit the cost records for the financial year 2024-25. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders. Accordingly, a resolution seeking ratification by the members for the remuneration

payable for FY 2024-25 is listed as Item No. 5 of the AGM Notice as an Ordinary Resolution.

III. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Kartik Shah of M/s. Ks & Associates - Company Secretaries, Mumbai (Certificate of Practice Number 5163) to undertake the Secretarial Audit of the Company for the FY 2023-24. Further, the report of the Secretarial Auditor for the FY 2023-24 is appended as "Annexure A" to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 "OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT":

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act. Therefore, the details of same are not provided herein.

RISK MANAGEMENT:

Risk Management is an integral part of the Company's operations. The Company evaluates risks that can impact its strategic, operational, compliance and reporting objectives. Mechanisms for identification and prioritisation of risks include scanning the business environment and continuous monitoring of internal risk factors. Major risks identified by the Company's business and functions are systematically addressed through mitigating actions on a continuing basis. The Board of Directors has constituted Risk Management Committee (RMC). The RMC is chaired by an Independent Director. The RMC closely monitors risk management efforts and provides insights for effective Risk Management across our operations. A detailed note on risk management is given under financial review section of the Management Discussion and Analysis of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Particular of loans, guarantees and investments covered under Section 186 of the Act forms part of the notes to the

BOARD'S REPORT (Contd.)

Standalone Ind AS financial statements provided in this Annual Report.

RELATED PARTY TRANSACTIONS (“RPTs”):

All transactions with related parties (including material transactions) during the FY 2023-24 were reviewed and approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval was obtained for RPTs which were of repetitive nature, in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus approval so granted were reviewed by Audit Committee on a quarterly basis.

In line with the requirements of the Act, read with the amended Listing Regulations, the Company revised its Policy on Related Party Transactions and the same is available on its website at <https://www.fineorganics.com/investor-policies/>. The Policy captures framework for Related Party Transactions and intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with related parties.

None of the transactions with related parties fall under the scope of Section 188 (1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134 (3) (h) of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 in Form No. AOC-2 is not applicable to the Company for the FY 2023-24 and hence, does not form part of this report. Details of the related party transactions are given in the notes to the financial statements.

Details of RPTs entered into by the Company, in terms of Ind AS-24 are disclosed in notes to the standalone/consolidated financial statements forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company has developed a CSR framework in line with Section 135 of the Act read with Schedule VII thereto which focuses on Education, Healthcare, Women Empowerment, Eradicating extreme hunger and poverty etc.

The Board of Directors has constituted the Corporate Social Responsibility Policy of the Company and it is available on the website of the Company i.e. <https://www.fineorganics.com/investor-policies/>

The Report on Corporate Social Responsibility (CSR) including the constitution of the Corporate Social Responsibility Committee and activities undertaken during

the FY 2023-24 as per Rule 8 of the Companies (CSR Policy) Amendment Rules, 2021 is enclosed as “**Annexure B**” to this Report.

Further, the Chief Financial Officer of the Company has certified that CSR spends of the Company for FY 2023-24 have been utilised for the purpose and in the manner approved by the Board of Directors of the Company.

ANNUAL RETURN:

As per the requirements of Section 92 (3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return for the FY 2023-24 is made available on <https://www.fineorganics.com/investor-agm-documents/>

PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION:

The information required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as “**Annexure C**” to this report.

The statement containing particulars of employees as required under section 197 of the Act read with Rule 5 (2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms an integral part of this report. In terms of Section 136 of the Act, this Report and accounts are being sent to the members and others entitled thereto, excluding the information on particulars of employees which is available for inspection by members at the Registered Office of the Company during business hours on all working days. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company or send an email at investors@fineorganics.com

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and continues to be compliant with the requirements of Corporate Governance as prescribed in the Listing Regulations. In compliance with Regulation 34 and other applicable provisions of the Listing Regulations, a separate report on Corporate Governance along with the Certificate of Compliance from the Practicing Company Secretary forms an integral part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, the Management Discussion and



BOARD'S REPORT (Contd.)

Analysis Report, capturing your Company's performance, industry trends and other material changes with respect to your Company and its subsidiaries, wherever applicable, is presented in a separate section forming an integral part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

The Company has been conducting business in a sustainable manner and to create maximum value for all its stakeholders. Business Responsibility and Sustainability Report for FY 2023-24 in accordance with Regulation 34(2)(f) of the Listing Regulations, forms an integral part of this Annual Report. The BRSR indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM:

In accordance with the provisions of Section 177 (9) of the Act and requirements of Regulation 22 of the Listing Regulations, your Company has a vigil mechanism which has been incorporated in the Whistle Blower Policy for Directors and Employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code for Prevention of Insider Trading. The Whistle Blower Policy is uploaded on the website of your Company at <https://www.fineorganics.com/investor-policies/>

PREVENTION OF SEXUAL HARASSMENT:

The Company has zero tolerance towards sexual harassment at workplace and has adopted policy on Prevention of Sexual Harassment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to provide protection to the employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto. Separate Internal Complaints Committee has also been set up to redress complaints received on sexual harassment at head office as well as at all plant locations. The Committee conducts sensitisation workshops to inform the employees about their rights w.r.t. sexual harassment of women at workplace. The Company has not received any complaint of sexual harassment during the FY 2023-24.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3) (m) of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is furnished in "Annexure D" to this report.

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

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of the report other than those mentioned under any section of this Annual Report.

DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

SECRETARIAL STANDARDS:

During the year under review, the Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS, WHICH WOULD IMPACT THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant or material orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and the Company's operations in future.

OTHER DISCLOSURES:

- a. There are no proceedings made or pending under the Insolvency and Bankruptcy Code, 2016 and there are

BOARD'S REPORT (Contd.)

no instances of one-time settlement with any Bank or Financial Institution, during the year under review.

- b. Your Company has not issued shares with differential voting rights and sweat equity shares during the year under review.
- c. Since the unpaid dividend amount initially transferred by the Company to its Unpaid Dividend Account has not completed seven years since its transfer, the details of unclaimed dividends and equity shares transferred to the Investor Education and Protection Fund authority has not been appended to the Corporate Governance report.

ACKNOWLEDGEMENTS:

The Board of Directors thank for the continued support and co-operation by customers, vendors, investor, bankers, government and regulatory authorities and stock exchanges during the year under review. The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company.

For and on Behalf of the Board of Directors
Fine Organic Industries Limited

Mukesh Shah
Chairman and Director
DIN: 00106799
Mumbai: May 10, 2024



Annexure A

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

To,
The Members,
Fine Organic Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Fine Organic Industries Limited, (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and based on returns filed, Statutory Auditor’s Report, Audited & signed Annual Accounts for financial year ended March 31, 2024, Board’s Report for the financial year ended March 31, 2024 and other records maintained by the Company and also the information provided by the Company, its Board of Directors, its officers, agents and authorised representatives as well as the Management Representations and Management Certifications made by the Company during the conduct of secretarial audit, we hereby report that in our opinion & as per our understanding & belief, the Company has, during the audit period covering the financial year ended on March 31, 2024 generally complied with the statutory provisions as mentioned hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and based on returns filed, Statutory Auditor’s Report, Audited & signed Annual Accounts for the financial year ended March 31, 2024, Board’s Report for the financial year ended March 31, 2024 and other records maintained by the Company and also the information provided by the Company, its Board of Directors, its officers, agents and authorised representatives as well as the Management Representations and Management Certifications made by the Company during the conduct of secretarial audit, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under, wherever applicable for the referred financial year;

- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under, wherever applicable for the referred financial year;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under, wherever applicable for the referred financial year;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable for the referred financial year;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’), wherever applicable for the referred financial year:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever applicable for the referred financial year;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, wherever applicable for the referred financial year;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, wherever applicable for the referred financial year;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, wherever applicable for the referred financial year;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, wherever applicable for the referred financial year;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, wherever applicable for the referred financial year;

Annexure A (Contd.)

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, wherever applicable for the referred financial year;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, wherever applicable for the referred financial year;
- (vi) We have relied on the representation made by the Company, its Board of Directors, its officers, agents & authorised representatives, Management's Representation and based on, returns filed, Statutory Auditor's Report, Audited & signed Annual Accounts for the financial year ended March 31, 2024, Board's Report for the financial year ended March 31, 2024, for systems and mechanism put in place by the Company for Compliances under various other applicable Acts, Laws and Regulations to the Company & we have also examined compliance with the applicable clauses of the following:

- Secretarial Standards with respect to the Board and General Meetings issued by the Institute of Company Secretaries of India
- We have also examined compliance with the applicable clauses of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited, for the referred financial year;

During the period under review and as per the explanations and clarifications given to us, as per draft Board's Report & the Auditor's Report for the year and as per the representation made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

The Board met 5 times during the year under review. The maximum gap between two Board meetings did not exceed 120 days.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors & Woman Director.
- Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed

notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- As per the minutes, the decisions at the Board Meetings were taken unanimously.

We further report that as per explanations & information given to us and the representations made by the Management and relied upon by us, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had some of the following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

- In the Board Meeting dated May 24, 2023, the Board recommended final dividend of ₹ 9/- per equity share of ₹ 5/- each fully paid up for the financial year ended March 31, 2023.
- In the Annual General Meeting dated August 24, 2023, the Shareholders of the Company approved declaration of final dividend of ₹ 9/- per equity share of ₹ 5/- each, for the financial year 2022-23.
- In the Annual General Meeting dated August 24, 2023, the shareholders approved ratification of the appointment of Mr. Jayen Ramesh Shah (DIN: 00106919), Director of the Company for the remaining period of his tenure.
- In the Board Meeting dated February 02, 2024, Ms. Rashi Mehta (DIN:10420079) was appointed as an Additional Director in the capacity of Non-Executive Independent Director of the Company.
- In the Board Meeting dated February 02, 2024, Mr. Mukesh Shah (DIN: 00106799) was redesignated as the Chairman & Wholtime Director of the Company with effect from April 01, 2024.
- In the Board Meeting dated February 02, 2024, Mr. Jayen Shah (DIN: 00106919) was redesignated as the Managing Director of the Company with effect from April 01, 2024.



Annexure A (Contd.)

- In the Board Meeting dated February 02, 2024, Mr. Tushar Shah (DIN: 00107144) was redesignated as the Wholetime Director & Chief Executive Officer of the Company with effect from April 01, 2024.
- In the Board Meeting dated February 02, 2024, Ms. Sonali Bhadani, was appointed as the Chief Financial Officer of the Company with effect from April 01, 2024.
- Vide postal ballot dated March 26, 2024, approvals from shareholders were obtained for ratification of appointment of Ms. Rashi Mehta (DIN:10420079) as the Director of the Company in the capacity of Non-Executive Independent Director of the Company; resignation of Mr. Mukesh Shah (DIN: 00106799) as the Chairman & Wholetime Director of the Company with effect from April 01, 2024; resignation of Mr. Jayen Shah (DIN: 00106919) as the Managing Director of the Company with effect from April 01, 2024.

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	YES	
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations / circulars / guidelines issued by SEBI 	YES	
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website 	YES	
4.	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	YES	
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: <ul style="list-style-type: none"> Identification of material subsidiary companies Disclosure requirement of material as well as other subsidiaries 	YES	
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	YES	
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	YES	

Annexure A (Contd.)

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the audit committee.	YES	
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	N.A.	
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	N.A.	
13.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/ guidance note etc.	N.A.	

Assumptions & limitation of scope and review:

- Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
- Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
- We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
- This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance

as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **Ks & Associates,**
Company Secretaries

Kartik Shah

C.P. No. 5163

Membership No. 5732

Peer Review Certificate No.: 1225/2021

UDIN: F005732F000343465

Mumbai: May 10, 2024

Note: This report is to be read with our letter which is annexed as '**Annexure A**' and forms an integral part of this report.



Annexure 'A' to the Secretarial Audit Report

To,
The Members,
Fine Organic Industries Limited

Our secretarial audit report is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices that followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have discussed & relied on the Management Representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis and based on Management Representations, certificate received from the Authorised Officers & Management of the Company & other documents received for applicability of relevant Acts, registrations there under.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Ks & Associates,**
Company Secretaries

Kartik Shah

C.P. No. 5163

Membership No. 5732

Peer Review Certificate No.: 1225/2021

UDIN: F005732F000343465

Mumbai: May 10, 2024

Annexure B

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline of CSR Policy of the Company

Your Company has developed a CSR framework in line with Section 135 of the Companies Act, 2013 read with Schedule VII thereto which focuses on Education, Healthcare, Women Empowerment and Eradicating extreme hunger and poverty etc. We partner with NGOs and social service institutions in delivering projects that leave a maximum impact on the lives of the people affected.

2. Composition of the CSR Committee

Sr. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
I.	Mr. Jayen Shah	Chairman of the Committee / Managing Director	3	3
II.	Mr. Prakash Apte	Member of the Committee / Independent Director	3	3
III.	Mr. Kaushik Shah	Member of the Committee / Independent Director	3	3
IV.	Mr. Mukesh Shah	Member of the Committee / Chairman and Whole Time Director	3	2
V.	Mr. Tushar Shah	Member of the Committee / Whole Time Director and Chief Executive Officer	3	2

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company

The web-link where composition of CSR Committee is disclosed on the website is- <https://www.fineorganics.com/investor-committees/>

The web-link where CSR policy is disclosed on the website is-<https://www.fineorganics.com/investor-policies/>

The web-link where CSR Projects are disclosed on the website is- <https://www.fineorganics.com/corporate-social-responsibility/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

Not Applicable.

5. (a) **Average Net Profit of the Company as per sub-section (5) of section 135:** ₹ 42,022.96 Lakhs
- (b) **Two percent of the Average Net Profit of the Company as per sub-section (5) of section 135:** ₹ 840.45 Lakhs
- (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL
- (d) **Amount required to be set off for the financial year, if any:** ₹ 3.25 Lakhs
- (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 837.21 Lakhs
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 832.21 Lakhs
- (b) **Amount spent in administrative Overheads:** ₹ 5.00 Lakhs
- (c) **Amount spent on Impact Assessment, if applicable:** Not applicable



Annexure B (Contd.)

(d) Total amount spent for the financial year [(a)+(b)+(c)]: ₹ 837.21 Lakhs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount (₹ in Lakhs)	Date of Transfer	Name of the fund	Amount (₹ in Lakhs)	Date of Transfer
363.16	474.04	April 10, 2024	NA	NA	NA

(f) Excess amount for set-off, if any:

Sr. no.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	NA
(ii)	Total amount spent for the Financial Year	NA
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ In Lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ In Lakhs)	Amount spent in the Financial Year (₹ In Lakhs)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (₹ In Lakhs)	Deficiency, if any
					Amount (₹ In Lakhs)	Date of Transfer		
1	2020-21	404.47	Nil	Nil	NA	NA	Nil	Nil
2	2021-22	163.92	Nil	Nil	NA	NA	Nil	Nil
3	2022-23	NA	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount in the Financial Year: No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) section 135: Not Applicable

For and on Behalf of the Board of Directors
Fine Organic Industries Limited

Mukesh Shah
Chairman and Director
DIN: 00106799
(Member of CSR Committee)

Jayen Shah
Managing Director
DIN:00106919
(Chairman of CSR Committee)

Mumbai: May 10, 2024

Annexure C

INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2023-24:

Sr. No.	Name	Designation	Ratio of remuneration of director to the median remuneration	% increase/ (decrease)
1	Mr. Mukesh Shah	Chairman and Whole Time Director	69.67	7.60
2	Mr. Jayen Shah	Managing Director	69.67	7.60
3	Mr. Tushar Shah	Whole Time Director and Chief Executive Officer	69.67	7.60
4	Mr. Bimal Shah	Whole Time Director	69.67	7.60
5	Mr. Nikhil Kamat	Whole Time Director	23.22	43.47
6	Mr. Prakash Apte	Independent Director	5.57	40.74
7	Mr. Kaushik Shah	Independent Director	5.17	34.18
8	Mr. Mahesh Sarda	Independent Director	5.24	39.25
9	Mr. Thiruvengadam Parthasarathi	Independent Director	5.45	44.67
10	Ms. Pratima Umarji	Independent Director	4.64	32.59
11	Ms. Rashi Mehta*	Independent Director	0.00	0.00
12	Ms. Pooja Lohor	Company Secretary	-	14.76

* Appointed as an Independent Director of the Company for a period of 5 years w.e.f. February 02, 2024

Notes:

- Remuneration to Executive Directors includes a commission paid for the FY 2023-24
- Remuneration to Independent Directors includes sitting fees and the Commission paid for the FY 2023-24
- Number of permanent employees on the rolls of the Company as on March 31, 2024: 850
- The remuneration to Directors is within the overall limits approved by the shareholders: Yes
- The median remuneration is ₹ 7,10,470 Lakhs for the FY 2023-24.
- The percentage increase in the median remuneration of employees in FY 2023-24 is 8.50.
- Employee whose remuneration was in excess of the remuneration of the highest-paid Director during the FY 2023-24: None

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

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	9.73%
Average increase in remuneration of managerial personnel	9.71%

Affirmation: Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of the Company.

For and on Behalf of the Board of Directors
Fine Organic Industries Limited

Mukesh Shah
 Chairman and Director
 DIN: 00106799
 Mumbai: May 10, 2024



Annexure D

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

ENERGY CONSERVATION:

- 1) Energy Efficient 3 phase Cooling System (For Panel & UPS rooms). It has higher efficiency of cooling the equipment & also helps in energy conservation as compared to the conventional system.
- 2) Occupancy Sensors for Lights, leading to the reduction in energy consumption & thereby saving & conservation of energy.
- 3) Diesel Generator Auto Sync System with Load Dependent Start/Stop & Load Sharing leading to saving Diesel consumption & thus reducing carbon footprint.
- 4) Solar Roof Top enables the use of Renewable energy & thereby leading to energy conservation.

TECHNOLOGY ABSORPTION:

- 1) Shifting of Patalganga mfg. unit & Dombivali R&D unit to Piped PNG from Light Diesel Oil.
- 2) We have recently installed an Automatic Foam Flooding System at our plant locations enabling us to handle Emergency Fire Situations.
- 3) Advance Lightning Arrestor System is implemented to benefit protection against lightning in Building structures, Equipment, Human lives etc.

- 4) Automatic Power Factor Controller Panel with 7% detuned Reactors helps us to maintain Power factor & amplification of Harmonics enabling us to save energy consumption.
- 5) Harmonics Filter Panel (Power Quality) leads to energy conservation and reduction in Harmonics.

Expenditure incurred on Research and Development of the Company during the financial year 2023-24:

(₹ in Lakhs)	
Capital	2,122.23
Recurring	687.87
Total	2,810.10

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings and outgo during the financial year 2023-24 are as follows

(₹ in Lakhs)		
Foreign Exchange Earnings and Outgo	FY 2023-24	FY 2022-23
Foreign Exchange Outgo	32,290.71	77,097.46
Foreign Exchange Earnings	1,00,652.58	2,05,502.70

For and on Behalf of the Board of Directors
Fine Organic Industries Limited

Mukesh Shah
Chairman and Director
DIN: 00106799
Mumbai: May 10, 2024

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY

The Company believes that high standards of Corporate Governance are essential for achieving long-term corporate goals and enhancing stakeholders' value. The Company's essential character is a reflection of the values of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavours to improve on these aspects.

At Fine Organics, the Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of our stakeholders.

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company and create long-term value for our stakeholders. In addition to compliance with regulatory requirements, the Company continuously makes efforts towards strong and good corporate governance.

The Compliance Report on Corporate Governance herein signifies adherence by the Company of all mandatory requirements of Regulation 34(3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

II. BOARD OF DIRECTORS

(a) Composition and Category of Directors

The Company has an optimum combination of Executive and Non-Executive Directors. The Company's Board of Directors comprises eleven Directors, of which five are Executive Directors and six are Independent Directors including two Independent Women Directors. In the opinion of the Board, all Independent Directors fulfil the criteria of independence as prescribed in Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 (the "Act") and rules framed there under. There are no Nominee Directors representing any institution on the Board of the Company.

The Board of Directors of the Company is an ideal mix of knowledge, perspective, expertise, divergent thinking and experience. The profile

of each of the Directors can be found on <https://www.fineorganics.com/investor-bod/>. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Act read with the rules issued there under.

(b) Limit on the number of Directorships/Committee Memberships

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairperson of more than five Committees [Committees being, Audit Committee and Stakeholders Relationship Committee] across all the public limited companies in which he/she is a Director. All the Directors have periodically made necessary disclosures regarding their Directorship and Committee positions held by them in other companies and they do not hold the office of Director in more than twenty companies, including ten public limited companies (as specified in Section 165 of the Act) and Director in more than seven listed entities (as specified in Regulation 17A of the Listing Regulations). The Directors on the Board of the Company do not serve as Independent Directors in more than seven Listed Companies or in case if they are serving as a Whole Time Director in any Listed Company, they do not hold such position in more than three Listed Companies.

(c) Number of Board Meetings

During the financial year ended on March 31, 2024, five board meetings were held on:

- May 24, 2023,
- July 26, 2023,
- October 17, 2023,
- October 30, 2023, and
- February 02, 2024

The maximum interval between any two meetings was well within the maximum allowed gap of one hundred and twenty days. The 21st Annual General Meeting (AGM) of the Company was held on August 24, 2023, through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).



Corporate Governance Report (Contd.)

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year under review and at the last AGM, the name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2024, are given herein below.

Sr. No.	Name of the Director and category along with DIN	Number of Board Meetings attended during FY 2023-24	Whether attended last AGM held on August 24, 2023	No. of Directorships in other public limited companies	*No. of committee positions held in other public limited companies		Directorship in other listed entity (Category of Directorship)	
					Chairperson	Member	Name of the Company	Category of Directorship
A	Executive Directors							
1	Mr. Mukesh Shah (Chairman and Managing Director) (DIN:00106799) [#]	5	Yes	-	-	-	-	-
2	Mr. Jayen Shah (Whole Time Director and Chief Executive Officer) (DIN:00106919) [@]	5	Yes	-	-	-	-	-
3	Mr. Tushar Shah (Whole Time Director and Chief Financial Officer) (DIN:00107144) [§]	5	Yes	-	-	-	-	-
4	Mr. Bimal Shah (Whole-time Director) (DIN:03424880)	5	Yes	-	-	-	-	-
5	Mr. Nikhil Kamat (Whole-time Director) (DIN:00107233)	5	Yes	-	-	-	-	-
B	Non-Executive Independent Directors							
6	Mr. Prakash Apte (DIN:00196106)	5	Yes	5	3	5	GMM Pfaudler Limited	Independent Director
							Blue Dart Express Limited	Independent Director
7	Mr. Kaushik Shah (DIN:00124756)	4	Yes	-	-	-	-	-
8	Mr. Mahesh Sarda (DIN:00023776)	5	Yes	1	-	1	Landmark Cars Limited	Independent Director

Corporate Governance Report (Contd.)

Sr. No.	Name of the Director and category along with DIN	Number of Board Meetings attended during FY 2023-24	Whether attended last AGM held on August 24, 2023	No. of Directorships in other public limited companies	*No. of committee positions held in other public limited companies		Directorship in other listed entity (Category of Directorship)	
					Chairperson	Member	Name of the Company	Category of Directorship
9	Mr. Thiruvengadam Parthasarathi (DIN:00016375)	5	Yes	6	0	3	Centum Electronics Limited	Independent Director
							The Western India Plywoods Limited	Non-Executive Director
							The K C P Limited	Independent Director
10	Ms. Pratima Umarji (DIN:05294496)	3	Yes	-	-	-	-	-
11	Ms. Rashi Mehta (DIN:10420079) ^	0	No	-	-	-	-	-

*For the purpose of determining the limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

* Membership Includes Chairpersonship.

Mr. Mukesh Shah has been redesignated from Chairman and Managing Director to Chairman and Whole Time Director of the Company w.e.f. April 01, 2024.

@Mr. Jayen Shah has been redesignated from Whole Time Director and Chief Executive Officer to Managing Director of the Company w.e.f. April 01, 2024.

\$Mr. Tushar Shah has been redesignated from Whole Time Director and Chief Financial Officer to Whole Time Director and Chief Executive Officer of the Company w.e.f. April 01, 2024.

^Ms. Rashi Mehta has been appointed as a Non-Executive and Independent Director of the Company w.e.f. February 02, 2024.

(d) Board Procedure

For seamless scheduling of Meetings, the tentative calendar of Meetings of the Board and Committees is circulated and agreed upon at the beginning of the year. The required information, including the minimum information as enumerated in Part A of Schedule II of the Listing Regulations, is made available to the Board of Directors for discussions and consideration at Board Meetings. All material information is incorporated in the agenda papers for facilitating the meaningful and focused discussion at the meetings. The Board meets at least once a quarter to review the financial results and operations of the Company and also to discuss business strategies and overall development of the

business. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the business of the Company. If required, we also provide video/teleconferencing facilities to enable the participation of all the Directors. The Board periodically reviews compliance reports pertaining to all laws applicable to the Company, prepared by the Company.

(e) Performance Evaluation of Board and its Committees

Evaluation of the performance of all Directors is undertaken annually. The Company has implemented a system of evaluating the performance of the Board of Directors as a whole and of its Committees and Non-Executive Directors



Corporate Governance Report (Contd.)

on the basis of a structured questionnaire that comprises evaluation criteria based on the Guidance Note on Board Evaluation issued by SEBI. The Nomination and Remuneration Committee of the Company ('NRC') has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The performance of the Board and its functioning were evaluated based on various criteria including expertise and experience of the Board, industry knowledge, diversity, Board Meeting procedure, Board development, succession planning, etc.

All committees of the Board were evaluated based on various criteria including their function and duties, periodical reporting to the Board along with their suggestions and recommendations and procedure of the Meetings, etc.

In a separate meeting of Independent Directors, the performance of Non-Independent Directors, the Board as a whole and the Chairperson of the Company was evaluated by the Independent Directors. The evaluation of the Chairperson was done based on criteria which among others included managing relationships with shareholders and employees, Board, management and leadership qualities. The performance of all Executive Directors as well as Independent Directors has been evaluated by the whole Board based on the criteria which includes participation at Board/ Committee Meetings, managing relationships with other fellow members and senior management, personal attributes like ethics and integrity etc.

(f) Independent Directors

Independent Directors play a key role in the decision-making process of the Board and in shaping various strategic initiatives of the Company. The wide knowledge in their respective fields of expertise and best-in-class boardroom practices help foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their input in achieving its strategic direction.

An Independent Director is a Chairperson of each of the Audit Committee, Nomination

and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee.

The Company affirms that it has received a declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations and are independent of the management. Further, the Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold the highest standards of integrity.

Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA').

(g) Meetings of Independent Directors

Pursuant to Regulation 25(3) of the Listing Regulations, the Company's Independent Directors met on March 21, 2024 without the presence of Non-Independent Directors or members of Management. At this meeting, the Independent Directors reviewed the following:

- the performance of Non-Independent Directors and the Board as a Whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

They also assessed the quality, quantity and timeliness of the flow of information between the Company Management and the Board.

The Chairperson of the meeting of the Independent Directors presented the views of the Independent Directors to the Chairperson of the Company.

Corporate Governance Report (Contd.)

(h) Matrix of skills/expertise/competencies of the Board of Directors

The Board of the Company comprises qualified members with the necessary skills, expertise

and competence for effective contribution to the Board and its Committees. The Board members are committed to ensure that the Company is in compliance with the highest standards of Corporate Governance.

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

Global Business and Strategy	Technology	Finance	Leadership	Corporate Governance	Personal Values
Understanding various geographical markets, business development, identifying and working towards global market opportunities, expanding existing opportunities, developing robust sales and marketing teams, identifying and developing new products, customers and markets, experience in strategy and business management, mergers and acquisitions, strategic directions to the management, branding, understanding the macroeconomic environment, having adequate knowledge of the regulations and legislations of the markets in which the business operates.	Product development, process technology, leading research and development, developing applications for existing and new products.	Financial management, managing financial systems, financial reporting process, internal financial control, capital allocation, principal controller, capex management.	Guiding and leading management teams to make decisions in uncertain environments, project management, strategic planning, risk management, legal, effective communication, awareness of business process, developing talent, integrity, building relations, innovation, developing leadership skills, planning successions, high quality operations management.	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.	Personal characteristics matching the Company's values, such as integrity, accountability, and high-performance standards.



Corporate Governance Report (Contd.)

Sr. No.	Name of the Directors	Global Business and Strategy	Technology	Finance	Leadership	Corporate Governance	Personal Values
1	Mr. Mukesh Shah	✓	✓		✓	✓	✓
2	Mr. Jayen Shah	✓	✓		✓	✓	✓
3	Mr. Tushar Shah	✓		✓	✓	✓	✓
4	Mr. Bimal Shah	✓	✓		✓	✓	✓
5	Mr. Nikhil Kamat		✓		✓	✓	✓
6	Mr. Prakash Apte	✓		✓	✓	✓	✓
7	Mr. Mahesh Sarda	✓		✓	✓	✓	✓
8	Mr. Thiruvengadam Parthasarathi	✓		✓	✓	✓	✓
9	Ms. Pratima Umarji				✓	✓	✓
10	Mr. Kaushik Shah	✓		✓	✓	✓	✓
11	Ms. Rashi Mehta	✓			✓	✓	✓

These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

(i) Details of equity shares of the Company held by the Directors as on March 31, 2024 are given below

The number of equity shares of face value of ₹ 5 each of the Company held by the Directors as on March 31, 2024 is as under:

Name	Category	Number of equity shares held
Mr. Mukesh Shah	Promoter and Executive Director	19,18,314
Mr. Jayen Shah	Promoter and Executive Director	48,14,166
Mr. Tushar Shah	Promoter and Executive Director	50,89,721
Mr. Bimal Shah	Promoter and Executive Director	32,00,766
Mr. Nikhil Kamat	Executive Director	19
Mr. Prakash Apte	Non-Executive Independent Director	--
Mr. Mahesh Sarda	Non-Executive Independent Director	--
Mr. Thiruvengadam Parthasarathi	Non-Executive Independent Director	--
Ms. Pratima Umarji	Non-Executive Independent Director	--
Mr. Kaushik Shah	Non-Executive Independent Director	--
Ms. Rashi Mehta	Non-Executive Independent Director	--

(j) Inter - Se Relationship Between Directors

Mr. Mukesh Shah, Mr. Jayen Shah, Mr. Tushar Shah and Mr. Bimal Shah are related to each other. Other than them, no other Directors are related to each other.

(k) Familiarisation Programmes

Pursuant to Regulation 25(7) of the Listing Regulations, the Company conducts a familiarisation programme for the Independent Directors to provide them with an opportunity to be familiar with the Company, its management and

its operations so as to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. The details of the familiarisation programmes are disclosed on the website of the Company at the web link <https://www.fineorganics.com/investor-familiarisation-programme/>

(l) Code of Conduct

The Company has a defined code of conduct for its Directors and Senior Management Personnel and the same is uploaded on the website, web-link of which is <https://www.fineorganics.com/investor-policies/>

Corporate Governance Report (Contd.)

As on March 31, 2024, all the Board Members and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct. A declaration to this effect duly signed by the CEO forms part of this Report.

III. COMMITTEES OF THE BOARD OF DIRECTORS

The Company is in compliance with the provisions of the Act and the Listing Regulations with regard to the constitution of the Board Committees. Composition, terms of reference and duties and responsibilities of each of the Board Committee is based on the provisions of the Act and the Listing Regulations.

The Board Committees play a crucial role in the governance structure of the Company and they deal with specific areas of concern for the Company that need a closer review. Each of these Committees has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functions. The Committees operate under the direct supervision of the Board and Chairpersons of the respective committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. Minutes of proceedings of the Committee meetings are circulated to the respective Committee members and placed before the Board meeting for noting.

The Company has constituted various Committee(s) in compliance with the provisions of the Act and the Listing Regulations. The Company Secretary acts as the Secretary of all Board Committees. There are seven Board Committees as on March 31, 2024, which comprise five statutory Committees and two other Committees that have been formed, considering the needs of the Company, details of which are as follows:

Name of the Committee	Audit Committee
Extract of Terms of Reference	<ol style="list-style-type: none"> 1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible; 2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company; 3. Reviewing, with the management, the annual financial statements and Auditors' report thereon before submission to the Board for approval, with particular reference to: <ol style="list-style-type: none"> (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act; (b) Changes, if any, in accounting policies and practices and reasons for the same; (c) Major accounting entries involving estimates based on the exercise of judgment by the management; (d) Significant adjustments made in the financial statements arising out of audit findings; (e) Compliance with listing and other legal requirements relating to financial statements; (f) Disclosure of any related party transactions; and (g) Modified opinion(s) in the draft audit report; 4. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval; 5. Approval or any subsequent modifications of transactions of the Company with the related parties; 6. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances; 7. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems; 8. Discussing with internal auditors on any significant findings and follow up there on.



Corporate Governance Report (Contd.)

Composition and Meeting Details	Name of Committee Members	No. of Meetings attended
	Mr. Mahesh Sarda (Chairman)	6
	Mr. Prakash Apte	6
	Mr. Kaushik Shah	5
	Mr. Thiruvengadam Parthasarathi	6
	Mr. Jayen Shah	6
	Mr. Tushar Shah	6
	The Committee met six times during the year under review.	
	The Committee meetings were held on May 23, 2023, May 24, 2023, July 26, 2023, October 17, 2023, October 30, 2023 and February 02, 2024.	
	The maximum interval between any two meetings was well within the maximum allowed gap of one hundred and twenty days.	
	The necessary quorum was present for all the Audit Committee meetings.	
	On the invitation of the Committee, the representatives of Finance Department, the Statutory Auditors and Internal Auditors and in certain cases, other senior officials of the Company were present in its meeting.	
	Mr. Mahesh Sarda, Chairman of the Audit Committee was present at the previous AGM of the Company held on August 24, 2023.	
Name of the Committee	Nomination and Remuneration Committee	
Extract of Terms of Reference	<ol style="list-style-type: none"> 1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; 2. Formulating of criteria for evaluation of the performance of the independent directors and the Board; 3. Devising a policy on Board diversity; 4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluations of every director's performance; 5. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component; 6. Recommend to the Board, all remuneration, in whatever form, payable to the senior management. 	

Corporate Governance Report (Contd.)

Composition and Meeting Details	Name of Committee Members	No. of Meetings attended
	Mr. Thiruvengadam Parthasarathi (Chairman)	2
	Ms. Pratima Umarji	1
	Mr. Mahesh Sarda	2
	Mr. Mukesh Shah	2
	<p>The Committee met twice during the year under review. The Committee Meetings were held on May 19, 2023 and February 02, 2024.</p> <p>The necessary quorum was present for the Nomination and Remuneration Committee meeting.</p> <p>The performance evaluation of Independent Directors was based on various criteria, inter alia, including attendance at Board and Committee meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of the industry and global trends, etc. During the year under review, the Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology is effective for the evaluation of the performance of the Board and Committees and Individual Directors.</p> <p>Mr. Thiruvengadam Parthasarathi, Chairman of the Nomination and Remuneration Committee was present at the previous AGM of the Company held on August 24, 2023.</p>	
Name of the Committee	Stakeholders Relationship Committee	
Extract of Terms of Reference	<ol style="list-style-type: none"> Resolving the grievances of the security holders of the listed entity including complaints related to the transfer/transmission of shares, non-receipt of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company. Issue of duplicate certificates and new certificates on split/consolidation/renewal. Carrying out any other function as may be decided by the Board or prescribed under the Act, the Listing Regulations as amended, or by any other regulatory authority. 	
Composition and Meeting Details	Name of Committee Members	No. of Meetings attended
	Ms. Pratima Umarji (Chairperson)	3
	Mr. Prakash Apte	4
	Mr. Kaushik Shah	3
	Mr. Mukesh Shah	4
	Mr. Jayen Shah	4
	Mr. Tushar Shah	4
	<p>The Committee met four times during the year under review. The Committee Meetings were held on May 23, 2023, July 26, 2023, October 30, 2023 and February 02, 2024.</p> <p>Ms. Pratima Umarji, Chairperson of the Stakeholders' Relationship Committee was present at the previous AGM of the Company held on August 24, 2023.</p>	



Corporate Governance Report (Contd.)

Name of the Committee	Corporate Social Responsibility Committee	
Extract of Terms of Reference	<ol style="list-style-type: none"> 1. To formulate and recommend to the Board, the CSR Policy; 2. To formulate and recommend to the Board, the Annual Action Plan; 3. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken for approval of the Board; 4. To monitor the CSR policy and the CSR activity and report to the Board from time to time; 5. Review various proposals and identify the eligible entities/agencies for allocation of CSR amount; 6. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules; 7. Monitor and review periodically the CSR activities and submit the reports to the Board in respect of the CSR activities undertaken by the Company; 8. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Act and the rules framed thereunder. 	
Composition and Meeting Details	Name of Committee Members	No. of Meetings attended
	Mr. Jayen Shah (Chairman)	3
	Mr. Prakash Apte	3
	Mr. Kaushik Shah	3
	Mr. Mukesh Shah	2
	Mr. Tushar Shah	2
	The Committee met thrice during the year under review. The Committee meetings were held on May 23, 2023, September 04, 2023, and January 16, 2024.	
Name of the Committee	Risk Management Committee	
Extract of Terms of Reference	<ol style="list-style-type: none"> 1. Formulating a detailed risk management policy which shall include: <ol style="list-style-type: none"> (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee; (b) Measures for risk mitigation including systems and processes for internal control of identified risks; (c) Business continuity plan; 2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; 3. To monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems; 4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity; 5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken; 6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee. 	

Corporate Governance Report (Contd.)

Composition and Meeting Details	Name of Committee Members	No. of Meetings attended
	Mr. Prakash Apte (Chairman)	3
	Mr. Thiruvengadam Parthasarathi	3
	Mr. Jayen Shah	2
	Mr. Nikhil Kamat	3
	Ms. Sonali Bhadani	3
The Committee met thrice during the year under review. The Committee Meetings were held on July 26, 2023, October 30, 2023, and March 21, 2024.		
The necessary quorum was present for all the Risk Management Committee meetings.		
Name of the Committee	Strategic Growth Committee	
Extract of Terms of Reference	<ol style="list-style-type: none"> To review and approve the medium-term and long-term strategic business development plans, both organic and inorganic; To formulate and implement an expansion strategy for the Company; To review strategies for the objectives decided with respect to financial, technical, operational and any other significant matters affecting the development of the Company; To review on the implementation and progress of matters referred to above. 	
Composition and Meeting Details	Name of Committee Members	No. of Meetings attended
	Mr. Mukesh Shah (Chairman)	2
	Mr. Jayen Shah	2
	Mr. Tushar Shah	2
	Mr. Thiruvengadam Parthasarathi	2
	Mr. Prakash Apte	2
The Committee met twice during the year under review. The Committee Meetings were held on May 23, 2023, and July 03, 2023		
Name of the Committee	Executive Committee	
Extract of Terms of Reference	<ol style="list-style-type: none"> To approve opening and/or closing of bank account(s) with any bank and making necessary changes in the operations of the existing bank accounts. To approve opening and/or closing Demat Account(s) with any Depository Participant and close any existing Demat Account(s) with any Depository Participant and making necessary changes in the operations of the existing demat accounts. To authorize the Company's officials to execute, sign, submit and file any applications, affidavits, undertakings or any other writings before any Magistrate, Court of Law, Tribunal, Government Authorities and judicial/non-judicial Bodies and any other authority and also to represent the Company before the said Magistrate, Court of Law, Tribunal, Government Authorities, Judicial/Non-Judicial bodies and other Authority. To consider and grant Power of Attorney or authorisations in favour of the Company's officials or any other person for management of its day to day affairs. To approve execution of any agreements, undertakings, letters, writings, deeds, contracts, tenders and any document, which may be required to be executed by the Company from time to time for management of its day to day affairs and authorise officials of the Company to execute and submit such documents with concerned authorities. The Executive Committee is authorized to approve investment in Fixed Deposits upto ₹ 50 Crores above the limit approved by the Board for each Bank. To approve affixation of the Common Seal on any document required to be executed by the Company for management of its day to day affairs. 	



Corporate Governance Report (Contd.)

Composition and Meeting Details	Name of Committee Members	No. of Meetings attended
	Mr. Mukesh Shah (Chairman)	3
	Mr. Jayen Shah	2
	Mr. Tushar Shah	3
	Mr. Bimal Shah	3
	Mr. Nikhil Kamat	3

The Committee met thrice during the year under review. The Committee Meetings were held on June 26, 2023, November 22, 2023 and March 11, 2024.

Other details of the Stakeholders Relationship Committee

i. Name and Designation of Compliance Officer

Name: Ms. Pooja Lohor

Designation: Company Secretary and Compliance Officer

Address: Fine House, Anandji Street, Off M.G. Road, Ghatkopar East, Mumbai - 400 077, India

Tel: +91 (22) 2102 5000

Email: investors@fineorganics.com

ii. Status of Shareholder Complaints

Details of investor complaints received and redressed during the FY 2023-24 are as follows:

Nature of Complaints	Received during the year	Resolved during the year	Pending during the year
Non-receipt of Dividend etc.	6	6	0

Particulars of Senior Management Personnel and changes since the close of the previous financial year

Details of Senior Management Personnel as on March 31, 2024

Name of Senior Management Personnel	Category
Ms. Pooja Lohor	Company Secretary & Compliance Officer (Key Managerial Personnel)
Ms. Sonali Bhadani*	Finance
Mr. Vijay Prabhu	Quality Assurance
Mr. Amol Kamat	Operations
Mr. Mayukh Warawdekar	Research and Development
Mr. Himanshu Mehta	Information Technology Systems
Ms. Shalaka More	Procurement
Ms. Hema Jayakumar	Global Supply Chain & Procurement
Mr. Shrinivas Sawant	Sales & Marketing
Mr. Chetan Patel	Sales & Marketing
Mr. Nikhil Acharekar	Human Resource

*Ms. Sonali Bhadani has been appointed as Chief Financial Officer from Senior Vice President – Finance of the Company w.e.f. April 01, 2024

Corporate Governance Report (Contd.)

IV. REMUNERATION OF DIRECTORS

Remuneration to Executive Directors paid during the FY 2023-24

Remuneration payable to the Executive Directors is recommended by the Nomination and Remuneration Committee within the limits prescribed by the Act, is approved by the Board and is subject to the overall limits approved by the shareholders.

Details of remuneration of the Executive Directors approved by the Board and paid during the FY 2023-24 are given below:

(₹ in Lakhs)

Name of Executive Directors	Designation as at March 31, 2024	Salary and perquisites	Commission	Total Amount
Mr. Mukesh Shah	Chairman and Managing Director	420	75	495
Mr. Jayen Shah	Whole-time Director and Chief Executive Officer	420	75	495
Mr. Tushar Shah	Whole Time Director and Chief Financial Officer	420	75	495
Mr. Bimal Shah	Whole Time Director	420	75	495
Mr. Nikhil Kamat	Whole Time Director	145	20	165

The appointment of the Managing Director and the Whole Time Directors is for a period of 5 years. The Managing Director and the Whole Time Directors may resign from the service of the Company by giving three months' notice in advance. The Company has the right to terminate the service of the Managing Director and the Whole Time Directors by giving three months' notice in writing or salary in lieu thereof.

Remuneration to Non-executive Directors paid during the FY 2023-24

The Non-Executive Directors are entitled to sitting fees for attending the meetings of the Board and of the Committees thereof and commission as approved by the Board from time to time. Sitting fees paid to the Non-Executive Directors are within the prescribed limits under the Act. The details of sitting fees paid and commission payable during the financial year are as under:

(₹ in Lakhs)

Sr. No.	Name of Non-Executive Directors	Sitting Fees	Commission	Total Amount
1.	Mr. Prakash Apte	9.55	15	24.55
2.	Mr. Mahesh Sarda	7.25	15	22.25
3.	Mr. Thiruvengadam Parthasarathi	8.70	15	23.70
4.	Ms. Pratima Umarji	2.95	15	17.95
5.	Mr. Kaushik Shah	6.70	15	21.70
6.	Ms. Rashi Mehta [^]	0	0	0

[^] Ms. Rashi Mehta has been appointed as a Non-Executive and Independent Director of the Company w.e.f. February 02, 2024.

Besides the remuneration stated as above, none of the Non-Executive and Independent Directors of the Company have any other material pecuniary relationship with the Company or relationship with the managerial personnel.

Notes:

Criteria for making payment to Non-executive Directors as specified in Nomination and Remuneration Policy of the Company are available on the website of the Company and can be accessed through the web link at <https://www.fineorganics.com/investor-policies/>



Corporate Governance Report (Contd.)

V. GENERAL BODY MEETINGS

A) Annual General Meeting

The details of the Annual General Meetings convened during the last three years are as follows:

Financial Year	Date	Time	Location	Special Resolution passed
2020-21	August 24, 2021	11:00 a.m.	The meeting was conducted through VC / OAVM pursuant to the circulars issued by the MCA.	NIL
2021-22	August 23, 2022	11:00 a.m.	The meeting was conducted through VC / OAVM pursuant to the circulars issued by the MCA.	<ol style="list-style-type: none"> 1. Appointment of Mr. Nikhil Kamat as a Whole Time Director of the Company. 2. Re-Appointment of Mr. Mukesh Shah as a Managing Director of the Company. 3. Re-appointment of Mr. Jayen Shah as a Whole Time Director and Chief Executive Officer of the Company. 4. Re-appointment of Mr. Tushar Shah as a Whole Time Director and Chief Financial Officer of the Company. 5. Re-appointment of Mr. Bimal Shah as a Whole Time Director of the Company. 6. Re-appointment of Mr. Prakash Apte as an Independent Non-Executive Director of the Company. 7. Re-appointment of Mr. Thiruvengadam Parthasarathi as an Independent Non-Executive Director of the Company. 8. Re-appointment of Mr. Mahesh Sarda as an Independent Non-Executive Director of the Company. 9. Re-appointment of Ms. Pratima Umarji as an Independent Non-Executive Director of the Company. 10. Re-appointment of Mr. Kaushik Shah as an Independent Non-Executive Director of the Company. 11. Commission to Non-Executive Directors of the Company (other than Managing Director and Whole Time Directors).
2022-23	August 24, 2023	11:00 a.m.	The meeting was conducted through VC / OAVM pursuant to the circulars issued by the MCA.	<ol style="list-style-type: none"> 1. Commission to Non-Executive Directors of the Company (other than Managing Director and Whole Time Directors)

Corporate Governance Report (Contd.)

B) Extraordinary General Meeting

No Extraordinary General Meeting of the Members was held during the last three years.

C) Postal Ballot

During the year under review, the Company sought approval of the shareholders by way of Postal Ballot, through Notice dated February 02, 2024, on the following Special Resolutions:

Sr. No.	Particulars
1	To consider and approve the re-designation of Mr. Mukesh Shah (DIN: 00106799) from Chairman and Managing Director to Chairman and Whole-time Director of the Company.
2	To consider and approve the re-designation of Mr. Jayen Shah (DIN: 00106919) from Whole Time Director and Chief Executive Officer to Managing Director of the Company.
3	To consider and approve the appointment of Ms. Rashi Mehta (DIN:10420079) as Non-Executive and Independent Director of the Company.

Procedure for Postal Ballot

The Postal Ballot was carried out as per the provisions of Section 108 and Section 110 of the Act, Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Act.

The Board of Directors had appointed Mr. Kartik Shah, (Membership No. FCS 5732) of M/s. Ks & Associates, Company Secretaries, as a Scrutiniser for conducting the Postal Ballot, through an e-voting process, in a fair and transparent manner. The Company had engaged the services of M/s KFin Technologies Limited (“KFinTech”) Registrar and Share Transfer Agent as the agency to provide an e-voting facility.

The remote e-voting period remained open from February 26, 2024 (09:00 a.m. IST) to March 26, 2024 (05:00 p.m. IST). Post conclusion of the remote e-voting period on March 26, 2024, the result of the Postal Ballot was submitted by the Scrutiniser to Chairman of the Company on Thursday, March 28, 2024. The consolidated results of the voting by Postal Ballot and e-voting were announced on March 28, 2024. The results were also displayed on the website of the Company at www.fineorganics.com and on the website of KFinTech and communicated to BSE Limited and National Stock Exchange of India Limited.

The details of e-voting on the aforementioned resolution(s) are provided hereunder:

Resolution No.	Particulars	% Votes in Favour	% Votes in Against
1.	To consider and approve the re-designation of Mr. Mukesh Shah (DIN: 00106799) from Chairman and Managing Director to Chairman and Whole-time Director of the Company	99.9829	0.0171
2.	To consider and approve the re-designation of Mr. Jayen Shah (DIN: 00106919) from Whole Time Director and Chief Executive Officer to Managing Director of the Company	99.9969	0.0031
3.	To consider and approve the appointment of Ms. Rashi Mehta (DIN: 10420079) as Non-Executive and Independent Director of the Company	93.9428	6.0572

The resolutions were passed with requisite majority.

Details of special resolution proposed to be conducted through Postal Ballot

None of the businesses proposed to be transacted in the ensuing AGM requires the passing of a special resolution through Postal Ballot.



Corporate Governance Report (Contd.)

VI. MEANS OF COMMUNICATION

Stock Exchange Intimations	All the material events or information as per Regulation 30 of the Listing Regulations and other intimations, as required, are disseminated to the Stock Exchanges by filing them with the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') through their respective online portals. They are also displayed on the website of the Company https://www.fineorganics.com/investor-relations/
Quarterly Results/ Annual Results	<p>The unaudited quarterly results are announced within forty- five days of the close of each quarter, other than the last quarter. The audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations. The aforesaid financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which these are considered and approved.</p> <p>The results are usually published in Financial Express, an English newspaper having country-wide circulation and in Pratahkal, Marathi newspaper having circulation in Mumbai where the registered office of the Company is situated.</p>
Annual Report	In compliance with General Circular No. 09/2023 dated September 25, 2023 read with General Circular Nos. 14/2020, 17/2020, 20/2020 issued by MCA and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 read with para 5.1 and 5.2 of section VI-J of chapter VI of the Master Circular dated July 11, 2023 issued by SEBI, the Annual Report of the Company for the FY 2023-24 is being emailed to the members whose email addresses are registered with the Company/KFin Technologies Limited /Depositories as per section 136 of the Act and Regulation 36 of the Listing Regulations. Other members, who have not registered their email addresses, are requested to register their email id at the earliest and ask for a soft copy of the Annual Report. The Annual Report of the Company is available on the Company's website, the web link of which is - https://www.fineorganics.com/investor-annual-report/
Website	All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted at Company's website https://www.fineorganics.com
Designated Exclusive Email ID	The Company has designated the email id i.e. investors@fineorganics.com for investor grievances. This email id has been displayed on the Company's website https://www.fineorganics.com
Presentations	Presentations made to the institutional investors/analysts are intimated to the Stock Exchanges under the Listing Regulations and are also hosted on the website of the Company, the web-link of which is - https://www.fineorganics.com/investor-presentations/

VII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	<p>The Company has decided to hold its 22nd Annual General Meeting ("AGM") on Wednesday, August 21, 2024 at 11:00 am through VC / OAVM. The shareholders may note that the Ministry of Corporate Affairs, has vide its General Circular No. 09/2023 dated September 25, 2023 read with General Circular Nos. 14/2020, 17/2020, 20/2020 (collectively referred to as 'MCA Circulars') permitted the holding of AGM through VC/OAVM without physical presence of the Members at a common venue. Further, the SEBI vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 read with para 5.1 and 5.2 of section VI-J of chapter VI of the SEBI Master Circular dated July 11, 2023 issued by SEBI ('SEBI Circulars') has also granted relaxation from compliance with certain provisions of Listing Regulations and have permitted the holding of AGM through VC/OAVM without physical presence of the Members at a common venue.</p> <p>Guidelines for participation in the Company's 22nd AGM are laid out in the Notice convening the meeting and have also been uploaded on the website of the Company viz. https://www.fineorganics.com/investor-agm-documents/ As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard 2, particulars of the Director seeking re-appointment at this AGM are given in the Annexure to the Notice of the AGM.</p>
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Corporate Governance Report (Contd.)

Financial Year: 2024-25 (Tentative)	The financial year of the Company starts on the 1 st day of April and ends on the 31 st day of March of next year. Our tentative calendar for declaration of results for the FY 2024-25 is as given below:										
	<table border="1"> <thead> <tr> <th>Quarter Ended</th> <th>Release of Results</th> </tr> </thead> <tbody> <tr> <td>First Quarter Results</td> <td>on or before August 14, 2024</td> </tr> <tr> <td>Second Quarter and Half Yearly Results</td> <td>on or before November 14, 2024</td> </tr> <tr> <td>Third Quarter Results</td> <td>on or before February 14, 2025</td> </tr> <tr> <td>Annual Results</td> <td>on or before May 30, 2025</td> </tr> </tbody> </table>	Quarter Ended	Release of Results	First Quarter Results	on or before August 14, 2024	Second Quarter and Half Yearly Results	on or before November 14, 2024	Third Quarter Results	on or before February 14, 2025	Annual Results	on or before May 30, 2025
Quarter Ended	Release of Results										
First Quarter Results	on or before August 14, 2024										
Second Quarter and Half Yearly Results	on or before November 14, 2024										
Third Quarter Results	on or before February 14, 2025										
Annual Results	on or before May 30, 2025										
	In addition, the Board may meet on other dates as and when required.										
Dividend Payment Date	The Final Dividend of ₹ 10/- per equity share, has been recommended by the Board of Directors of the Company for the financial year ended March 31, 2024, and if approved at the ensuing AGM will be paid to the eligible Members on and from 6 th day from the conclusion of the said AGM.										
Day & Date of Book Closure	Wednesday, August 14, 2024 to Wednesday, August 21, 2024										

Name, Address and Stock Code of Stock Exchange

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	Plot No. C/1, “6” Block, Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai – 400051
Stock Code: 541557	Stock Code: FINEORG
Annual Listing Fees to Stock Exchanges	Listing fees for the FY 2024-25 have been paid to the Stock Exchanges.
ISIN	INE686Y01026

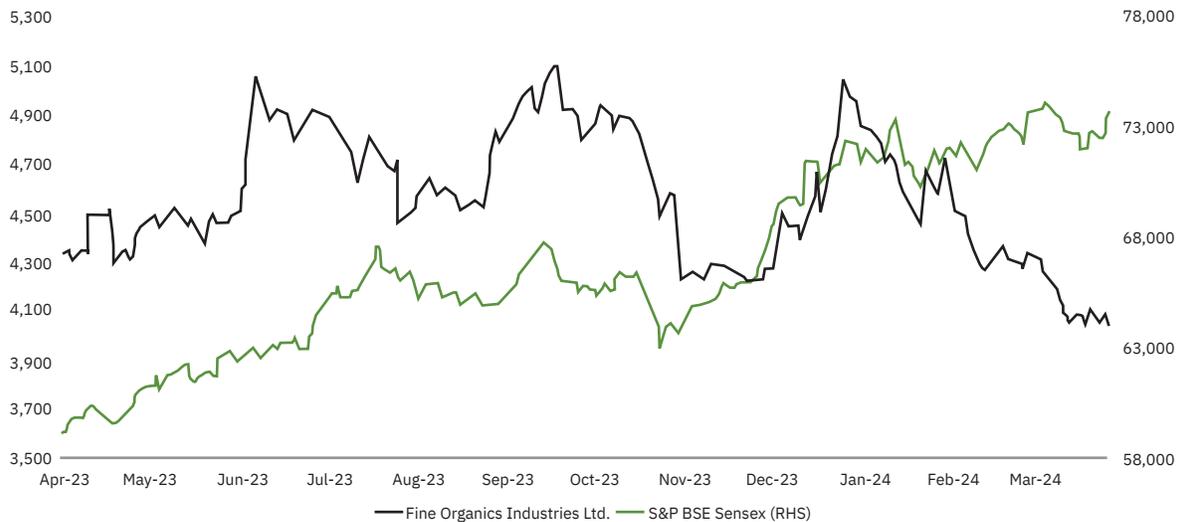
Market price data - high, low during each month in the last financial year

High/Low in each month of the FY 2023-24 on the BSE Limited and National Stock Exchange of India Limited:

Month	BSE			NSE		
	High Price	Low Price	Total Number of shares traded	High Price	Low Price	Total Number of shares traded
Apr-23	4,586.85	4,256.60	41,262	4,543.00	4,251.05	5,15,964
May-23	4,810.95	4,351.10	66,265	4,822.45	4,350.00	7,87,965
June-23	5,125.00	4,487.05	1,05,399	5,125.00	4,490.00	11,97,709
July-23	4,943.00	4,333.00	93,067	4,949.90	4,432.55	7,16,217
Aug-23	4,899.00	4,481.00	56,229	4,898.80	4,478.25	5,57,837
Sep-23	5,160.00	4,775.05	64,395	5,164.90	4,785.00	5,81,303
Oct-23	4,999.25	4,405.00	53,165	4,970.80	4,405.00	4,17,510
Nov-23	4,453.30	4,205.00	87,509	4,437.00	4,215.00	4,64,630
Dec-23	5,116.25	4,231.60	1,19,419	5,120.00	4,229.30	16,57,376
Jan-24	5,047.00	4,410.00	83,085	5,049.95	4,410.00	7,45,051
Feb-24	4,769.55	4,253.00	60,805	4,790.60	4,250.05	6,04,409
Mar-24	4,369.80	4,005.00	68,515	4,371.00	4,021.00	4,77,573



Corporate Governance Report (Contd.)



Registrar & Share Transfer Agents (RTA)

Name and Address : KFin Technologies Limited

Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India – 500 032.

Toll free No. : 1-800-309-4001

E-mail : einward.ris@kfintech.com

Website : <https://www.kfintech.com>

Share transfer system Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, email ids, nomination and power of attorney should be given to the Company's RTA i.e., KFin Technologies Limited.

In accordance with SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 07, 2020, all share transfers need to be carried out in the dematerialised form with effect from April 01, 2021, compulsorily. Hence, no transfer of shares in physical form is allowed.

Share Transfer/ Transmission audit The Company has appointed a firm of Practicing Company Secretary to conduct the audit on a yearly basis to ensure that the requests for the transmission of shares, issue of duplicate shares, dematerialisation, rematerialisation of shares of the Company are processed within the stipulated time period subject to lodgment of all the necessary documents by the concerned shareholders.

Share Capital Audit The issued and paid up share capital is reconciled on a quarterly basis with the details of share capital admitted on National Securities Depository Limited ("NSDL"), Central Depository Services (India) Limited ("CDSL") and held in physical form by the shareholders. The quarterly audit of the

Corporate Governance Report (Contd.)

Company's share capital is carried out by a Practicing Company Secretary with the object of reconciling the total share capital admitted with NSDL and CDSL and held in physical form, with the total issued and listed capital of the Company. The certificate of share capital

audit received from the concerned Practicing Company Secretary is submitted to BSE and NSE and is also placed at the meetings of the Board of Directors on a quarterly basis.

Distribution of Equity Shareholding as on March 31, 2024

Category (Amount)	No. of Cases	% of Shareholders Total	No. of Shares	Amount (In ₹)	% of Amount
1-5000	1,49,994	99.828953	26,20,883	1,31,04,415	8.548223
5001- 10000	111	0.073876	1,64,455	8,22,275	0.536383
10001- 20000	51	0.033943	1,40,383	7,01,915	0.457871
20001- 30000	14	0.009318	69,982	3,49,910	0.228252
30001- 40000	12	0.007987	81,562	4,07,810	0.266021
40001- 50000	2	0.001331	17,092	85,460	0.055747
50001- 100000	15	0.009983	2,19,777	10,98,885	0.716821
100001 & Above	52	0.034609	2,73,45,842	13,67,29,210	89.190683
Total	1,50,251	100.00	3,06,59,976	15,32,99,880	100.00

Categories of Equity Shareholding Pattern as on March 31, 2024

Sr. No.	Description	Shares	% Equity
1	Promoters and Promoter Group	2,29,94,501	75.00
2	Mutual Funds	31,50,671	10.28
3	Foreign Portfolio – Corp	13,70,886	4.47
4	Resident Individuals	25,94,127	8.46
5	Alternative Investment Fund	34,934	0.11
6	Bodies Corporate	1,87,902	0.61
7	HUF	77,421	0.25
8	Non-Resident Indians	88,745	0.29
9	Qualified Institutional Buyer	1,12,352	0.37
10	Trusts	269	0.00
11	Non-Resident Indian Non-Repatriable	48,038	0.16
12	Clearing Members	80	0.00
13	NBFC	1	0.00
14	Director	19	0.00
15	Banks	30	0.00
	TOTAL	3,06,59,976	100

Dematerialisation of shares and liquidity

The Company has established connectivity with CDSL and NSDL for dematerialisation of shares. As on March 31, 2024, Equity shares representing 100% of paid-up capital were in dematerialised form.

Description	Shares	% to Equity
No. of Shares held in dematerialised form in NSDL	2,89,39,172	94.39
No. of Shares held in dematerialised form in CDSL	17,20,804	5.61
Total	3,06,59,976	100.00



Corporate Governance Report (Contd.)

Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments in the past and hence, as on March 31, 2024, the Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

Factory Address/ Plant Locations: The Company's plants are located at Ambernath, Badlapur, Dombivli and Patalganga in Maharashtra.

Credit Ratings: During the FY 2023-24, the credit ratings of the Company by ICRA Limited were as follows:

Sr. No.	Particulars	Current Rating
1.	Long Term/Short Term – Fund based/Non-Fund based Limits	[ICRA]AA (Stable)/ [ICRA]A1+

Shareholders may correspond with the Registrar and Transfer Agents at

KFin Technologies Limited

Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India – 500 032.

Contact Person: Mr. Umesh Pandey

Toll-free No.: 1-800-309-4001

Email: einward.ris@kfintech.com

Website: <https://www.kfintech.com>

The Company has also designated investors@fineorganics.com as an exclusive email id for investors for the purpose of registering complaints and the same has been displayed on the Company's website.

Shareholders would have to correspond with the respective Depository Participants for shares held in dematerialised form for transfer/ transmission of shares, change of address, change in bank details, etc.

The Compliance Officer can also be contacted at

Ms. Pooja Lohor

Company Secretary and Compliance Officer

Fine House, Anandji Street, Off M.G. Road,

Ghatkopar East, Mumbai - 400 077 India

Tel: +91 (22) 21025000

Email: investors@fineorganics.com

The Company can also be visited at its website: <https://www.fineorganics.com>

VIII. OTHER DISCLOSURES

Related Party Transactions

During the financial year ended March 31, 2024, there were no materially significant transactions or arrangements entered between the Company and its Promoters, Directors or their relatives or the Management, subsidiaries, related parties, etc. that may have a potential conflict of interests with the Company at large. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

As per Regulation 23(1) of the Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions in line with the requirements of Section 177 and 188 of the Act read with Rules framed thereunder and the Listing Regulations. This Policy has been posted on the website of the Company at the Web link: <https://www.fineorganics.com/investor-policies/>

Loans and advances

Disclosure by the listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

Except as disclosed below, there are no loans and advances given in the nature of loans to firms/companies in which directors are interested

Corporate Governance Report (Contd.)

Particulars	Amount of Loans
Loan given to Fine Organic Industries (SEZ) Private Limited, a Wholly Owned Subsidiary, (the WOS) by Fine Organic Industries Limited (Listed Entity)*	₹ 41,00,000/-

*During the year the said loan has been repaid by the WOS.

Policy for determining 'material' subsidiaries

The Company has formulated a policy for determining material subsidiaries in terms of the Listing Regulations. This Policy has been posted on the website of the Company at the Web link: <https://www.fineorganics.com/investor-policies/>

Details of non-compliance, penalties, strictures imposed by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets during the last 3 years

There have been no instances of non-compliance on any matter with the rules and regulations prescribed by the Stock Exchange, SEBI or any other Statutory Authority relating to the capital market during the previous 3 (three) financial years.

Compliance with mandatory requirements

The Company has complied with all the mandatory requirements relating to Corporate Governance under the Listing Regulations.

- The Company has complied with the requirement of the Corporate Governance Report of sub-para (2) to (10) of Schedule V of the Listing Regulations.
- The Company has complied with the requirement specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

Non - Mandatory Discretionary Requirements

The non-mandatory discretionary requirements as prescribed in Schedule II Part E of the Listing Regulations as adopted by the Company are as under:

- Modified opinion(s) in audit report: During the year under review, the Auditors have expressed an unmodified opinion on the financial statements. The Company continues to adopt best practices to ensure regime of financial statements with un-modified opinion.

- Reporting of Internal Auditor: The Internal Auditors of the Company report to the Audit Committee and participate in the meetings of the Audit Committee of the Board of Directors of the Company and present their quarterly internal audit observations to the Audit Committee.

Auditors Fees

During the FY 2023-24, total fees of ₹ 60 Lakhs were paid to the statutory auditors by the Company for all services to the Company on a consolidated basis. Additionally, the statutory auditors of the Company are also the statutory auditors of our joint venture company viz., Fine Zeelandia Private Limited and have been paid an amount of ₹ 4 lakhs for the FY 2023-24 for their services.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, the Company has formed an Internal Complaint Committee (ICC) for its workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has a detailed policy for the prevention of Sexual Harassment at the Workplace, which ensures a free and fair enquiry process with clear timelines for resolution.

The Company has not received any complaints of sexual harassment during the FY 2023-24. The Company has in place a Policy on the Prevention of Sexual Harassment at Workplace ('POSH') and the same is uploaded on the website of the Company at <https://www.fineorganics.com/investor-policies/>

Code of Conduct for Prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted the Code of Conduct for Prevention of Insider Trading to regulate the dealing in securities by the Promoters, Directors and Designated persons of the Company as defined in the Code. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of the Company's shares by the Directors and employees while in possession of unpublished price-sensitive information in relation to the Company or its securities.



Corporate Governance Report (Contd.)

The Company has appointed the Company Secretary as the Compliance Officer to ensure compliance with the said Code by all the Directors and employees likely to have access to unpublished price-sensitive information.

The Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the PIT Regulations. The Company has already implemented an online module for enabling the Promoters, Directors and Designated Persons to submit their Disclosures and take requisite approvals under the PIT Regulations.

Vigil Mechanism/Whistle-Blower Policy for Directors and Employees

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics. No person is denied access to the Chairperson of the Audit Committee. The details of the establishment of the Vigil Mechanism/Whistle Blower Policy are posted on the website of the Company and the weblink to the same is <https://www.fineorganics.com/investor-policies/>

Acceptance of recommendations of Committees by the Board of Directors

In terms of the Listing Regulations, there have been no instances during the year under review, when the recommendations of any of the Committees were not accepted by the Board.

Disclosure of commodity price risks or foreign exchange risk and hedging activities

The Company is exposed to commodity price risk for its business operations. Currently, the Company does not engage in any direct commodity hedging activities. However, the Company has internal systems

through which price for our raw materials derived from commodities is monitored to the possible extent. The Company also manages the associated commodity price risks through periodical contracts with vendors and customers.

The Company is exposed to foreign exchange risks emanating from business, assets and liabilities denominated in foreign currency. In order to hedge this risk, the Company uses forward contracts as hedging instruments from time to time.

Details of utilisation of funds raised through Preferential Allotment or Qualified Institutional Placement

The Company did not raise any funds through Preferential Issues or Qualified Institutional Placement during the FY 2023-24.

Details of Material Subsidiary of the Company:

Name of the Material Subsidiary of the Company	Fine Organics (USA) Inc.
Date of Incorporation	July 29, 2013
Place of Incorporation	USA
Name of Statutory Auditor	Not Applicable
Date of Appointment of Statutory Auditor	-

Certificate on Corporate Governance and Certificate on Non-Disqualification of Directors

A certificate has been received from M/s. Ks & Associates, Company Secretaries, regarding compliance with the conditions of Corporate Governance, as stipulated in the Listing Regulations and is annexed to this report and forms part of the Annual Report.

The Company has also received the certificate from M/s. Ks & Associates, Company Secretaries and appended hereto, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI, MCA or any such statutory authority.

Corporate Governance Report (Contd.)

Certificate from Chief Executive Officer and Chief Financial Officer

The Chief Executive Officer (CEO) & Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs which is annexed hereto as Annexure.

Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

The disclosures with respect to the demat suspense account / unclaimed suspense account are not applicable to the Company for the FY 2023-24.

Disclosure of certain types of agreements binding listed entities

During the FY 2023-24, there were no such agreements entered required to be disclosed under Regulation 30 read with Regulation 30A and clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.



ANNEXURE TO CORPORATE GOVERNANCE REPORT OF FINE ORGANIC INDUSTRIES LIMITED

Declaration regarding Affirmation of Code of Conduct

All the members of the Board and the Senior Management Personnel of the Company have for the year ended March 31, 2024, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Fine Organic Industries Limited

Tushar Shah

Director and Chief Executive Officer

DIN:00107144

Mumbai : May 10, 2024

CEO and CFO certification for the Financial Year 2023-24

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) no significant changes have taken place in internal control over financial reporting during the year;
 - (2) no significant changes have taken place in accounting policies during the year; and
 - (3) no instances of significant fraud have occurred by the management or any employee during the financial year.

For Fine Organic Industries Limited

Tushar Shah
Director and Chief Executive Officer
DIN: 00107144

Sonali Bhadani
Chief Financial Officer

Mumbai : May 10, 2024



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to regulation 34(3) and schedule V Para C clause (10)(i) of SEBI
(Listing Obligations and Disclosure requirements) Regulations, 2015)

To,

The Board of Directors of Fine Organic Industries Limited

Fine House, Off M. G. Road, Ghatkopar East, Mumbai - 400077

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Fine Organic Industries Limited having CIN L24119MH2002PLC136003 and registered office at Fine House, Anandji Street, Off M. G. Road, Ghatkopar East, Mumbai - 400 077 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with regulation 34(3) read with Schedule V Para-C clause (10)(i) of Securities Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

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

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mukesh Maganlal Shah	00106799	May 24, 2002
2	Jayen Ramesh Shah	00106919	May 24, 2002
3	Tushar Ramesh Shah	00107144	May 24, 2002
4	Bimal Mukesh Shah	03424880	April 01, 2011
5	Nikhil Dattatraya Kamat	00107233	June 27, 2022
6	Mahesh Pansukhlal Sarda	00023776	November 13, 2017
7	Prakash Krishnaji Apte	00196106	November 13, 2017
8	Pratima Madhukar Umarji	05294496	November 13, 2017
9	Thiruvengadam Parthasarathi	00016375	November 13, 2017
10	Kaushik Dwarkadas Shah	00124756	January 24, 2018
11	Rashi Hrushikesh Mehta	10420079	February 02, 2024

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

For Ks & Associates,

Company Secretaries,

Kartik Shah

Membership No. 5732

Certificate of Practice No. 5163

Peer Review Certificate No.: 1225/2021

UDIN: F005732F000343443

Mumbai : May 10, 2024

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

Fine Organic Industries Limited

We have examined the compliance of conditions of corporate governance by Fine Organic Industries Limited ('the Company') to the year ended on March 31, 2024, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation').

Management Responsibility

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management including the preparation and maintenance of all relevant supporting records and documents.

PCS Responsibility

Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and from the representations made by the Company, Board of Directors and authorised persons as well as from the Management Representations made by the Company during the conduct of audit & from the records maintained by the Company & from Board's Report on Corporate Governance & based on the draft Annual Report of the Company for financial year ended March 31, 2024, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations wherever applicable during the financial year ended March 31, 2024.

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

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for other purposes.

For Ks & Associates,
Company Secretaries,

Kartik Shah

Membership No. 5732

Certificate of Practice No. 5163

Peer Review Certificate No.: 1225/2021

UDIN: F005732F000343454

Mumbai : May 10, 2024



Business Responsibility & Sustainability Report

SECTION A GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1.	Corporate Identity Number (CIN) of the listed entity	L24119MH2002PLC136003
2.	Name of the listed entity	Fine Organic Industries Limited (“The Company”)
3.	Year of incorporation	May 24, 2002
4.	Registered office address	Fine House, Anand ji Street, Off M.G. Road, Ghatkopar East, Mumbai: 400077, Maharashtra, India
5.	Corporate address	Fine House, Anand ji Street, Off M.G. Road, Ghatkopar East, Mumbai: 400077, Maharashtra, India
6.	E-mail	info@fineorganics.com
7.	Telephone	+91 (22) 2102 5000
8.	Website	https://www.fineorganics.com/
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	<ul style="list-style-type: none"> National Stock Exchange of India Limited (NSE) NSE Scripcode: FINEORG BSE Ltd. – BSE Scripcode: 541557
11.	Paid-up capital	₹ 1,533 Lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Ms. Pooja Lohor Designation: Company Secretary & Compliance Officer Telephone : +91 (22) 2102 5000 E-mail : investors@fineorganics.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Disclosures under this report have been made on a standalone basis for the Company
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover)

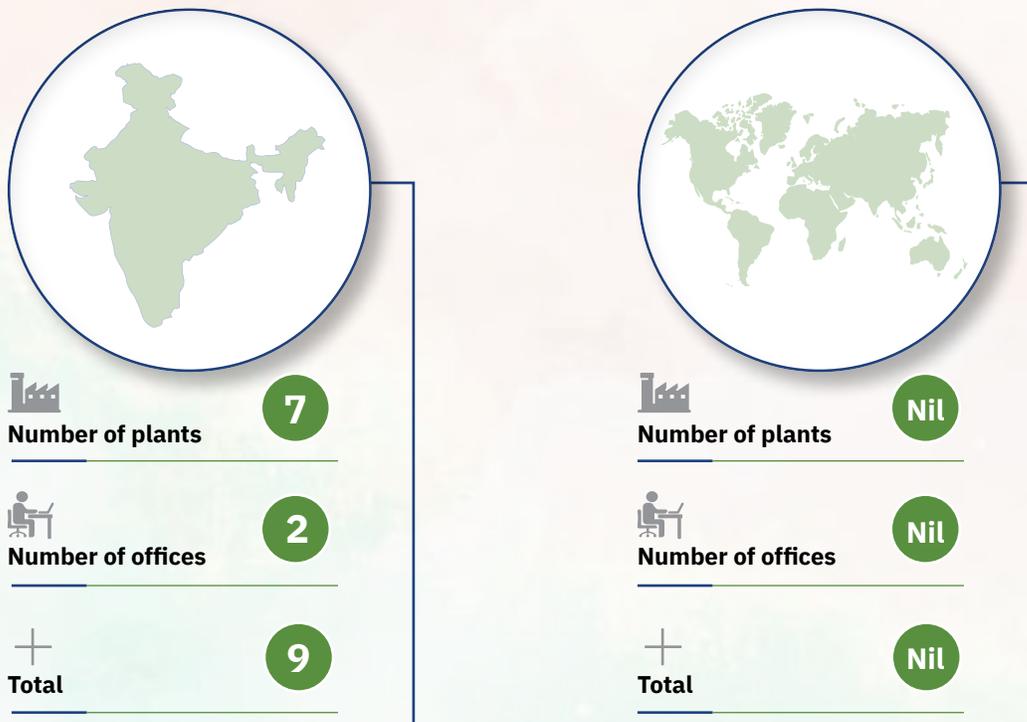
Description of the main activity	Description of business activity	% of turnover of the entity
Manufacturing of additives	The Company is India's leading specialty performance additives manufacturer used in plastics, foods, rubbers, coatings, cosmetics, feed nutrition and other specialty applications.	100%

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

Product/service	NIC code	% of total turnover contributed
Specialty performance additives	20119	100%

III. OPERATIONS

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





19. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of states)	Pan India
International (No. of countries)	80+

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

Approximately 52% of the Company's total turnover is generated through exports.

c. A brief on types of customers

The Company manufactures Specialty Performance Additives which caters to a wide variety of customers in the food and feed nutrition industry, coatings, rubbers, plastics and plastics and polymer industry, cosmetics industry, and other sectors.

IV. EMPLOYEES

20. Details as at the end of financial year 2023-24

a. Employees and workers (including differently abled)

S. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)

Employees

1	Permanent (D)	413	267	64.65%	146	35.35%
2	Other than permanent (E)	18	16	88.89%	2	11.11%
3	Total employees (D + E)	431	283	65.66%	148	34.34%

Workers

4	Permanent (F)	437	423	96.80%	14	3.20%
5	Other than permanent (G)	189	182	96.30%	7	3.70%
6	Total workers (F + G)	626	605	96.64%	21	3.35%

b. Differently abled employees and workers

S. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled employees						
1	Permanent (D)	0	0	0.00%	0	0.00%
2	Other than permanent (E)	0	0	0.00%	0	0.00%
3	Total differently abled employees (D+E)	0	0	0.00%	0	0.00%
Differently abled workers						
4	Permanent (F)	0	0	0.00%	0	0.00%
5	Other than permanent (G)	0	0	0.00%	0	0.00%
6	Total differently abled workers (F+G)	0	0	0.00%	0	0.00%

Note: Currently Fine Organic Industries Limited does not have any differently abled employees. However, the Company does not discriminate against them, and the same policies are applicable to every employee, even at the time of recruitment.

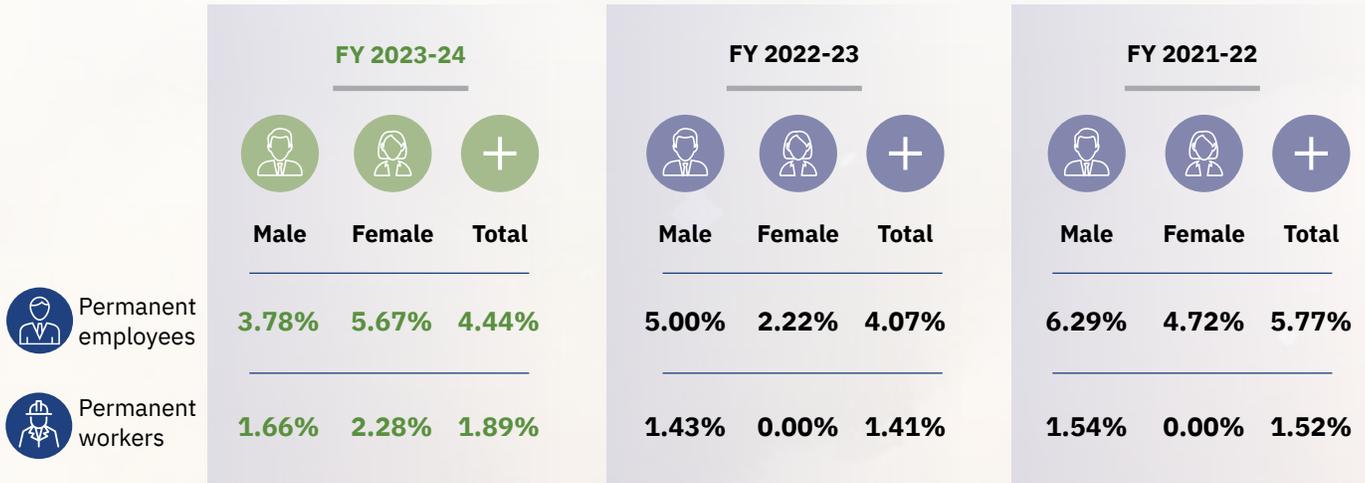
21. Participation/inclusion/representation of women

	Total (A)	No. and the percentage of females	
		No. (B)	% (B/A)
Board of Directors	11	2	18.18%
Key Management Personnel	6	1	16.67%



22. Turnover rate for permanent employees and workers

(Disclose trends for the past three years)



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

23. (a) Names of holding/subsidiary/associate companies/joint ventures

Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	Does the Company, indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)	% of shares held by listed entity
Fine Organics (USA), Inc.	Subsidiary company	Yes	100%
Fine Organics Europe BV	Subsidiary company	Yes	100%
Fine Organic Industries (SEZ) Private Limited	Subsidiary company	Yes	100%
Fine Zeelandia Private Limited	Joint venture company	Yes	50%
Fine Organic Industries (Thailand) Co., Limited	Joint venture company	Yes	45%

CSR DETAILS
24. Whether CSR is applicable as per section 135 of Companies Act, 2013

Yes, CSR is applicable to the Company in accordance with Section 135 of the Companies Act, 2013.

i. **Turnover (in ₹)**
₹ 3,029.15 Cr.

ii. **Net worth (in ₹)**
₹ 1,511.94 Cr.

*Turnover and net worth amount as on March 31, 2023.

VI. TRANSPARENCY AND DISCLOSURES COMPLIANCES
25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct
Stakeholder group from whom the complaint was received

Grievance redressal mechanism in place (Yes/No)	FY 2023-24			FY 2022-23		
	Number of complaints filed during the year	Number of complaints with pending resolution at the end of the year	Remarks	Number of complaints filed during the year	Number of complaints with pending resolution at the end of the year	Remarks
Communities						
Yes. A framework is established to engage with the community, comprehending their concerns and resolving any issues they may encounter.	Nil	Nil	–	Nil	Nil	–
Investors (other than shareholders)						
N.A.	N.A.	N.A.	–	N.A.	N.A.	–



Grievance redressal mechanism in place (Yes/No)	FY 2023-24			FY 2022-23			
	(If yes, then provide a web link to the grievance redress policy)	Number of complaints filed during the year	Number of complaints with pending resolution at the end of the year	Remarks	Number of complaints filed during the year	Number of complaints with pending resolution at the end of the year	Remarks
Shareholders							
Yes https://scores.gov.in/scores/welcome.html https://smartodr.in/login https://www.fineorganics.com/contact-us/	6	0	–	8	0	–	
Employees & workers							
Yes https://www.fineorganics.com/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf https://www.fineorganics.com/wp-content/uploads/2023/02/Sexual-Harassment-Policy.pdf	Nil	Nil	–	Nil	Nil	–	
Customers							
Yes https://www.fineorganics.com/contact-us/	6	0	–	Nil	Nil	–	
Value chain partners							
Yes https://www.fineorganics.com/contact-us/	Nil	Nil	–	Nil	Nil	–	
Others (please specify)							
Nil	Nil	Nil	–	Nil	Nil	–	

26. Overview of the entity's material responsible business conduct issues

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

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
Extended product approval process	Risk	It is a long process to get approval from regulatory authorities for a new product. For this reason, end-users of additives generally prefer established organisation's with all formalities/certifications in place. This stands as a barrier for an additive manufacturer trying to enter new geographies and reach out to new customers, as country-specific approval is required and each country has different parameters for approval	<ul style="list-style-type: none"> Understanding the approval process in detail and having in place all certificates required, will expedite the process Focus on improving communication with all relevant stakeholders, both locally and internationally 	Negative- Revenue loss for the organisation
Vegetable oil prices	Risk	Fluctuations in vegetable oil prices due to fluctuating demand and supply indirectly affect the financial performance of the organisation	<ul style="list-style-type: none"> Keeping sufficient stock of raw materials so that the organisation is not affected by sudden market fluctuations Maintaining robust relationships with key suppliers 	Negative- Rising costs of raw materials can lead to diminished profit margins and adversely impact the organisation's financial performance
Industry growth	Opportunity	End-users switching from synthetic and conventional materials to organic and natural additives, incorporating sustainable and environmentally friendly materials into their processes	-	Positive- Higher demand will lead to increased revenue
Customer specification	Opportunity	By paying attention to each customer's unique requirements and delivering tailored solutions, the Company establishes a bond of trust between the organisation and the customer	-	Positive- Increase revenue by providing customised solutions and building trust



Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
Impact of climate change	Risk	The business may face challenges due to adverse weather conditions and climate change, as these factors can have an impact on crop production. Since vegetable oils, which are key raw materials for the industry, are derived from crops, any negative effects on them can affect their availability. Additionally, climate change and related natural disasters like floods, cyclones, and droughts can introduce volatility in raw material prices, potentially influencing farmers' decisions. Such disruptions can also impact supply chains, production facilities, and even customer demand and preferences	<ul style="list-style-type: none"> • Sustainable sourcing from developed key suppliers can mitigate risks for the Company by ensuring a stable and reliable supply of raw materials while promoting environmental stewardship and resilience • Improvement in processes to generate less emissions • Sustainable logistics management 	Negative- Most suppliers opt for short-term contracts spanning 3 to 6 months, occasionally extending to 12 months when required, owing to global uncertainties
Health & safety	Risk	In the chemical industry, health & safety can cause a potential harm to individuals and communities, operational disruptions, regulatory non-compliance consequences, and reputation damage. Proactive risk management and adherence to safety protocols are essential to mitigate these risks effectively and ensure business sustainability	<ul style="list-style-type: none"> • Prioritising safety protocols and regulatory compliance • Identifying and mitigating operational hazards • Ensuring swift incident response and containment • Providing comprehensive safety education and awareness • Integrating lessons learned for ongoing safety enhancement 	Negative- Health and safety incidents can lead to financial losses through regulatory fines, legal liabilities, production shutdowns, and damage to facilities, impacting the Company's profitability, reputation, and market competitiveness
Regulatory issues and compliance	Risk	Failure to comply with regulatory issues not only causes risks of legal repercussions but also undermines the Company's reputation. Given the industry's sensitivity to safety and environmental concerns, any deviation could erode trust among stakeholders, affecting market presence and financial stability	<ul style="list-style-type: none"> • Ensuring adherence to compliance monitoring system 	Negative- Non-compliance can lead to fines, legal expenses, and production delays for the Company, while tarnishing the brand image and reducing customer trust, impacting financial performance
Reducing carbon footprint	Opportunity	Ensuring the reduction of carbon footprint helps to align with global sustainability objectives and mitigates the effects of global climate change while fostering innovation	-	Positive- Reducing the carbon footprint can yield positive financial outcomes and enhance brand reputation

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC principles and core elements.



Disclosure questions

P1 P2 P3 P4 P5 P6 P7 P8 P9

Policy and Management Processes

1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes*
	c. Weblink of the policies, if available.	https://www.fineorganics.com/investor-policies/**
2.	Whether the entity has translated the policy into procedures. (Ye/No)	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Company expects its value chain partners to adhere to the policies.
4.	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> • ISO 9001, SEDEX, ECOVADIS, KOSHER, HALAL & FSSC 22000, COSMOS Ecocert • ISO 9001, SEDEX, FSSC 22000, FSSAI, ECOVADIS, REACH, JOSPHA, GMP+, EFFCI & RSPO • EOVDIS & SEDEX • ISO 9001, KOSHER, HALAL, FSSC 22000, GMP+, EFFCI & RSPO, COSMOS Ecocert • EOVDIS & SEDEX • EOVDIS & SEDEX • ISO 9001, FSSAI, HALAL, FSSC 22000, ECOVADIS & GMP+ • ISO 9001, SEDEX, FSSC 22000, FSSAI, ECOVADIS, REACH, JOSPHA, GMP+, EFFCI, KOSHER, HALAL & RSPO, COSMOS Ecocert • ISO 9001, SEDEX, FSSC 22000, FSSAI, ECOVADIS, REACH, JOSPHA, GMP+, EFFCI, KOSHER, HALAL & RSPO, COSMOS Ecocert



Disclosure questions

- P1 P2 P3 P4 P5 P6 P7 P8 P9**
- ▼ ▼ ▼ ▼ ▼ ▼ ▼ ▼ ▼

Policy and Management Processes

5. **Specific commitments, goals and targets set by the entity with defined timelines, if any.**

The Company is dedicated to advancing sustainability efforts by tackling greenhouse gas emissions, promoting tree planting initiatives, conserving water resources, and optimising packaging waste management. With a defined roadmap and vision for the future, the Company regularly assesses goal attainment to sustain momentum towards its objectives.

6. **Performance of the entity against the specific commitments, goals and targets alongwith reasons in case the same are not met.**

Frequent evaluations are conducted by the Management to verify the effective and optimum implementation of all NGRBC principles.

* All statutory policies are approved by the Board of Directors, whereas other policies are approved by the Executive Directors or the respective business/unit head.

**These policies are internal documents and are circulated internally to the employees of the Company. The code of conduct for the Board of Directors and Senior Management, CSR policies, and Whistle-Blowerpolicy, among others, are available on the website of the Company.

Governance, Leadership and Oversight

7. **Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

The Company has firmly established itself as a conscientious entity, prioritising business responsibility while advocating for the principle of ‘Our People, Our Planet’ as responsible citizens. Recognising that ethical conduct and societal value creation are key to long-term success, the Company is dedicated to these principles. The Company’s oleochemicals derived additives and product solutions assist customers in achieving sustainability goals and preparing for the future. Approximately 85% of the raw materials sourced from renewable vegetable origins, the Company demonstrates a strong commitment to environmentally friendly practices.

The Company’s employees diligently pursue its mission and vision, and in return, the Company invests in their well-being by enhancing compensation packages and expanding the workforce with like-minded individuals. To foster a sense of security and inclusion among employees, the Company extends health, insurance, and financial support. Additionally, the Company acknowledges its role in improving the lives of the communities in which it operates and remains dedicated to these efforts.

Acknowledging the Company’s obligation to both humanity and the environment, the Company makes consistent efforts to fulfil its responsibility to promote their welfare.

8. **Details of the highest authority responsible for implementing and overseeing the Business Responsibility policy(ies).**

Name: Mukesh Shah
 Designation: Chairman & Director
 DIN Number: 00106799

9. **Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.**

Yes. The Company has established an internal management committee dedicated to overseeing sustainability matters. Led by Mr. Mukesh Shah, the Chairman & Director, the primary responsibility of this committee is to oversee the implementation of sustainability initiatives across the organisation, ensuring they are incorporated effectively into the Company’s operations and processes.

10 Details of review of NGRBCs by the Company:

 Subject for Review	Indicate whether the review was undertaken by Director/Committee of the Board/Any other Committee	Frequency (annually/half yearly/quarterly/any other – please specify)
Performance against the above policies and follow-up action	P1 P2 P3 P4 P5 P6 P7 P8 P9	P1 P2 P3 P4 P5 P6 P7 P8 P9
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with the existing regulations as applicable. A Statutory Compliance Certificate on applicable laws is provided by the Chief Executive Officer of the Company.	Quarterly

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



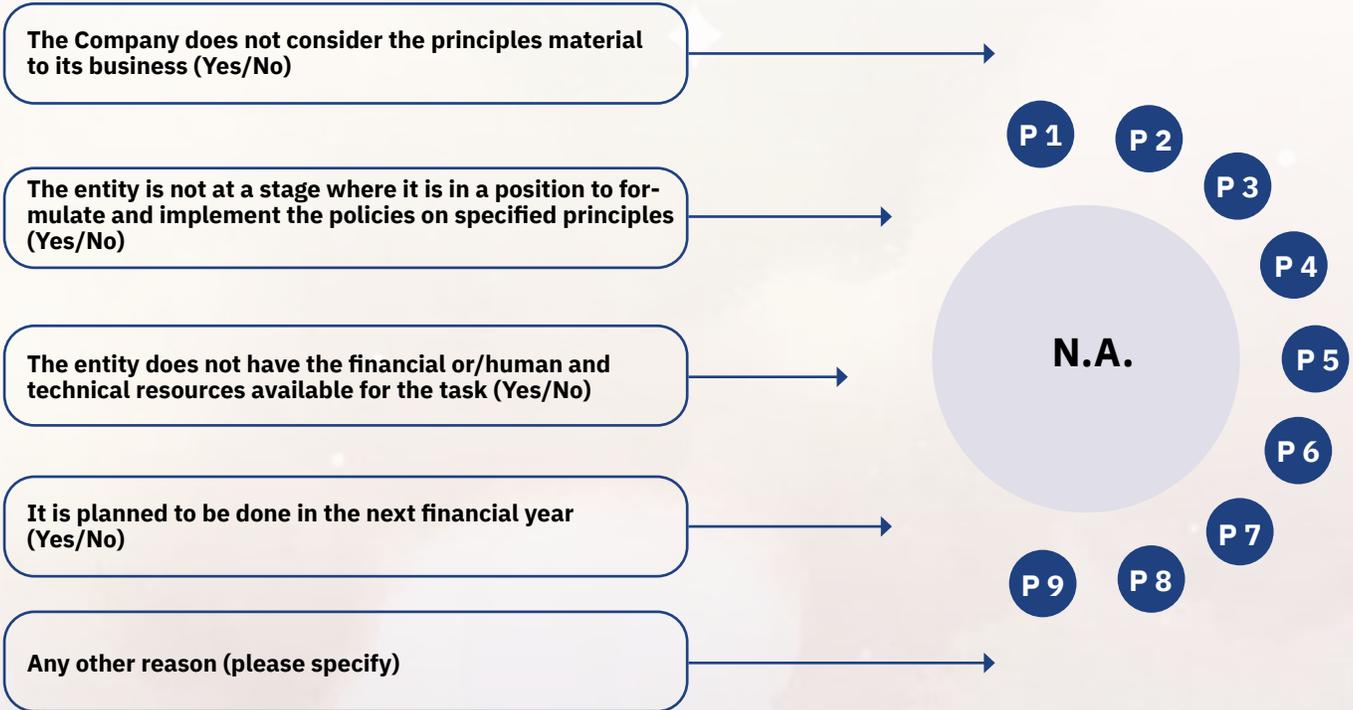
The Senior Management of the Company conduct routine reviews of their respective charters and policies through internal audits. These audits focus on monitoring the effectiveness of policies, projects, and performance related to corporate responsibility and sustainability.



12 If the answer to question (1) above is 'No' i.e. not all Principles are covered by a policy, reasons to be stated



Questions



SECTION C PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as ‘Essential’ and ‘Leadership’. While the essential indicators are expected to be disclosed by every entity mandated to file this report, the leadership indicators may be voluntarily disclosed by entities that aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

1 Principle

Businesses should conduct and govern itself with ethics, transparency and accountability.

2 Principle

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

3 Principle

Businesses should respect promote the well-being of all employees.

4 Principle

Businesses should respect the interests of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

5 Principle

Businesses should respect and promote human rights.

6 Principle

Businesses should respect, protect and make efforts to restore environment.

7 Principle

Businesses, when engaged in influencing public and regulatory policy/policies, should do so in a responsible and transparent manner.

8 Principle

Businesses should promote inclusive growth and equitable development.

9 Principle

Businesses should engage with and provide value to their customers and consumers in a responsible manner.



PRINCIPLE 1

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

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total no of training and awareness programmes held	Topics/principles covered under the training and impact	% age of persons in respective category covered by the awareness programme
Board of Directors	4	During the year, the Company's Board of Directors (including its committees) invested time in various updates comprising matters related to business, regulations, CSR activities and governance parameters.	100%
Key Managerial Personal (other than Board of Directors)	4	<ul style="list-style-type: none"> • POSH • Insider Trading Training • Medclaim & Accidental Training • Determination of Materiality of Events 	100%
Employees other than BoD and KMPs	4	<ul style="list-style-type: none"> • POSH • Insider Trading Training • Medclaim & Accidental Training 	90%
Workers	5	<ul style="list-style-type: none"> • Sedex • POSH • Quality Management System Trainings • FSSC Awareness • Safety 	95%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

There were no complaints filed against the Company's Directors or KMPs during the preceding financial years.

Monetary

NGRBC principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred (Yes/No)
Penalty/fine				
Settlement		Nil		
Compounding fee				

Non-monetary

NGRBC principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred (Yes/No)
Imprisonment			
Punishment		Nil	

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





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

The Company is dedicated to follow all applicable laws, rules, and regulations, as well as maintaining the highest levels of business ethics. The Company promotes a culture of high integrity, transparency, and adheres to the highest ethical and moral standards. Additionally, the Company has an anti-bribery & anti-corruption policy.

The Company has additionally implemented a Whistleblower Policy and Vigil Mechanism, offering a structured avenue for directors and employees to voice concerns regarding unethical conduct, potential fraud, or breaches of the Company’s Code of Conduct. This policy includes provisions to protect employees from any form of retaliation for using this reporting mechanism. The Whistleblower Policy can be accessed via the following web link: <https://www.fineorganics.com/investor-policies/>

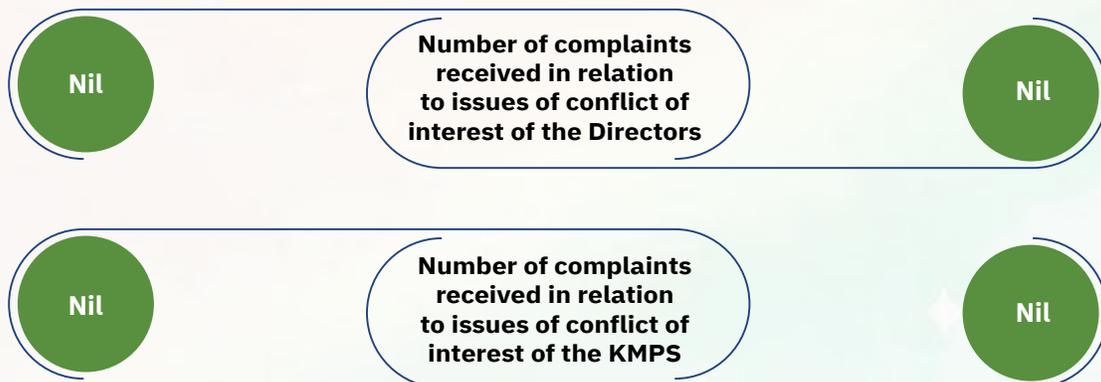
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

FY 2023-24

FY 2022-23



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

Not Applicable

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

FY 2023-24

FY 2022-23



9. Open-ness of business

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

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of purchases	a. Purchases from trading houses as % of total purchases	3.46%	1.46%
	b. Number of trading houses where purchases are made from	69	60
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	63.74%	68.33%
Concentration of sales	a. Sales to dealers/distributors as % of total sales	45.04%	37.83%
	b. Number of dealers/distributors to whom sales are made	260	235
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	42.03%	49.21%
Shares of RPT in	a. Purchases (Purchases with related parties/Total purchases)	0.29%	0.16%
	b. Sales (Sales to related parties/Total sales)	12.00%	19.57%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.85%	0.00%
	d. Investments x(Investments in related parties/Total investments made)	99.96%	99.91%



Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total no of awareness campaign held

102

Topics/principles covered under the training

Principle 2, 3, 4, 6, 7, 8 and 9

% age of value chain program partners covered (by value of business done with such partners) under the awareness programs

55%

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes.

All the Directors of the Company transparently disclose their interests within the Company and any potential conflict of interest with other companies, corporate bodies, firms, or other associations of individuals, annually or as changes occur. To ensure ethical governance, the Company has instituted a Policy on Materiality of Related Party Transactions, applicable to the Company. Transactions involving board members or entities they have affiliations are required to obtain the necessary approval from the Audit Committee or Board. During discussions on such matters, the concerned Directors recuse themselves. To detect and monitor conflict of interest among the Company's Directors and Key Management Personnel (KMPs), the Corporate Secretarial team oversees a database listing the Directors and their associated entities. This information is then provided to the finance department, which identifies these parties within their system. This facilitates the monitoring and tracking of any transactions initiated by the Company involving these parties.

Additionally, Directors annually affirm their commitment to act in the Company's best interests and avoid conflicts of interest. The Senior Management also confirms annually that they haven't engaged in any material, financial and commercial transactions that could conflict with the Company's interests. Moreover, during Board meetings, the Directors abstain from participating in discussions related to matters in which they have personal interests.

Weblink for Policy on Materiality of Related Party Transactions:

<https://www.fineorganics.com/investor-relations/>

PRINCIPLE 2

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

Essential Indicators

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

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	100%	100%	The Company prioritises developing products & technologies which are beneficial to environment and society.
Capex	96.12%	100%	

Note: The primary focus of R&D is on customer-centric initiatives and enhancing production processes to generate value-added downstream products while concurrently addressing environmental and social impacts. The product application areas include foods, plastics, feed nutrition, personal care/home care coatings etc. The R&D products include new additives like green surfactants & performance additives for biodegradable plastics among other new applications.

The capex projects which have an impact on the environment and social capital are listed in Principle 6.

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

Yes,

The specialty performance additives (products) produced by the Company are derived from basic oleochemicals made from natural raw materials, such as vegetable oils. The Company sources almost 70% of its raw materials from the local vendors, thus reducing the carbon footprint generated by transportation. Moreover, the Company ensures that the raw materials sourced are not exploiting natural resources, are produced sustainably and in compliance with the applicable regulations. The Company sources materials and services from selected fabricators and engineers and customises designs for energy and process optimisation.

- b. If yes, what percentage of inputs were sourced sustainably?**

As a manufacturer of specialty performance additives, the Company uses various oleochemicals based raw materials, which account for 85% of its sourcing. Moreover, these raw materials are derived from sustainable sources (Agri based) and approximately 70% of them are procured from local vendors. This approach has not only strengthened our sustainable sourcing targets but has also helped the Company reduce its carbon footprint.

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

The Company manufactures specialty performance additives that serve the technical function of the desired end products finding applications in the fields of foods & beverages, plastics/polymers, cosmetics, rubber, feed nutrition & coatings industry. There is no scope for recycling products at the end of the value chain.



The processes for reusing/recycling/and disposing of waste include:

A) Plastics

As part of its sustainable operations, the Company adheres to Extended Producer Responsibility (EPR) guidelines, which encompass the management of plastic packaging waste. The Company ensures the safe disposal of both pre-consumer and post-consumer plastic packaging waste through the EPR approach. All plastic waste generated by the Company's manufacturing units is sent to authorised recyclers for the purpose of recycling. In FY 2023-24, the Company recycled, or safely disposed of 662.18 tonnes of plastic packaging waste collected across multiple states as a part of the EPR mandate.

B) E-waste

The E-waste generated (0.035 MT/year) from all the manufacturing units of the Company is sent to authorised recycler for recycling.

C) Hazardous waste (ETP Sludge, and waste oil etc.)

Hazardous waste includes ETP sludge & salts, process residues and waste oil. Hazardous waste is sent to Mumbai Waste Management Limited (MWML), a Hazardous Waste Treatment, Storage and Disposal Facility (TSDF) site at Taloja for recycling/safe disposal. All manufacturing sites are registered members of MWML.

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

Yes, the Company is in compliance with the Plastic Waste Management 2016 Rules & Amendments. For plastic packaging waste generation, the Company has completed the EPR registration for the Group Company under Brand Owners (PIBOs) category covering all manufacturing units. The Company's plastic packaging waste collection plan is in line with EPR plan submitted to the Central Pollution Control Board (CPCB). As a Brand Owner, our efforts are directed towards minimising packaging plastic waste generation, exploring sustainable packaging options and reusing plastic packaging after evaluating food safety compliance and other related standards.

PRINCIPLE 3

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

Essential Indicators

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

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	267	267	100.00%	267	100.00%	N.A.	N.A.	267	100.00%	266	99.62%
Female	146	146	100.00%	146	100.00%	146	100.00%	N.A.	N.A.	146	100.00%
Total	413	413	100.00%	413	100.00%	146	35.35%	267	64.65%	412	99.75%
Other than permanent employees											
Male	16	16	100.00%	16	100.00%	N.A.	N.A.	16	100.00%	16	100.00%
Female	2	2	100.00%	2	100.00%	2	100.00%	N.A.	N.A.	2	100.00%
Total	18	18	100.00%	18	100.00%	2	11.11%	16	88.89%	18	100.00%

b. Details of measures for the well-being of workers:

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	423	423	100.00%	423	100.00%	N.A.	N.A.	423	100.00%	N.A.	N.A.
Female	14	14	100.00%	14	100.00%	14	100.00%	N.A.	N.A.	N.A.	N.A.
Total	437	437	100.00%	437	100.00%	14	3.20%	423	96.80%	N.A.	N.A.



% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than permanent employees											
Male	182	182	100.00%	182	100.00%	N.A.	N.A.	182	100.00%	N.A.	N.A.
Female	7	7	100.00%	7	100.00%	7	100.00%	N.A.	N.A.	N.A.	NA
Total	189	189	100.00%	189	100.00%	7	3.70%	182	96.30%	N.A.	N.A.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –



2. Details of retirement benefits, for current FY and previous FY.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	85.88%	100.00%	Yes	92.91%	100.00%	Yes
Gratuity	100.00%	100.00%	Yes	100.00%	100.00%	Yes
ESI	14.82%	26.47%	Yes	12.82%	24.59%	Yes
Others – please specify	N.A			N.A		

3. Accessibility of workplaces

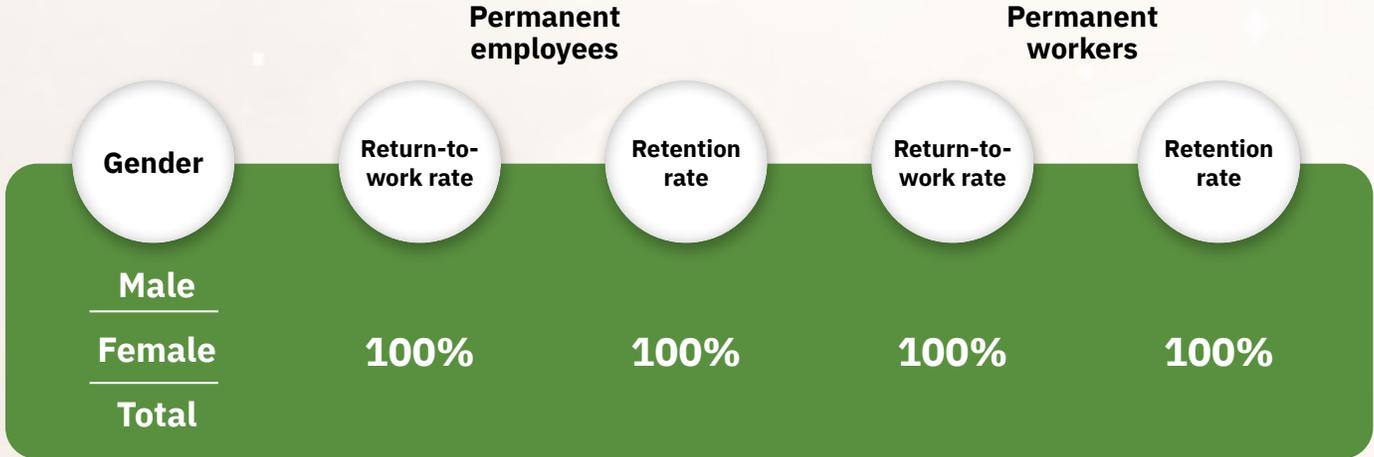
Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company ensures that all its operating locations are fully accessible to differently abled employees, workers, and visitors. The Company has installed elevators and the necessary infrastructure to support their mobility requirements. Additionally, wheelchair facilities are readily available on the Company's premises to ensure inclusivity and ease of access for all.

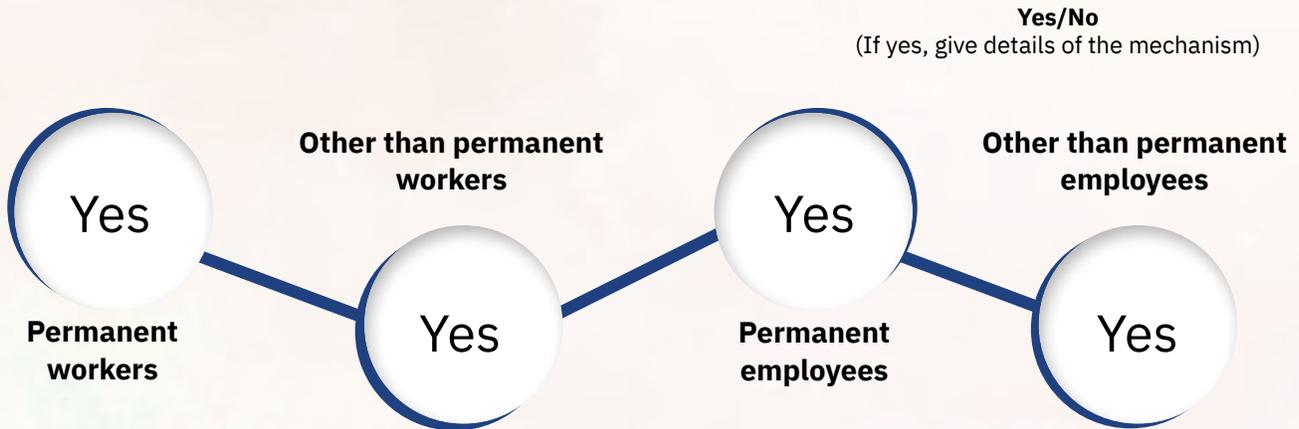
4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company ensures equal opportunities for all employees and eligible job applicants, refraining from unfair discrimination based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other protected category under applicable law.

5. Return to work and retention rates of permanent employees and workers that took parental leave.



6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.



The Company fosters an environment of open communication, encouraging employees and workers to first address their concerns with their respective Heads of Department (HODs). Should the issue remain unresolved, they are welcome to report their complaints or problems to either the HR department or the plant in-charge.

In cases of sexual harassment or discrimination, victims or witnesses have the option to lodge a complain, either anonymously or with their name, to the Internal Complaint Committee (ICC) and they take further action to address and resolve the matter.

To ensure the genuine reporting of concerns or grievances, the Audit Committee has been tasked with establishing a vigil mechanism. Moreover, the Company strictly adheres to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act of 2013. As part of the Company's commitment to addressing such issues effectively, an external member, knowledgeable in the Prevention of Sexual Harassment (POSH) and Protection of Children against Sexual Offences Acts (POCSO), has been appointed to the Internal Complaint Committee.



7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in the respective category (C)	No. of employees/workers in the respective category, who are part of association(s) or Union (D)	% (D/C)
Total permanent employees	Nil	Nil	N.A.	Nil	Nil	N.A.
Male	Nil	Nil	N.A.	Nil	Nil	N.A.
Female	Nil	Nil	N.A.	Nil	Nil	N.A.
Total permanent workers	Nil	Nil	N.A.	Nil	Nil	N.A.
Male	Nil	Nil	N.A.	Nil	Nil	N.A.
Female	Nil	Nil	N.A.	Nil	Nil	N.A.

Note: The Company does not have any recognised employee or worker associations. However, the Company has a long-standing and healthy relationship with its employees, wherein 7.89% of employees are of the second generation and 10.83% of employees have been working with the Company for 25 years or more. For 2022-23, 7.81% of employees are of the second generation and 11.23% have completed 25 years.

Further, if any conflict arises, the head of the respective department, discusses the matter and resolves it through mutual consent.

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	267	267	100.00%	190	71.16%	262	245	93.51%	210	80.15%
Female	146	146	100.00%	115	78.76%	135	120	88.89%	97	71.85%
Total	413	413	100.00%	305	73.84%	397	365	91.94%	307	77.33%
Workers										
Male	423	423	100.00%	423	100.00%	418	418	100.00%	418	100.00%
Female	14	14	100.00%	14	100.00%	5	5	100.00%	5	100.00%
Total	437	437	100.00%	437	100.00%	423	423	100.00%	423	100.00%

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	267	267	100.00%	262	262	100.00%
Female	146	146	100.00%	135	135	100.00%
Total	413	413	100.00%	397	397	100.00%
Workers						
Male	423	423	100.00%	418	418	100.00%
Female	14	14	100.00%	5	5	100.00%
Total	437	437	100.00%	423	423	100.00%

10. Health and safety management system:

- a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

Yes, the Company has implemented occupational health and safety practices in all its manufacturing facilities, offices and R&D laboratories are there to safeguard its employees and workers.

- c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, the Company encourages workers to promptly report any accidents or near-miss incidents encountered during work. Following a comprehensive investigation, the Company identifies the root cause and implements the necessary measures to prevent the recurrence of similar incidents. Furthermore, workers undergo various safety training programmes to maintain a safe working environment within the facility.

- b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

A risk management system is in place to avoid injuries and incidents in the workplace and disruptions in operations. The processes and measures in place are regularly reviewed to eliminate any potential risks. Safety audits and mock drills are conducted periodically to minimise risks. Employees are provided with the necessary safety training to minimise the occurrence of incidents.

- d) Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, the Company prioritises the availability of non-work-related medical and healthcare services across all our sites. These services are provided either on-site or through partnerships with trusted nearby medical facilities. Additionally, each facility is equipped with ambulances or emergency vehicles, and highly trained first-aid personnel are on hand 24/7 to respond to any emergencies. To address the medical needs of employees and workers, the Company has implemented a Medclaim Compensation Policy, ensuring coverage for expenses related to non-work-related medical and healthcare services.



11 Please provide details of safety-related incidents, in the following format:

Safety Incidents/Numbers	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the Company to ensure a safe and healthy workplace.

The Company places utmost priority on the safety and health of its employees, implementing a range of measures to ensure their well-being, including:

Training and Preparedness

- Regular training sessions, inspections, and drills conducted by the safety team
- Emphasis on equipping workers with skills to respond effectively to emergencies, while adhering to safety protocols
- Conduct continuous training programmes and induction training on safety measures

Assessments, Monitoring and Investigation

- Ensure continuous monitoring of health and safety performance across all plants
- Carry out thorough investigations, including root cause analysis, to address any incidents promptly
- Conduct annual medical assessments for all staff members and workers to ensure fitness for job roles

Safety Measures

- Utilisation of totally enclosed processes and pneumatic systems
- Interlocking mechanisms in process reactors and equipment
- Safety pressure valves on reactors and equipment
- Proper insulation of reactors
- Installation of flame-proof light fixtures
- Provision of emergency handling equipment
- Maintenance of water in fire tank reservoirs
- Installation of dyke walls around above-ground storage tanks
- Deployment of lightning arrestors

Safety Signage and Equipment

- Display of caution notes, hazard identification signage boards, safety posters, and stickers
- Installation of gas and smoke detection systems
- Placement of windsocks for wind direction indicators

Emergency Communication and Response

- Provision of safety showers, eye wash stations, walkie-talkies, P.A. systems, telecommunication devices, and mobile phones
- Installation of emergency sirens. Additionally, a well-equipped OHC facility with the availability of an ambulance or emergency vehicle to handle any medical emergency

Environmental Responsibility

- Implementation of solvent-free manufacturing processes
- Scientifically designed & implemented Effluent Treatment Plant (ETP) system
- Full-fledged Sewage Treatment Plant (STP) system

13. Number of complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	-	Nil	Nil	-
Health & safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:



15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

N.A.

During the year, zero accidents were reported. However, the Company keeps an eye on the working conditions through regular checks.



Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of the death of (A) Employees (Y/N) (B) Workers (Y/N).**

(A) Employees – Yes, the Company provides gratuity to the family and dependents of deceased employees and offers a Group Personal Accident Policy covering life insurance for employees.

(B) Workers – Yes, the Company has a Group Personal Accident Policy covering workers in the event of accidental death, along with a Group Term Life Insurance Policy providing life insurance coverage for all workers and plant employees.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company conducts business with integrity and expects its value chain partners to operate in a trustworthy manner, fulfilling their obligations and promptly paying their statutory dues. Furthermore, the Company expects its partners to comply with its code of conduct, business responsibility policies, and shared values.

3. **Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment: N.A.**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	-	-	-	-
Workers	-	-	-	-

4. **Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

Yes, for employees who have been selected and express interest, the Company maintains their employment on a retainer basis for an agreed-upon duration.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all their stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company identifies key stakeholders who directly or indirectly influence on its operations and business chain. These stakeholders include groups like shareholders, employees, customers, suppliers, communities, Government and regulatory bodies. The Company assesses the interests and concerns of each group, prioritising based on their influence and impact. Tailored strategies for engagement, including communication and consultation, are implemented to meet the needs of the stakeholders. Additionally, continuous monitoring and feedback mechanisms are in place to ensure alignment with stakeholder expectations, fostering positive relationships crucial for the Company's long-term success.

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified under vulnerable & marginalised group (Yes/No)	Channels of communication (email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (annually/half-yearly/quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Customer meet, online survey, e-mails, and an online grievance mechanism, video conference	Ongoing	Product information, feedback, grievances, product-related queries, regulatory compliances, price products
Shareholders	No	Press releases, email, media releases, annual general meeting, stock exchange (se) intimations, website uploads, investors meeting	Quarterly, half-yearly, annual, as and when required	Financial performance, key risks and mitigation, operational highlights, share price appreciation, dividend distribution
Suppliers	No	Personal meeting , emails, video conference, website	Quarterly & annually (as and when required)	Timely delivery, payment terms & conditions, quality of goods procured
Communities	Yes	Partnership with local charities, community visits	Ongoing	CSR, community complaints, awareness programme, community development
Government and regulatory authorities	No	Annual report and regulatory filings facility inspections, one-on-one meetings	Annual & periodic	Compliance and good governance practice
Employees	No	One-on-one interactions, email, senior management meet, internal communication platforms	Ongoing	Career development, salary and other perquisites, work ethics, policy communication, and team building, among others



Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

At the Company stakeholder consultation remains an ongoing led by the Company's leaders, engaging across multiple platforms. Dialogue with stakeholders occurs consistently at the business unit level and is subsequently presented to the Board for review.

- 2. Whether stakeholder consultation is used to support identifying and managing environmental and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.**

Yes, the Company enhances operational resilience by conducting a rigorous materiality assessment process and implementing a comprehensive risk management framework, both of which are informed by stakeholder consultations.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

The Corporate Social Responsibility (CSR) initiatives of the Company engages with and addresses the concerns of vulnerable/marginalised stakeholder groups. The Company has organised seminars, workshops, and conferences in various states, regarding modern dairy practices, antibiotic-free poultry farming, and adopting green solutions to improve animal health. Through these initiatives, the Company intends to provide farmers with new ways to earn income, while keeping in mind the health of its consumers.

PRINCIPLE 5

Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the Company, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. employees/ workers covered (B)	% (B/A)	Total (C)	No. employee/ workers covered (D)	% (D/C)
Employees						
Permanent	413	380	92.01%	397	362	91.18%
Other than permanent	18	18	100.00%	10	10	100.00%
Total employees	431	398	92.34%	407	372	91.40%
Workers						
Permanent	437	437	100.00%	423	423	100.00%
Other than permanent	189	189	100.00%	189	189	100.00%
Total workers	626	626	100.00%	612	612	100.00%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	413	0	0.00%	413	100.00%	397	1	0.25%	396	99.74%
Male	267	0	0.00%	267	100.00%	262	1	0.38%	261	99.62%
Female	146	0	0.00%	146	100.00%	135	0	0.00%	135	100.00%
Other than permanent	18	0	0.00%	18	100.00%	10	0	0.00%	10	100.00%
Male	16	0	0.00%	16	100.00%	9	0	0.00%	9	100.00%
Female	2	0	0.00%	2	100.00%	1	0	0.00%	1	100.00%



Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent	437	0	0.00%	437	100.00%	423	0	0.00%	423	100.00%
Male	423	0	0.00%	423	100.00%	418	0	0.00%	418	100.00%
Female	14	0	0.00%	14	100.00%	5	0	0.00%	5	100.00%
Other than permanent	189	0	0.00%	189	100.00%	189	164	86.77%	25	13.23%
Male	182	0	0.00%	182	100.00%	182	164	90.11%	18	9.89%
Female	7	0	0.00%	7	100.00%	7	0	0.00%	7	100.00%

3. Details of remuneration/salary/wages,

The Company has paid managerial remuneration in compliance with the necessary approvals required by Section 197 of Schedule V of the Act. The Company has in place a Nomination and Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the Listing Regulations. This policy is available at the following weblink:

<https://www.fineorganics.com/wp-content/uploads/2023/02/Nomination-and-Remuneration-Policy.pdf>

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors	9	₹ 1,45,00,000.00	2	₹ 8,97,500.00
Key Managerial Personal (other than Board of Directors)	0	N.A.	1	₹ 23,33,539.00
Employees other than BOD and KMP	262	₹ 9,69,806.00	145	₹ 10,08,894.00
Workers	423	₹ 5,63,078.00	14	₹ 7,88,632.00

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:



4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

The Company's Head of Human Resources oversees matters about human rights within the Company. All key stakeholders of the Company are required to adhere to the policy's guiding principles and comply with relevant laws and regulations.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to nurturing discrimination-free workplaces by implementing policies that prevent discrimination based on gender, religion, age, or sexual orientation. The Company prioritises robust governance to address human rights issues through a comprehensive framework, fostering open communication. Additionally, employees are encouraged to approach their Heads of Department (HODs) with concerns, and if issues persist, escalation to the HR department and designated plant in-charge is supported.

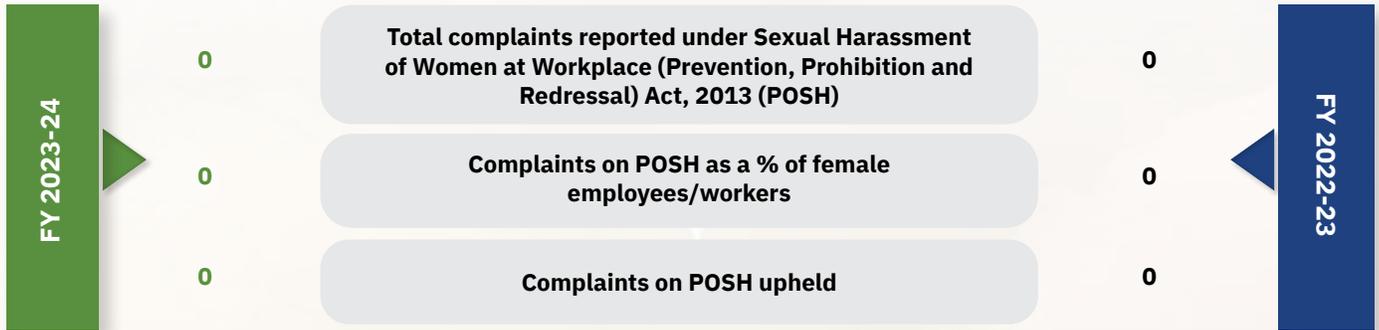
Furthermore, the Company also addresses child labor and sexual harassment with stringent verification processes. To address complaints regarding sexual harassment, an Internal Complaint Committee (ICC) has been established. Furthermore, the Company has appointed a specialised lawyer as an external member of the Internal Committee, with expertise in the Prevention of Sexual Harassment ("POSH").

6. Number of complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	Nil	N.A.	Nil	Nil	N.A.
Discrimination at workplace	Nil	Nil	N.A.	Nil	Nil	N.A.
Child labour	Nil	Nil	N.A.	Nil	Nil	N.A.
Forced labour/ Involuntary labour	Nil	Nil	N.A.	Nil	Nil	N.A.
Wages	Nil	Nil	N.A.	Nil	Nil	N.A.
Other human rights-related issues	Nil	Nil	N.A.	Nil	Nil	N.A.



7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:



8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

According to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and its corresponding regulations, the Company has framed a comprehensive Prevention of Sexual Harassment policy, that has been framed keeping in mind the safety of the complainant and effectively addressing any complaints or related issues that may arise. Also, an Internal Complaints Committee has been established specifically to handle and resolve cases of sexual harassment.

The Company is committed to providing equal opportunities to individuals irrespective of their race, ethnicity, nationality, gender, language, age, sexual orientation, religion, marital status, socioeconomic status, or special abilities, across all employment levels. To comply wholeheartedly with this commitment, all new employees and workers participate in an awareness programme upon joining the organisation. The programme aims to promote understanding and awareness of discrimination and harassment issues. Furthermore, the policy is disseminated Company-wide for easy reference and accessibility, ensuring widespread understanding and adherence.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Whenever applicable and relevant, the Company incorporates human rights requirements into its business agreements and contracts.

10. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)



11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

N.A

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The Company did not receive any grievances/complaints on human rights violations and hence no process(es) were modified/introduced to address the same.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company places a strong emphasis on human rights and is dedicated to fostering awareness and promoting human rights among its employees. To achieve this objective, the Company consistently conducts training and awareness programs designed to educate and sensitise its workforce about human rights issues. These initiatives are not only initiated but also continuously monitored to gauge their effectiveness.

Recognising the importance of identifying and mitigating any adverse impact of its operations on human rights, the Company is committed to upholding the highest ethical standards. Regular training programs serve as a mechanism to assess the functionality of its processes, ensuring alignment with human rights principles.

By raising awareness among employees, the Company ensures that they are knowledgeable about their rights and responsibilities, fostering a culture of safety and inclusivity in the workplace. The Company's steadfast commitment to promoting human rights through ongoing training and awareness initiatives underscores its dedication to ethical practices and responsible business conduct.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, all the owned premises are accessible to differently abled visitors, as per the Rights of Persons with Disabilities Act, 2016.





PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption (D) only grid	1,08,358.88	1,06,964.13
Total fuel consumption (E) (PNG, FO, LDO, Petrol, Diesel)	3,08,725.99	2,33,697.98
Energy consumption through other sources (F)	0	0
Total energy consumed from non- renewable sources (D+E+F)	4,17,084.88	3,40,662.11
Total energy consumed (A+B+C+D+E+F)	4,17,084.88	3,40,662.11
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.0000214 GJ/₹ 21.4 KJ/₹	0.0000112 GJ/₹ 11.25 KJ/₹
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/revenue from operations adjusted for PPP)	0.00048 GJ/₹	0.00025 GJ/₹
Energy intensity in terms of physical output	5.513	4.118
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: For India PPP conversion rate is 22.4 for FY 2024 as per International Monetary Fund. PPP rate source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No.

3. Provide details of the following disclosures related to water in the following format:

Water withdrawal by source (in kiloliters)

Parameter	FY 2023-24	FY 2022-23
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water (supplied by Maharashtra Industrial Development Corporation MIDC)	1,54,885	1,15,211
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,54,885	1,15,211
Total volume of water consumption (in kilolitres)	1,45,402	1,05,264
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	0.0075 L/₹	0.0035 L/₹
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.17 L/₹	0.077 L/₹
Water intensity in terms of physical output	1.922	1.272
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: For India PPP conversion rate is 22.4 for FY 2024 as per International Monetary Fund. PPP rate source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No



4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To groundwater		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To seawater		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties (CETP and MIDC/BMC sewer)		
No treatment	-	-
With treatment – please specify level of treatment	2,912.83	3,491.25
(v) Others – Land application (Gardening)		
No treatment	-	-
With treatment – please specify level of treatment	6,570.00	6,455.75
Total water discharged (in kilolitres)	9,482.83	9,947.00

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Note 1: The generated effluent is treated by Primary, Secondary, and Tertiary treatment in the Effluent Treatment Plant (ETP) followed by ATFD to achieve ZLD.

Note 2: Sewage is treated in sewage treatment plant (STP) and treated sewage is used for gardening.

Note 3: Our W-124 facility in Badlapur has been out of operation since January 2024 due to a fire incident that occurred in an adjacent plant. As a result, third party discharge of treated effluent/sewage has decreased compared to last year.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, The process effluent quantities are minimum, and whatever effluent gets generated at facility undergo treatment in the Effluent Treatment Plant (ETP). Out of the total of seven manufacturing units, six facilities and one R&D center have already implemented Zero Liquid Discharge (ZLD) and the treated effluent is subsequently recycled as makeup water for cooling towers or other utility needs. The ZLDs consist of primary, secondary and tertiary treatment and followed by the Agitated Thin Film Dryer (ATFD).

The only exception is an old small-scale manufacturing unit located in Badlapur, which currently discharges treated effluent into CETP for further disposal.

Domestic effluents or sewage undergoes treatment in the dedicated Sewage Treatment Plant (STP). The STP consists of primary, secondary and tertiary treatment followed by UV treatment. Treated domestic effluent is utilised for gardening purposes. Bio-sludge generated during the treatment process is utilised as manure. In the case of smaller units, sewage is collected in septic tanks and subsequently directed to soak pits.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	MT/year	8.32	6.46
SOx	MT/year	5.93	6.84
Particulate matter (PM)	MT/year	5.69	14.11
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No



7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	18,423.46	13,732.48
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	21,551.38	23,472.68
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	TCO ₂ eq/₹ Kg CO ₂ eq/₹	0.0000020 0.0020	0.0000012 0.0012
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	TCO ₂ eq/₹	0.000046	0.000027
Total Scope 1 and Scope 2 emission intensity in terms of physical output	(Total Scope 1 and Scope 2 emissions (TCO ₂ eq)/ MT of products manufactured)	0.528	0.450
Total Scope 1 and Scope 2 emission intensity (optional) – the entity may select the relevant metric	-	-	-

Note: For India PPP conversion rate is 22.4 for 2024 as per International Monetary Fund.

PPP rate source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

All manufacturing units and R&D facilities of the Company use PNG as a fuel which is clean burning fuel and reduces GHG emissions as compared to other fossil fuel.

9. Provide details related to waste management by the Company, in the following format:



Waste Generated (in metric tonnes)

	FY 2023-24	FY 2022-23
Plastic waste & packaging waste (A)	39.35	36.62
E-waste (B)	0.035	5.05
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E) (Nos.)	0*	0
Radioactive waste (F)	0	0
Other hazardous waste. Please specify, if any. (G) Waste oil, sludge containing oil, ETP sludge, process sludge	1,221.07	1,024.69
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G + H)	1,260.46	1,066.36
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.00000065 MT/₹ 0.000065 Kg/₹	0.00000035 MT/₹ 0.000035 Kg/₹
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.0000014 MT/₹	0.00000078 MT/₹
Waste intensity in terms of physical (MT of waste generated/MT of product manufactured)	0.017	0.013
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-



Waste Recovered

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste		
(i) Recycled 2- Plastic and packaging waste, process waste, E-waste, waste oil	1,225.51	792.67
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	1,225.51	792.67



Waste Disposed

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration	-	-
(ii) Landfilling - ETP Sludge	34.95	273.69
(iii) Other disposal operations	-	-
Total	34.95	273.69

Note: For India PPP conversion rate is 22.4 for 2024 as per International Monetary Fund.

PPP rate source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Note 1: Plastic waste is pre-consumer packaging waste and waste generated from raw material packaging.

Note 2: Recycled through SPCB authorised recyclers or Treatment, Storage and Disposal Facility (TSDF)

Note 3: Safe disposal through TSDF Facility. The quantity of ETP sludge produced is not changed. In FY 2022-23, there was excess sludge/waste accumulated at one of the sites which was disposed of.

Note 4: Due to the recent revamping in some of our units, we have observed an increase in waste generation.

Note 5:*We have received a certificate from the authorized recyclers confirming the recycling of 103 units of battery waste during the FY 2023-24. The recycling certificate depicts the details in No. of Batteries recycled & it is not in metric tonnage calculations. As a result, the Battery waste recycling details have not been incorporated into the calculation workings.



10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company produces environment friendly additives using natural raw materials derived from vegetable oil. As a result, the waste generated during the manufacturing process is non-hazardous. Effective waste management and waste minimisation are key priorities across all of the Company's manufacturing sites. The Company maintains inventories to monitor and reduce waste generation, and the handling of solid and hazardous waste is in compliance with the consent to Operate and Hazardous Waste Authorisation regulations. 97% of the waste generated by the Company is either recycled or reprocessed authorised recyclers or the use of a TSDF (Treatment, Storage, and Disposal Facility). Certificates from recyclers are diligently maintained for e-waste. In case of the plastic packaging waste, it is fully filled in accordance with Extended Producer Responsibility (EPR) guidelines. Additionally, the Company has implemented a buy-back mechanism to handle battery waste. Used batteries are returned to the suppliers, and proper inventories are maintained to ensure effective management of this waste stream. Furthermore, process waste is safely disposed of through Mumbai Waste Management Limited. (MWML).

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Not Applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

There were no Environmental Impact Assessments (EIAs) conducted in FY 2023-24.

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company complies with the applicable environmental laws/regulations/guidelines in India.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable

All FOIL units are situated within Notified Industrial areas (MIDC), which prohibits us from withdrawing groundwater. Additionally, none of our FOIL units are located in water-stressed areas, thus, this question is not applicable to us.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	44,588	-
Total Scope 3 emissions per rupee of turnover		0.0000023	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

Note 1: For the current financial year, we have begun the process of evaluating our Scope 3 footprint. We have currently evaluated the carbon footprint across 5 categories, namely, Business Travel, Employee Commuting, Upstream and Downstream Transportation and Fuel & Energy Consumption (Not covered in Scope 1 and 2). We are using a mixture of the Spend-Based approach and Average Data methodology to create a baseline of our Scope 3 footprint.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The manufacturing units are located within notified industrial areas. Therefore, there is no impact of the Company's operations on the biodiversity.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Shift to use clean fuel	Replaced Light Diesel Oil (LDO) to piped natural gas in Patalganga manufacturing unit and R&D unit	Reduction in CO ₂ (GHG Scope 1 emissions) and SO ₂ levels (air emissions)
Energy conservation system	DG Auto Sync System with Load Dependent Start/Stop & Load Sharing Installed occupancy sensors for lights, leading to the reduction in energy consumption Installed APFC Panel with 7% detuned reactors to maintain power factor & amplification of harmonics enabling savings in energy consumption.	Reduction in diesel consumption and electricity consumption thus reducing Scope 1 and 2 emissions
Use of solar energy	Installed solar rooftops at manufacturing units	Reduction in electricity consumption and scope 2 emissions
New tree plantation	185 trees were planted on the premises of manufacturing units	Capturing and storing carbon dioxide, which helps in reducing the overall concentration of greenhouse gases
Automatic foam flooding system	Installed automatic foam flooding system at plant locations to handle emergency fire situations	Increased safety of the personnel
Advanced lightning arrestor system	Installed advance lightening arrestor system	Protection against lightning to building structures, equipment, and human lives, among others

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

The Company undertakes a materiality assessment aimed at evaluating financial, environmental, and social risks and opportunities that could potentially affect its business and its stakeholders. This assessment covers various areas, such as environmental capital, social capital, human capital, business model and innovation, leadership, and governance. The assessment aims to measure the impact of these areas on two dimensions: the business and the stakeholders. To mitigate the materiality risks and impacts while enhancing business opportunities, the Company has implemented operational checks and controls, an institutional setup, and management review. These measures are in place to monitor and control potential risks and impacts. In addition, the Company has developed a risk management plan that provides guidelines for conducting a comprehensive risk assessment aimed at identifying potential disasters and analysing their impact on the business. To ensure preparedness for any such disaster, the Company has put in place a robust emergency response plan, which enable us to forecast and mitigate any disaster with the required action steps.



PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

10

- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Name of the trade and industry chambers/associations

The reach of trade and industry chambers/associations (State/National)

Federation of Indian Export Organisations (FIEO)

National

Indo-German Chamber of Commerce

International

Basic Chemicals, Cosmetics & Dyes Export Promotion Council (Chemexcil)

National

Federation of Indian Chambers of Commerce and Industry (FICCI)

National

Oil Technologists Association of India (OTA)

National

Protein Foods & Nutrition Development Association of India

National

Regulatory Representatives and Managers Association

National

Thane Belapur Industries Association

State

Kalyan Ambernath Manufacturers Association

State

Additional Ambernath Manufacturers Association

State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
N.A.	N.A.	N.A.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board (annually/half yearly/quarterly/ others – please specify)	Weblink, if available
Nil				





PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification no.	Date of notification	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant weblink
Not Applicable					

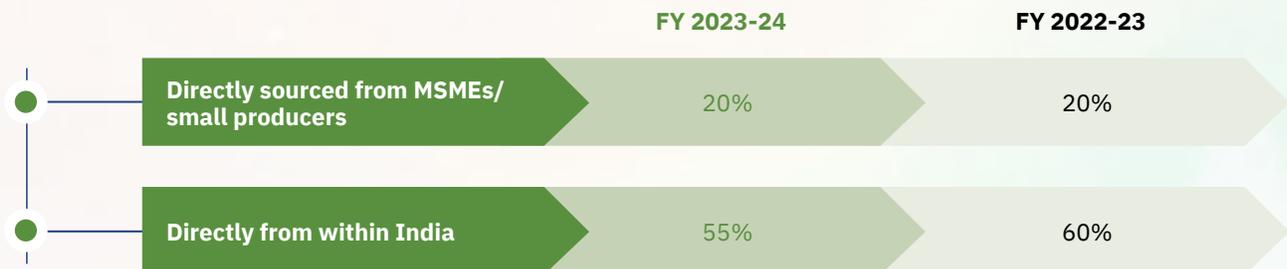
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

Name of the project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in ₹)
Not Applicable					

3. Describe the mechanisms to receive and redress grievances of the community

Since all our manufacturing units are situated within designated industrial zones, this is not applicable to the Company. Additional grievance mechanisms pertinent to the Company are detailed elsewhere in this report.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:



5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	N.A.	N.A.
Semi-urban	N.A.	N.A.
Urban	54.04%	57.59%
Metropolitan	45.96%	42.41%

(Place to be categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan)

Note: Number mentioned above are specific to Indian Geography

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (SIA) (Reference: Question 1 of Essential Indicators above).



2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

The Company interacts with external NGOs for the implementation of its CSR projects. The CSR Committee oversees and monitors the implementation of all projects, so that the beneficiaries get the most out of them. However, the Company did not undertake any such CSR projects in designated aspirational districts identified by Government bodies.

The weblink where the Company’s CSR Projects are disclosed: <https://www.fineorganics.com/sustainability/social/>

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

The Company acknowledges and adheres to both domestic and international standards and guidelines for its procurement practices. Additionally, it closely monitors industry standards and trends to ensure its operations remain in line with these standards. The Company maintains an unbiased approach towards its suppliers in terms of procurement policies, regardless of whether they belong to marginalised or vulnerable groups.

(b) From which marginalised/vulnerable groups do you procure?

The integration of local sourcing is fundamental to the advancement of the Company's supply chain. The Company is deeply committed to sourcing and championing goods and services from local suppliers that align with its social and environmental standards. Through collaborative efforts, the Company progressively supports these suppliers.



(c) What percentage of total procurement (by value) does it constitute?

Supporting the growth of local vendors, the Company's vendor pool comprises medium and small-sized businesses located near its manufacturing facilities. These initiatives are in line with national priorities, such as 'Make in India' and 'Atmanirbhar Bharat'. Domestic sourcing accounts for approximately 65% of the Company's total product procurement by value, while the remaining 35% is sourced through imports.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Intellectual property based on traditional knowledge	Owned/acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Nil			

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein traditional knowledge is used.

Name of authority	Brief of the case	Corrective action taken
Nil		

6. Details of beneficiaries of CSR Projects

S. no.	CSR projects	No. of persons benefitted from CSR projects	Percentage of beneficiaries from vulnerable and marginalised groups
1	Sri Chaitanya Seva Trust-Support to needy individuals undergoing treatment for cancer	120+	100%
2	Chembur Golf Welfare Foundation-Support for Education - Academic Excellence Program for caddies' kids	50+	100%
3	Aastha Foundation-Supporting education initiatives in tribal and rural areas	200+	100%
4	Dharma Bharathi Mission (A Navasrusthi International Trust) - Support to vocational training program for youths	75+	100%

S. no.	CSR projects	No. of persons benefitted from CSR projects	Percentage of beneficiaries from vulnerable and marginalised groups
5	Parivaar Education Society-Support for School Development for Underprivileged Children	200+	100%
6	Action Research in Community Health & Development (ARCH)-Village Health Projects	1000+	100%
7	Ghatkopar Brahman Samaj-Support to Rise & Shine Therapy Centre	400+	80%
8	Girija Welfare Association-Support to orphanage and old aged homes	150+	100%
9	Logic Centre and Community Welfare Association Mumbai -Education to Slums Children	250+	100%
10	Masoom Foundation-Education to night school students	40+	100%
11	Vision India Foundation - Fighting cataract backlog in Western Odisha	25	100%
12	Suhit Jeevan Trust-Support for school development	150	85%



PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner.

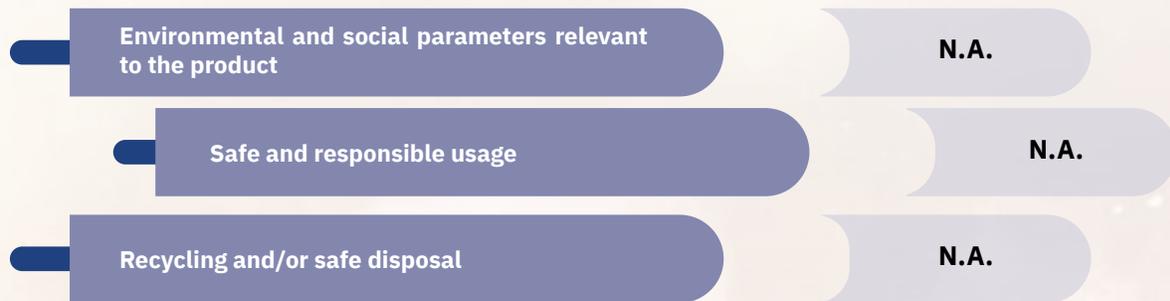
Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Regular customer satisfaction surveys are conducted according to ISO quality standards to evaluate consumer satisfaction with products and associated services. The Company professionals strive to offer timely and superior-quality solutions and technical services, meeting customer requirements to the best of their abilities. This dedication underscores the Company's commitment to meeting and exceeding customer expectations consistently.

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about:

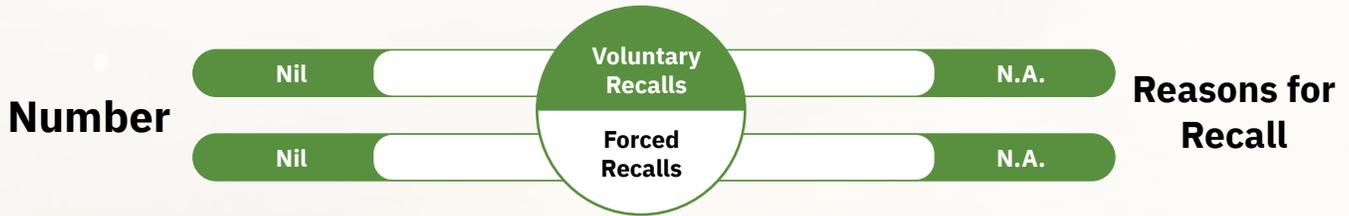
As a percentage of total turnover



3. Number of consumer complaints in respect of the following

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolutions at end of the year		Received during the year	Pending resolutions at end of the year	
Data privacy	Nil	Nil	N.A.	Nil	N.A.	N.A.
Advertising	Nil	Nil	N.A.	Nil	N.A.	N.A.
Cybersecurity	Nil	Nil	N.A.	Nil	N.A.	N.A.
Delivery of essential services	Nil	Nil	N.A.	Nil	N.A.	N.A.
Restrictive trade practices	Nil	Nil	N.A.	Nil	N.A.	N.A.
Unfair trade practices	Nil	Nil	N.A.	Nil	N.A.	N.A.
Other	Nil	Nil	N.A.	Nil	N.A.	N.A.

4. Details of instances of product recalls on account of safety issues



5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a weblink to the policy.

Risk Management plays a fundamental role in the Company's activities. The Board of Directors has established a Risk Management Committee (RMC) tasked with identifying risk factors across various operational areas and formulating policies to address them. Cybersecurity is recognised as a significant risk, and the Company implements appropriate measures to mitigate it, such as by deploying state-of-the-art firewall solutions, network segmentation, user awareness programmes, and various other initiatives.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

Since there were no complaints, there was no need for any corrective action.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches: Nil
- Percentage of data breaches involving personally identifiable information of customers: Nil
- Impact, if any, of the data breaches: Nil

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide weblink, if available).

Weblink: <https://www.fineorganics.com/category-listing/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

For every product sold to customers, the Company furnishes technical data sheets, product regulatory data sheets, safety data sheets, and regulatory data sheets.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company communicates with its customers through various channels, including emails and phone calls, to keep them informed.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the Company ensures the accuracy and reliability of the information presented on product labels, aligning with industry standards and regulatory directives. Customers have access to technical datasheets (TDS), safety data sheets (SDS), and pertinent regulatory documents (such as PRD and PCD), all in compliance with relevant national and international regulations. If customers have any specific requirements or inquiries, they can easily obtain answers either through the Company's website or by reaching out to the designated sales personnel assigned to assist them. These sales representatives collaborate with regulatory, quality, and other relevant departments to provide comprehensive support and ensure that customer queries are addressed promptly and accurately.



FORM AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

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

PART A SUBSIDIARIES

(₹ in Lakhs)

Sr. No.	Name of Subsidiary Company	Fine Organics (USA) Inc.	Fine Organics Europe BV	Fine Organic Industries (SEZ) Pvt Ltd
1.	The date since when subsidiary was acquired	July 29, 2013	February 10, 2016	October 10, 2023
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period. (Financial Year ended on)	December 31, 2023	December 31, 2023	March 31, 2024
3.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD 83.37	EURO 90.22	-
4.	Share Capital	0.63	14.31	250.00
5.	Reserves and Surplus	6,592.98	5,670.34	3,290.42
6.	Total Assets	12,119.95	8,492.55	6,252.05
7.	Total Liabilities	12,119.95	8,492.55	6,252.05
8.	Investments	-	-	-
9.	Turnover	27,297.27	9,486.01	-
10.	Profit Before Taxation	1,962.55	(235.59)	(52.75)
11.	Provision for Taxation	339.16	261.53	4.30
12.	Profit After Taxation	1,623.39	(497.12)	(57.05)
13.	Proposed Dividend	-	-	-
14.	Extent of Shareholding (in Percentage)	100.00%	100.00%	100.00%

Notes:

- Names of Subsidiaries which are yet to commence operations: Fine Organic Industries (SEZ) Pvt Ltd
- Names of Subsidiaries which have been liquidated or sold during the Year: N.A

PART B ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Companies and joint ventures.

(₹ in Lakhs)

Sr. No.	Name of Associates or Joint Ventures	Fine Zeelandia Private Limited	Fine Organic Industries (Thailand) Co. Ltd
1.	Latest Audited Balance Sheet date	March 31, 2024	December 31, 2023
2.	Date on which the associate or joint venture was associated or acquired	December 01, 2014	May 31, 2021
3.	No. shares of associate or joint ventures held by the Company on the year end	40,284,250	449,970.75
i. I.	Amount of investment in associates or joint venture	4,028.43	1,050.34
ii. II.	Extent of holding (in percentage)	50.00%	45.00%
4.	Description of how there is significant influence	Joint Venture	Joint Venture

(₹ in Lakhs)

Sr. No.	Name of Associates or Joint Ventures	Fine Zeelandia Private Limited	Fine Organic Industries (Thailand) Co. Ltd
5.	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated
6.	Net worth attributable to shareholding as per latest audited balance sheet	2,756.08	976.29
7.	Profit or (Loss) for the year	(256.44)	(301.61)
I.	Considered in consolidation	(128.22)	(135.72)
II.	Not considered in consolidation	(128.22)	(165.89)

- Names of Associates or Joint Ventures which are yet to commence operations: Fine Organic Industries (Thailand) Co. Ltd.
- Names of Associates or Joint Ventures which have been liquidated or sold during the year : Liquidation process of Joint Venture Entity “FineADD Ingredients GmbH” has been completed in current financial year and the Joint Venture entity ceased to exist w.e.f. November 21, 2023.

For and on behalf of Board of Directors

Fine Organic Industries Limited
Jayen Shah

 Managing Director
 DIN:00106919

Tushar Shah

 CEO & Executive Director
 DIN:00107144

Sonali Bhadani

 CFO
 PAN:AKPPB5839F

Pooja Lohor

 Company Secretary
 Membership No. A28397

Mumbai : May 10, 2024



Independent Auditor's Report

To,
The Members of
Fine Organic Industries Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying Standalone Financial Statements of Fine Organic Industries Limited (herein referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as "the Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (herein referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (herein referred to as "Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and their standalone profit (including other comprehensive income), their standalone statement of changes in equity and their standalone cash flows for the year ended as on date.

Basis for Opinion

3. We conducted our audit of Standalone Financial Statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (herein referred to as "the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical

responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on Standalone Financial Statements.

Key Audit Matters

4. Key Audit Matters are those matters that, in our professional judgement were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

A. Revenue Recognition

For the year ended March 31, 2024, the Company has recognized revenue from contracts with customers amounting to INR 1,95,114.29 Lakhs.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer.

The variety of terms that define when controls are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.

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Revenue is measured net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.

Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.

Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the Standalone Financial Statements.

{Refer to note no. 31 of the Standalone Financial Statements}.

Auditors' Response:

Our audit procedures included the following:

- Assessed the Company's revenue recognition procedure as per Ind AS 115 'Revenue from contracts with customers'.
- Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.
- Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of these samples, checked that the revenue has been recognized as per the terms.
- To test cut off selected sample of sales transactions made pre-year and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.
- Performed analytical procedures of revenue by streams to identify any unusual trends.
- The Company has provided confirmations from customers on sample basis to support existence

assertion of trade receivables and assessed the relevant disclosures made in the Standalone Ind AS Financial Statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant Indian accounting standards (Ind AS).

- The company has provided balance confirmation of Top 10 Customers along with reconciliations.
- In accordance with SA 505, we have obtained external confirmation from Trade Receivables Parties on sample basis for top 10 parties and reconciliation were provided wherever necessary.

B. Allowance for Credit Losses

The Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables and adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations.

At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

In calculating expected credit loss, the Company also considers other related information for its customers, including credit periods, to estimate the probability of default in future and has taken into account estimates of possible effect from any uncertain events / litigations etc. The Management has exercised significant judgement in estimating the allowance for credit losses.

{Refer to note no. 14 of the Standalone Financial Statements}

Auditor's Response:

Our audit procedures to test the effectiveness of controls over allowances for credit loss includes the following:

- Trade Receivables ageing report as on balance sheet date along with comparison to previous year
- Comparison and accuracy of information used in the estimation of probability of default



Independent Auditor's Report (Contd.)

- Status of recovery trade receivables as on April 30, 2024 out of the total outstanding as at March 31, 2024
- Verification of calculation of the allowance for credit losses
- Testing the arithmetical accuracy and computation of the allowance prepared by the Management.
- Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around approach, the assumptions and reviewing the possible effect of any uncertain events / litigations to validate the management estimates.

C. Evaluation of uncertain tax imposition

The Company has material uncertain tax imposition including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.

{Refer to note no. 42 of the Standalone Financial Statements}

Auditors' Response:

- The Company has provided details of all pending assessments and demands for the year ended March 31, 2024.
- We have obtained Management note / view on possible outcome and its impact on financial position of the Company for all pending assessments and disputed matters under litigations.

Emphasis of matters

6. We draw your attention to Note No. 53 of the Standalone Financial Statements with respect to the fire incident occurred at a plant adjacent to the small manufacturing Plant W124-A of the Company.
7. We draw your attention to Note No. 8.1 of the Standalone Financial Statement with respect to liquidation of Joint Venture Entity namely "FineADD Ingredients GmbH" and write off of book value of Investment in Standalone Financial Statements.

Our opinion is not modified in respect to the matters referred in above para 6 & 7.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

8. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including Annexures to Directors' Report, Management Discussion and Analysis Report, Annual Report, Business Responsibility Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

9. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

10. The Company's Board of Directors are responsible for the matters specified in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities, selection and

Independent Auditor's Report (Contd.)

application of appropriate accounting policies, making Judgement and estimates that are reasonable and prudent, and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

11. In preparing the Standalone Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management/Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

12. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable Assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

13. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

14. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work; and



Independent Auditor's Report (Contd.)

- (ii) To evaluate the effect of any identified misstatements in the Standalone Financial Statements.
15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**
18. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in the '**Annexure – I**' a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
19. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the Purposes of Our audit of the aforesaid Standalone Financial Statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept so far as it appears from our examination of those books.
- The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rule, 2015 (as amended).
 - On the basis of the written representations received from the Directors of the Company as on March 31, 2024, taken on record by the Board of Directors of the Company, none of the Directors of the Company incorporated in India is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls; refer to our separate report in '**Annexure – II**'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
20. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position, (if any) in its Standalone Financial Statements.
 - The Company has made Provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in its Standalone Financial Statements.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - This clause is omitted vide notification dated March 24, 2021, in the Companies (Audit and Auditors) Amendment Rules, 2021 effective from April 01, 2021.

Independent Auditor's Report (Contd.)

e) (i) The management has represented that, to the best of its knowledge and belief, no funds (Which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, no funds (Which are material either individually or in aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (e) (i) and (e) (ii) contain any material misstatement.

f) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of

the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note no. 42 to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

g) Based on our examinations which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company w.e.f. April 1, 2023 for reporting under Rule 11(g) of Companies (Audit and Auditors Rules) 2014 on preservation of Audit Trail as per the Statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

21. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid / provided by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

ICAI UDIN : 24137872BKAVBE3920

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration Number: 123423W

CA Maulik N. Lodaya

Partner

Membership Number: 137872

Mumbai : May 10, 2024



‘Annexure – I’ to the Independent Auditor’s Report of even date to the members of Fine Organic Industries Limited on the Standalone Financial Statements for the year ended March 31, 2024

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone Financial Statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) According to the information and explanation provided by management and the records examined by us, the Company has maintained proper records showing full particulars including quantitative details and situation of the Property, Plant and Equipment.
- (a) (B) According to the information and explanation provided by the management and the records examined by us, the Company has maintained proper records showing full particulars including quantitative details of the Intangible Assets.
- (b) According to the information and explanation provided by the management and the records examined by us, the Company has a program of physical verification to cover all the items of Property, Plant & Equipment in a phased manner over a period of three years. In accordance with the programme, certain Property, Plant & Equipment were physically verified by the Management during the year. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation provided by management and the records examined by us, the Title Deeds of all the Immovable Properties (other than properties where the Company is lessee and the lease agreements are duly executed in the favour of lessee) disclosed in the Standalone Financial Statements are held in the name of the Company.
- (d) According to the information and explanation provided by the management and the records examined by us, the Company is following the Cost Model for accounting of Property, Plant & Equipment and accordingly, Revaluation of its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets is not permitted. Hence reporting under Clause 3(i)(d) of the said Order is not applicable to the Company.
- (e) According to the information and explanation provided by the management and the records examined by us, there are no proceedings initiated during the year and/or are pending during any of the preceding financial years against the Company for holding any Benami Property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Therefore, reporting under Clause 3(i)(e) of the said Order is not applicable to the Company.
- (ii) (a) The inventory has been physically verified on regular interval by the management. In our opinion, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. According to the information and explanation provided by the management and the records examined by us, we are of the opinion that no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) According to the information and explanation provided by the management and the records examined by us, the Company has sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions against the security of its current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with books of accounts of the Company.
- (iii) According to the information and explanation provided by the management and the records examined by us, during the year, the Company has made investment in, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year.

'Annexure – I' (Contd.)

The Company has made investment in its wholly owned Subsidiary Company during the year. Details of investment are given below:

(Amounts in Lakhs)	
Aggregate amount invested during the year	
Unquoted Investment in Equity shares of wholly owned Subsidiary Company	250.00
Unquoted Investment in 1% Non-Cumulative Non-Participative Non-Convertible Redeemable Preference shares of wholly owned Subsidiary Company	6,000.00
Balance Outstanding as at balance sheet date	6,250.00

The company has provided loans or advances which is in the nature of loans to its wholly owned Subsidiary company during the year. Hence, the details of Loan or advances made during the year is as follows: -

(Amounts in Lakhs)	
Short term loan given to its wholly owned subsidiary company and repaid during the financial year 2023-24	41.00

(a) According to the information and explanation provided by the management and the records examined by us, during the year, the Company had provided loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year

(A) During the year, in aggregate, company has given loan or advances which is in form of short -term loan of INR 41.00 Lakhs which was repaid along with interest by its wholly owned subsidiary Company during the Financial year 2023-24 and balance outstanding as on balance sheet date is NIL.

(B) The company has not given any loans or advances and guarantees or security, during the year to any other parties other than Subsidiaries, Joint Ventures and Associates and accordingly reporting under clause 3(iii) (a)(B) of the said order is not applicable to the company.

(b) According to the information and explanation provided by the management and the records

examined by us, terms and conditions of investments made during the year are not prejudicial to the Company's interest.

(c) The Company has given loans and advances in the nature of loans to its wholly owned subsidiary company during the year and the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amount along with Interest thereon are regular.

(d) The Company has given loans and advances in the nature of loans to its wholly owned subsidiary company during the year. However, the advance in the form of short term loan and the same has been repaid during the year. Hence reporting under clause 3(iii)(d) of the said Order is not applicable to the Company for overdue of loans for more than ninety days and thus no need to take reasonable steps for recovery of principal and interest.

(e) According to the information and explanation provided by the management and the records examined by us, the Company has not renewed or extended or granted any fresh loans to settle the overdue of existing loans given to the same parties which has fallen due during the year. Hence reporting under clause 3(iii)(e) of the said Order is not applicable to the Company.

(f) According to the information and explanation provided by the management and the records examined by us, the Company has granted loans or advances in the nature of loans to its wholly owned subsidiary company (Related party) (as defined in section 2(76) of the Companies Act, 2013) which are either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanation provided by the management and the records examined by us, the Company has, wherever applicable, complied the provisions of Section 185 and Section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

(v) According to the information and explanation provided by the management and the records examined by us, the Company has not accepted deposits / amounts



'Annexure – I' (Contd.)

deemed to be deposits as per the directive issued by Reserve Bank of India and the provision of the sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rule made thereunder. Hence reporting under clause 3(v) of the said Order is not applicable to the Company.

- (vi) The Central Government has prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013. According to the information and explanation provided by the management and the records examined by us, such accounts and records have been made and maintained by the Company.
- (vii) (a) According to the information and explanation provided by the management and the records examined by us, in respect of statutory dues including Provident Fund, Employees State Insurance Scheme, Income tax, Sales tax, Wealth Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty and Cess have generally been deposited regularly with the appropriate authorities, as appearing in the books of accounts. Further, there are no dues undisputed in respect of Income tax, Sales tax, Wealth Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty and Cess outstanding as at Balance Sheet date for a period of more than six months from the date they became payable.
- (b) According to the information and explanation provided by the management and the records examined by us, Details of statutory dues referred to in sub-clause (a) which have not been deposited as on the Balance Sheet date on account of any dispute are given below:

Name of the Statute	Nature of the Dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	149.17	April 2015 to March 2016	Commissioner of Income Tax (Appeal), Mumbai	-
Income Tax Act, 1961	Income Tax	171.63	April 2016 to March 2017	Commissioner of Income Tax (Appeal), Mumbai	-
Income Tax Act, 1961	Income Tax	505.56	April 2017 to March 2018	Commissioner of Income Tax (Appeal), Mumbai	-
MVAT Act 2006	VAT	27.16	April 2014 to March 2015	Department of Sales Tax	-

- (viii) According to the information and explanation provided by the management and the records examined by us, the Company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961, which is not recorded in the Books of Accounts. Hence reporting under clause 3(viii) of the said Order is not applicable to the Company.
- (ix) (a) According to the information and explanation provided by the management and the records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Hence reporting under clause 3(ix)(a) of the said Order is not applicable to the Company.
- (b) According to the information and explanation provided by the management and the records examined by us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender during the year.
- (c) According to the information and explanation provided by the management and the records examined by us, the term loans obtained by the Company has been applied for the purpose for which it is obtained, and no amount of loan has been diverted. Hence reporting under clause 3(ix)(c) of the said Order is not applicable to the Company.
- (d) According to the information and explanation provided by the management and the records examined by us, the Company have not raised funds on short term basis, and same have not been utilized for long-term purposes during the year. Hence reporting under clause 3(ix)(d) of the said Order is not applicable to the Company.
- (e) According to the information and explanation provided by the management and the records examined by us, the Company has not utilized funds obtained from any entity or person on account to meet the obligations of its Subsidiaries and Joint

'Annexure – I' (Contd.)

- Venture Companies. Hence reporting under clause 3(ix)(e) of the said Order is not applicable to the Company.
- (f) According to the information and explanation provided by the management and the records examined by us, the Company has not raised any loans during the year on the pledge of securities held in its Subsidiaries and Joint Venture Companies. Hence reporting under clause 3(ix)(f) of the said Order is not applicable to the Company.
- (x) (a) According to the information and explanation provided by the management and the records examined by us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). Hence reporting under clause 3(x)(a) of the said Order is not applicable to the Company.
- (b) According to the information and explanation provided by the management and the records examined by us, the Company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year. Hence reporting under clause 3(x)(b) of the said Order is not applicable to the Company.
- (xi) (a) According to the information and explanation provided by the management and the records examined by us, no fraud has been noticed or reported during the year on the Company or by the Company. Hence reporting under clause 3(xi)(a) of the said Order is not applicable to the Company.
- (b) Since no fraud has been noticed or reported during the year on the Company or by the Company, no report under sub-section (12) of Section 143 of the Companies Act, 2013 is required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government. Hence reporting under clause 3(xi)(b) of the said Order is not applicable to the Company.
- (c) According to the information and explanation provided by the management and the records examined by us, no whistle-blower complaint has been received by the Company during the year.
- Hence reporting under clause 3(xi)(c) of the said Order is not applicable to the Company.
- (xii) According to the information and explanation provided by the management and the records examined by us, the Company is not covered under the category of Nidhi Company. Hence reporting under clause 3(xii)(a) to (c) of the said Order is not applicable to the Company.
- (xiii) According to the information and explanation provided by the management and the records examined by us, the Company has complied with Section 177 and 188 of Companies Act, 2013 in respect of all transactions with related parties and details have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) According to the information and explanation provided by the management and the records examined by us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit are considered by us and has been dealt with, as per SA – 610 issued by the Institute of Chartered Accountants of India.
- (xv) According to the information and explanation provided by the management and the records examined by us, the Company has not entered into any non-cash transaction with any of its director and, wherever applicable, complied with provisions of Section 192 of the Companies Act, 2013 in respect of any non-cash transactions entered with directors or persons connected with him.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanation provided by the management and the records examined by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi)(b) of the said Order is not applicable to the Company.
- (c) According to the information and explanation provided by the management and the records examined by us, the Company is not a Core

**'Annexure – I' (Contd.)**

Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the said Order is not applicable to the Company.

- (d) According to the information and explanation provided by the management and the records examined by us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(d) of the said Order, for the Group not having any other CIC as a part of the Group is not applicable to the Company.

(xvii) According to the information and explanation provided by the management and the records examined by us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year. Hence reporting under clause 3(xvii) of the said Order is not applicable to the Company.

(xviii) According to the information and explanation provided by the management and the records examined by us, there has been no resignation of the statutory auditors of the Company during the year. Hence reporting under clause 3(xviii) of the said Order is not applicable to the Company.

(xix) According to the information and explanation provided by the management and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial

Statements examined by us, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) (a) According to the information and explanation provided by the management and the records examined by us, there are no projects other than ongoing projects and accordingly reporting under clause 3(XX)(a) of the said order is not applicable to the Company

(b) According to the information and explanation provided by the management and the records examined by us, the Company has transferred the unspent amount of Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing projects to a separate bank account in compliance with the provision of sub-section (6) of section 135 of the said Act.

ICAI UDIN : 24137872BKAVBE3920

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration Number: 123423W

CA Maulik N. Lodaya

Partner

Membership Number: 137872

Mumbai : May 10, 2024

Annexure II to the Independent Auditor's Report of even date to the members of Fine Organic Industries Limited on the Standalone Financial Statements for the year ended March 31, 2024.

1. In conjunction with our audit of the Standalone Financial Statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Fine Organic Industries Limited (hereinafter referred to as 'the Company') as on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (hereinafter referred to as "the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud



Annexure II (Contd.)

may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024,

based on the criteria for internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

ICAI UDIN : 24137872BKAVBE3920

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration Number: 123423W

CA Maulik N. Lodaya

Partner

Membership Number: 137872

Mumbai : May 10, 2024

Standalone Balance Sheet

As At March 31, 2024

(₹ in lakhs)

Particulars	Notes	As At March 31, 2024	As At March 31, 2023
ASSETS			
A) NON CURRENT ASSETS			
Property, Plant and Equipment	Note 4	22,696.45	21,123.40
Capital Work-in Progress	Note 5	2,972.98	4,044.08
Intangible Assets	Note 6	169.55	148.54
Right of use assets	Note 7	407.09	130.87
Financial Assets			
- Investments	Note 8	11,557.62	5,307.42
- Loans	Note 9	121.28	90.86
- Others	Note 10	1,239.41	757.29
Deferred Tax Assets (Net)	Note 11	1,302.53	1,019.44
Other Non current Assets	Note 12	7,628.26	7,436.46
Total Non Current Assets (A)		48,095.17	40,058.36
B) CURRENT ASSETS			
Inventories	Note 13	19,521.87	29,871.27
Financial Assets			
- Trade Receivables	Note 14	34,803.40	47,692.44
- Cash and Cash Equivalents	Note 15	60,754.80	48,919.63
- Bank Balances	Note 16	35,346.11	815.43
- Loans	Note 17	65.29	107.91
- Others	Note 18	14.50	37.24
Current Tax Assets (Net)	Note 19	1,855.83	1,817.08
Other Current Assets	Note 20	3,955.20	7,914.31
Total Current Assets (B)		1,56,317.00	1,37,175.31
Total Assets (A + B)		2,04,412.17	1,77,233.67
EQUITY AND LIABILITIES			
A) Equity			
Equity Share Capital	Note 21	1,533.00	1,533.00
Other Equity	Note 22	1,84,595.90	1,50,680.20
Total Equity (A)		1,86,128.90	1,52,213.20
Liabilities			
B) Non Current Liabilities			
Financial Liabilities			
- Borrowings	Note 23	-	-
- Lease Liability	Note 24	246.96	81.57
Total Non Current Liabilities (B)		246.96	81.57
C) Current Liabilities			
Financial Liabilities			
- Borrowings	Note 25	-	2,720.41
- Lease Liability	Note 24	176.22	50.50
- Trade Payables	Note 26		
(a) Total outstanding dues of micro enterprises and small enterprises		1,779.80	1,871.45
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		11,417.32	15,200.25
- Others	Note 27	264.00	320.86
Other Current Liabilities	Note 28	900.21	828.72
Provisions	Note 29	2,001.73	1,564.17
Current Tax Liabilities (Net)	Note 30	1,497.03	2,382.54
Total Current Liabilities (C)		18,036.31	24,938.90
Total Equity and Liabilities (A + B + C)		2,04,412.17	1,77,233.67

The accompanying notes 1 to 54 are an integral part of the standalone financial statements.

As per our report of even date
For B Y & Associates
Chartered Accountants
ICAI Firm Registration No.: 123423W

CA Maulik Lodaya
Partner
Membership No. 137872

Mumbai : May 10, 2024

For and on behalf of the Board of Directors
Fine Organic Industries Limited

Jayen Shah
Managing Director
DIN:00106919

Sonali Bhadani
CFO
PAN:AKPPB5839F

Mumbai : May 10, 2024

Tushar Shah
CEO & Executive Director
DIN:00107144

Pooja Lohor
Company Secretary
Membership No. A28397



Standalone Statement of Profit and Loss

Account For the Year Ended March 31, 2024

(₹ in lakhs)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I INCOME			
Revenue From Operations	Note 31	1,95,114.29	3,02,914.62
Other Income	Note 32	7,167.18	6,409.67
Total Income		2,02,281.47	3,09,324.29
II EXPENSES			
Cost of Materials Consumed	Note 33	1,06,674.48	1,92,292.15
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	Note 34	5,315.89	(5,718.80)
Employee Benefit Expenses	Note 35	11,365.47	10,059.86
Finance Costs	Note 36	232.01	446.08
Depreciation & Amortisation Expenses	Note 37	5,614.63	4,788.83
Other Expenses	Note 38	23,673.69	28,154.05
Total Expenses		1,52,876.17	2,30,022.17
III Profit / (Loss) before exceptional items and tax		49,405.30	79,302.12
Exceptional items	Note 53	56.32	-
IV Profit / (Loss) before tax		49,348.98	79,302.12
V Tax Expenses			
Current Tax		12,850.00	20,500.00
Deferred Tax		(256.17)	(257.78)
VI Profit / (Loss) For The Year		36,755.15	59,059.90
VII Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
(a) Changes in fair value of Equity instruments through OCI		0.20	(0.15)
(b) Remeasurements of Loss / (Profit) on employees defined benefits plan		(84.73)	(24.56)
(c) Amount Recognised in Cashflow Hedging Reserve during the year		(22.44)	109.05
(ii) Income tax relating to items that will not be reclassified to profit or loss		26.92	(21.23)
Total Other Comprehensive Income		(80.05)	63.11
TOTAL COMPREHENSIVE INCOME FOR THE YEAR [(VI) + (VII)]		36,675.10	59,123.01
Earnings Per Equity Share (₹)	Note 41		
Basic		119.88	192.63
Diluted		119.88	192.63
Weighted average number of equity shares (Actual)		3,06,59,976	3,06,59,976

The accompanying notes 1 to 54 are an integral part of the standalone financial statements.

As per our report of even date

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Maulik Lodaya

Partner

Membership No. 137872

Mumbai : May 10, 2024

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Jayen Shah

Managing Director

DIN:00106919

Sonali Bhadani

CFO

PAN:AKPPB5839F

Mumbai : May 10, 2024

Tushar Shah

CEO & Executive Director

DIN:00107144

Pooja Lohor

Company Secretary

Membership No. A28397

Standalone Statement of Changes in Equity

For the Year Ended March 31, 2024

A) EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 01, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
1,533.00	-	1,533.00	-	1,533.00

(₹ in lakhs)

Balance as at April 01, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
1,533.00	-	1,533.00	-	1,533.00

B) OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Amalgamation Reserve	Retained Earnings		
Balance as at April 01, 2023	1,155.24	1,49,661.20	(136.24)	1,50,680.20
Add:- Profit for the year	-	36,755.15	-	36,755.15
Reversal of loss on account of Joint Venture accounted as per Equity Method	-	-	-	-
Other comprehensive income / (losses)	-	-	(80.05)	(80.05)
	-	1,86,416.35	(80.05)	1,86,336.30
Less:- Dividends	-	2,759.40	-	2,759.40
Balance as at March 31, 2024	1,155.24	1,83,656.95	(216.29)	1,84,595.90
Balance as at April 01, 2022	1,155.24	93,360.71	(199.35)	94,316.60
Add:- Profit for the year	-	59,059.89	-	59,059.89
Other comprehensive income / (losses)	-	-	63.11	63.11
	1,155.24	1,52,420.60	(136.24)	1,53,439.60
Less:- Dividends	-	2,759.40	-	2,759.40
Balance as at March 31, 2023	1,155.24	1,49,661.20	(136.24)	1,50,680.20

The accompanying notes 1 to 54 are an integral part of the standalone financial statements.

As per our report of even date

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Maulik Lodaya

Partner

Membership No. 137872

Mumbai : May 10, 2024

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Jayen Shah

Managing Director

DIN:00106919

Sonali Bhadani

CFO

PAN:AKPPB5839F

Mumbai : May 10, 2024

Tushar Shah

CEO & Executive Director

DIN:00107144

Pooja Lohor

Company Secretary

Membership No. A28397



Standalone Cash Flow Statement

For the Year Ended March 31, 2024

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net Profit Before Tax	49,348.98	79,302.11
A] CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustments for:		
Depreciation and amortisation expenses	5,614.63	4,788.83
Interest Income	(4,792.71)	(1,124.68)
(Profit)/Loss on sale of fixed assets (net)	(32.46)	(20.88)
Finance Cost including interest on lease liabilities	232.01	446.69
Net loss /(Gain) on Foreign Exchange Fluctuations	(2,332.91)	(4,989.40)
Expected Credit Loss Provisions / (Reversal)	76.98	110.05
Lease Rent on Leasehold Properties	45.21	41.11
Other non-cash adjustments	119.75	79.14
Operating profit before working capital movements	48,279.48	78,632.97
Movement in working capital:		
Decrease / (Increase) in Inventories	10,321.28	(9,706.18)
Decrease / (Increase) in Trade and Other Receivables	18,592.34	(7,127.80)
(Decrease) / Increase in Trade and Other Payables	(2,818.53)	2,481.91
	26,095.09	(14,352.07)
Cash generated from operations	74,374.57	64,280.90
Income Tax Paid	(13,795.81)	(20,922.14)
Net cash flows from operating activities (A)	60,578.76	43,358.76
B] CASH FLOWS (USED IN) / GENERATED FROM INVESTING ACTIVITIES		
Payment for Purchase of property, plant and equipment, intangible assets including CWIP and capital advances	(6,445.34)	(8,109.68)
Proceeds from sale of property, plant and equipment	41.35	41.55
Amount(invested)/ matured in Bank Fixed Deposits	(34,888.52)	(508.10)
Interest Income received	4,640.83	1,098.74
Investment in Joint Ventures and subsidiaries	(6,250.00)	(996.34)
Net Cash Flows Used in Investing Activities (B)	(42,901.68)	(8,473.83)

**Standalone Cash Flow Statement
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
C] NET CASH FLOWS (USED IN)/ GENERATED FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(2,736.00)	(3,570.22)
Dividend Paid	(2,758.72)	(2,759.41)
Interest and Finance Charges paid	(207.72)	(444.26)
Employee Loans (given)	(66.72)	(112.35)
Employee Loans received	72.51	45.17
Repayments of lease liabilities (including interest thereon)	(145.26)	(14.41)
Net cash flows used in financing activities (C)	(5,841.91)	(6,855.48)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	11,835.17	28,029.45
Cash and cash equivalents at the beginning of the year	48,919.63	20,890.18
Cash and cash equivalents at the year end {Refer to note no. 15}	60,754.80	48,919.63
Components of cash and cash equivalents :		
Balances with banks		
In Current Account	2,657.01	3,743.12
In Exchange Earners' Foreign Currency Account	1,191.49	2,907.17
In Fixed Deposit Account	56,899.50	42,249.87
Cash on hand	6.80	19.47

The accompanying notes 1 to 54 an integral part of the standalone financial statements.

As per our report of even date

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Maulik Lodaya

Partner

Membership No. 137872

Mumbai : May 10, 2024

For and on behalf of the Board of Directors

Fine Organic Industries Limited
Jayen Shah

Managing Director

DIN:00106919

Sonali Bhadani

CFO

PAN:AKPPB5839F

Mumbai : May 10, 2024

Tushar Shah

CEO & Executive Director

DIN:00107144

Pooja Lohor

Company Secretary

Membership No. A28397



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024

1. CORPORATE INFORMATION

Fine Organic Industries Limited is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Company was converted into Public Company with effect from November 02, 2017 and consequently the name of the Company has changed from Fine Organic Industries Private Limited to Fine Organic Industries Limited. The registered office of the Company is situated in the State of Maharashtra.

The Financial Statements were approved and authorised for issue with the resolution of the Board of Directors

The Company has following investments in subsidiaries, Joint Ventures and Associates:

Particulars	Name of Entities					
	Fine Organics (USA), Inc	Fine Organics Europe BV	Fine Organics (SEZ) Pvt Ltd ^	Fine Zeelandia Private Limited	FineADD Ingredients GmbH #	Fine Organic Industries (Thailand) Co.Ltd.
Principal place of business and Country of Incorporation	United States of America	Belgium	India	India	Germany	Thailand
Investee relationship	Subsidiary Company	Subsidiary Company	Subsidiary Company	Joint Venture	Joint Venture	Joint Venture
Proportion of ownership interest	100.00%	100.00%	100.00%	50.00%	50.00%	45.00%

^ Incorporated on October 10, 2023

Ceased to exist wef November 21, 2023

2. BASIS OF PREPARATION:

2.1 Statement of compliance

The accompanying Financial Statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2.2 Functional and presentation currency

These Financial Statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been reported in ₹, unless otherwise indicated.

on May 10, 2024 and are subject to the approval of Shareholders in the Annual General Meeting.

The Company carries on business in India and abroad, as manufacturers, processors, suppliers, distributors, dealers, importers, exporters of wide range of oleochemical-based additives used in foods, plastics, cosmetics, coatings and other specialty application in various industries.

The Equity shares of the Company are listed on July 2, 2018 on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

2.3 Basis of measurement

The Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain Financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Net defined benefit (assets)/ liabilities that are measured at fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgements

The preparation of the Financial Statements in accordance with Ind AS requires use of judgements, estimates and assumptions, which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2024 are as follows:

a) **Property, plant and equipment**

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act except plant & machineries, which in the opinion of the Management represent the useful lives as they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) **Revenue from contracts with customers**

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance

resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

c) **Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

d) **Recognition of deferred tax assets**

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry-forwards and tax credits, if any. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Contingent Liabilities, Commitments and Litigations

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

Litigation

From time to time, the Company might be subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

2.5 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both Financial and Non-Financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the Management. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level-1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level-2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level-3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Operating cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.7 Current / non-current classification

An entity shall classify an asset as current when:

- a) It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- b) It holds the asset primarily for the purpose of trading;
- c) It expects to realise the asset within twelve months after the reporting period; or
- d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when:-

- a) It expects to settle the liability in its normal operating cycle;
- b) It holds the liability primarily for the purpose of trading;

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

- c) The liability is due to be settled within twelve months after the reporting period; or
- d) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

- a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) Any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by Management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end. Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is

included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other Non-Current Assets”.

Leasehold Rent payable to MIDC relating to new project, during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Non- Current Assets and the same will be amortised in the year of commencement of project.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on pro-rata basis using the diminishing balance method on cost of items of property, plant and equipment less their estimated residual values over the estimated residual useful lives based on Schedule II of the Companies Act, 2013 except for plant & machinery.

In case of plant & machinery, based on internal assessment, the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence the useful lives for these assets may Differ from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible Assets	Useful lives as per Schedule II
Buildings	30 Years
Computers	
Computer – Server & Network	6 Years
Computer – Others	3 Years
Plant & Machinery	5 - 15 Years



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

Tangible Assets	Useful lives as per Schedule II
Furniture and Fixtures	10 Years
Electrical Installation	10 Years
Motor Cars & Vehicles	8 Years
Office Equipments	5 Years
Laboratory Equipments	10 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.2 Intangible Assets

Recognition and measurement

Intangible assets comprise of computer software and patent / trademark, which acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values and it is included in depreciation and amortisation in the Statement of profit and loss.

Intangible assets are amortised over the estimated useful lives as given below:

Intangible Assets	Useful life
Computer Software (WDV Method)	3 Years
Patent / Trademark (SLM Method)	10 Years

3.3 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as

part of the cost of that asset till the date it is ready for its intended use or sale less any investment income on the temporary investment of those borrowings.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.4 Impairment of non-Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

3.5 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for Financial reporting purposes and the

Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Company.

3.6 Inventories

Inventories which comprise raw materials, packing materials, work-in-progress, finished goods, consumables and stores & spares are carried at the lower of cost and net realisable value.

The cost of inventories is based on weighted average formula and includes expenditure incurred in acquiring the inventories, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work in progress, cost includes an appropriate share of fixed production overheads based actual production.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, defective and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

3.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash Management.

3.8 Trade Payables

Trade payables represent liabilities for goods including capital goods and services provided to the Company prior to the end



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

of Financial year which are unpaid. Trade and other payables are reported as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost using the effective interest rate method, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified in any of the above categories is measured at FVTPL.

Investment in subsidiaries, Associates and Joint Ventures

The Company has opted to account for its investments in subsidiaries, associates and joint venture at cost less provision for diminution other than temporary.

Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has made an irrevocable choice to present the value changes in 'Other Comprehensive Income'.

Impairment of Financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the Financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

Financial liabilities

Initial recognition and measurement

All Financial liabilities are recognised at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Derivative Financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as forwards and Interest rate swaps to mitigate the risk of changes in exchange rates and Interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-Financial assets or non-Financial liability.

In case of loss / gains from interest rate swaps, directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Fair Value Hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

b) De-recognition of Financial Instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the Financial asset expire or it transfers the Financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, the company has legally enforceable right to set off the amount and it intends, either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

3.10 Revenue Recognition

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Sale of Products

Revenue from sale of goods is recognised on the basis of approved contracts, when all the significant risks

and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and acceptance by the buyer. Any additional amount based on the terms of the agreement entered into with customers, is recognised in the period when the collectability of the profit share becomes probable and a reliable measure of the profit share is available. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company does not provide any warranties or maintenance contracts to its customers.

As per erstwhile Ind AS 18, the Company has assumed that recovery of excise duty (up to June 2017) flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

Variable consideration

This includes incentives, volume rebates, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Cost to obtain a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortisation period of the asset that the Company otherwise would have used is one year or less.

Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

Costs to fulfill a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised.

Other Operating Revenues

Other Operating revenue mainly consists of Sale of Scrap arising from the production of finished goods.

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Interest income is included in finance income in the Statement of profit and loss

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Insurance and other claims

Revenue in respect of Insurance and other claim is recognised only on reasonable certainty of ultimate collection.

3.11 Foreign Currencies

The Financial Statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

3.12 Employee benefits

Short term employee benefits

Liabilities for short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are reported as current employee benefits payable in the balance sheet.

Post-employment benefits

a) Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method at the year end.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Employee Benefit Expense in the Statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

b) Defined contribution plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

recognised as expenses for the period in which the employee has rendered the service.

3.13 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1. The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified.
2. The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
3. The Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either :
 - a) the Company as a lessee has the right to operate the asset; or
 - b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used

The Company recognises a right-of-use asset and a lease liability at the lease Commencement date. The

right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.14 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and

Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of Management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

3.15 Dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is

authorised by the shareholders and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity upon approval from shareholders.

3.16 Earnings per share (EPS)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the equity by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 4 NON CURRENT ASSETS : PROPERTY, PLANT & EQUIPMENT (PPE)

Particulars	(₹ in lakhs)											
	Factory / Research Centre Building	Office Prem- ises	Resi- dential Premises	Factory Flats	Plant and Equip- ments	Electrical Equip- ments	Labor- atory Equip- ments	Office Equip- ments	Furniture & Fixtures	Computer & Peripherals (including Server & Network)	Vehicles	Total Property Plant and Equipment
Gross Carrying Amount												
Balance as at April 01, 2022	18,933.42	281.21	77.44	2.76	24,687.91	2,662.07	937.91	913.32	862.16	1,067.19	980.66	51,406.05
Add: Additions during the year	743.01	-	-	-	977.68	203.62	16.58	135.39	108.01	515.90	296.22	2,996.41
Less: Disposals/ Adjustments	-	-	-	-	15.04	20.17	-	14.45	-	31.76	103.36	184.78
Balance as at March 31, 2023	19,676.43	281.21	77.44	2.76	25,650.55	2,845.52	954.49	1,034.26	970.17	1,551.33	1,173.52	54,217.68
Add: Additions during the year	1,699.65	-	-	-	2,854.11	638.85	156.84	250.24	317.97	866.64	130.71	6,915.01
Less: Disposals/ Adjustments ^	15.38	48.26	4.38	-	70.33	1.10	6.03	19.04	0.70	18.42	105.22	288.86
Balance as at March 31, 2024	21,360.70	232.95	73.06	2.76	28,434.33	3,483.27	1,105.30	1,265.46	1,287.44	2,399.55	1,199.01	60,843.83
Accumulated Depreciation												
Balance as at April 01, 2022	6,927.86	70.43	23.11	1.46	16,437.57	1,499.81	739.51	697.61	662.75	781.24	691.63	28,532.98
Add: Depreciation for the year	1,174.74	18.86	2.64	0.06	2,584.64	320.60	49.41	114.39	54.40	279.06	126.61	4,725.41
Less: Disposals/ Adjustments	-	-	-	-	14.13	15.89	-	7.78	-	29.78	96.53	164.11
Balance as at March 31, 2023	8,102.60	89.29	25.75	1.52	19,008.08	1,804.52	788.92	804.22	717.15	1,030.52	721.71	33,094.28
Add: Depreciation for the year	1,227.04	17.00	2.51	0.05	2,524.53	398.78	61.87	171.66	124.66	616.48	165.49	5,310.07
Less: Disposals/ Adjustments ^	12.91	36.16	3.15	-	65.13	0.12	5.73	17.27	0.67	16.22	99.61	256.97
Balance as at March 31, 2024	9,316.73	70.13	25.11	1.57	21,467.48	2,203.18	845.06	958.61	841.14	1,630.78	787.59	38,147.38
Net Carrying Amount												
Balance as at March 31, 2023	11,573.83	191.92	51.69	1.24	6,642.47	1,041.00	165.57	230.04	253.02	520.81	451.81	21,123.40
Balance as at March 31, 2024	12,043.97	162.82	47.95	1.19	6,966.85	1,280.09	260.24	306.85	446.30	768.77	411.42	22,696.45

^ Disposals include assets deleted due to fire at Badlapur Plant {Refer Note 53}

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**
NOTE 5 NON CURRENT ASSETS : CAPITAL WORK IN PROGRESS

(₹ in lakhs)

Particulars	As At	
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	4,044.08	1,412.47
Add :- Additions during the year	6,174.04	6,032.14
Less :- Capitalisation during the year	7,245.14	3,400.53
Balance at the end of the year	2,972.98	4,044.08

NOTE 5.1 AGEING SCHEDULE FOR CAPITAL WORK-IN PROGRESS

(₹ in lakhs)

Particulars	As At March 31, 2024				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	2,759.43	118.81	56.40	38.34	2,972.98
-- Projects temporarily suspended	-	-	-	-	-
Total	2,759.43	118.81	56.40	38.34	2,972.98

(₹ in lakhs)

Particulars	As At March 31, 2023				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	2,960.61	643.56	185.43	254.48	4,044.08
-- Projects temporarily suspended	-	-	-	-	-
Total	2,960.61	643.56	185.43	254.48	4,044.08

NOTE 5.2 There are no Capital Work-in Progress, whose completion is overdue or has exceeded its cost compared to its original plan

NOTE 6 NON CURRENT ASSETS : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	As At		
	Software	Patents & Trademarks	Total Intangible Assets
Gross Carrying Amount			
Balance as at April 01, 2022	148.19	34.76	182.95
Add: Additions during the year	140.83	0.83	141.66
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2023	289.02	35.59	324.61
Add: Additions during the year	167.54	22.18	189.72
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2024	456.56	57.77	514.33
Accumulated Depreciation			
Balance as at April 01, 2022	109.79	16.05	125.84
Add: Additions during the year	46.56	3.67	50.23



**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	Software	Patents & Trademarks	Total Intangible Assets
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2023	156.35	19.72	176.07
Add: Additions during the year	165.00	3.71	168.71
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2024	321.35	23.43	344.78
Net Carrying Amount			
Balance as at March 31, 2023	132.67	15.87	148.54
Balance as at March 31, 2024	135.21	34.34	169.55

NOTE 7 NON-CURRENT FINANCIAL ASSETS : RIGHT OF USE OF ASSETS

As as Lessor

The lease portfolio of the Company consists of agreements which fall under operating lease categories. These lease commitments primarily consist of lease rent payments for the branch office and godowns.

Changes in the carrying value of Right-Of-Use (ROU) assets during the period :

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Balance at the Beginning of the period	130.87	-
Additions	412.06	144.06
Depreciation	(135.84)	(13.19)
Balance at the End of the period	407.09	130.87

NOTE 7.1 ASSET CLASS-WISE RIGHT OF USE ASSETS FOR THE YEAR ENDED MARCH 31, 2024 ARE AS FOLLOWS :

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Building		
Balance at the Beginning of the period	130.87	-
Additions	412.06	144.06
Depreciation	(135.84)	(13.19)
Balance at the End of the period	407.09	130.87

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**
NOTE 8 NON-CURRENT FINANCIAL ASSETS : INVESTMENT

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Unquoted Investment in Equity Instruments of Subsidiaries		
(i) Fine Organics (USA), Inc. (Current Year: 1,000 shares of USD 1 each fully paid up) (Previous Year : 1,000 shares of USD 1 each fully paid up)	189.13	189.13
(ii) Fine Organics Europe BV (Current Year: 186 shares of Euro 100 each fully paid up) (Previous Year: 186 shares of Euro 100 each fully paid up)	34.84	34.84
(iii) Fine Organic Industries (SEZ) Private Limited (Current Year: 25,00,000 shares of INR 10/- each fully paid up) (Previous Year: Nil)	250.00	-
Unquoted Investment in Debt instrument of subsidiaries		
(i) Fine Organic Industries (SEZ) Private Limited 1 % Non-Convertible, Non-Cumulative, Non-Participating, Redeemable Preference Shares (Current Year: 6,00,00,000 shares of INR 10/- each fully paid up) (Previous Year: Nil)	6,000.00	-
Unquoted Investment in Equity Instruments of Jointly Controlled Entity (At Cost)		
(i) Fine Zeelandia Private Limited (Current Year: 4,02,84,250 shares of INR 10/- each fully paid up) (Previous Year: 4,02,84,250 shares of INR 10/- each fully paid up)	4,028.43	4,028.43
(ii) FineADD Ingredients GmbH (Refer Note 8.1) (Current Year: Nil) (Previous Year: 2,500 shares of Euro 100 each fully paid up)	-	-
(iii) Fine Organic Industries (Thailand) Co. Limited (Current Year: 4,49,970.75 shares of Thai Baht 100 each fully paid up) (Previous Year: 4,49,970.75 shares of Thai Baht 100 each fully paid up)	1,050.34	1,050.34
Unquoted Investment in Equity Instruments at FVTOCI		
(i) Saraswat Co-Operative Bank Limited (Current Year: 2,500 shares of INR 10/- each fully paid up) (Previous Year: 2,500 shares of INR 10/- each fully paid up)	4.88	4.68
Total Investments	11,557.62	5,307.42



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 8.1 DIMINUTION IN VALUE OF THE INVESTMENT IN A JOINT VENTURE

During the year ended March 2024, the Company has received intimation that liquidation process of Joint Venture Entity "FineADD Ingredients GmbH" has been completed and ceased to exist w.e.f. November 21, 2023. In earlier years, the Company has fully provided for diminution in value of Investment.

NOTE 9 NON-CURRENT FINANCIAL ASSETS : LOANS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Unsecured, considered good		
Loan to employees	121.28	90.86
Total Loans	121.28	90.86

NOTE 10 NON-CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Security Deposits Rent (Amortised Cost)	28.92	32.20
Fixed Deposits with Bank (Original Maturity More than 12 months)	1,210.49	725.09
Total Others	1,239.41	757.29

NOTE 11 DEFERRED TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	1,397.97	1,161.03
Others	72.33	53.08
Gross Deferred Tax Asset (a)	1,470.30	1,214.11
Tax effect of items constituting deferred tax liabilities		
Others	167.77	194.67
Gross Deferred Tax Liability (b)	167.77	194.67
Deferred Tax Assets (Net) (a-b)	1,302.53	1,019.44

NOTE 12 NON-CURRENT ASSETS - OTHERS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Capital Advances (Unsecured, Considered good)	2,871.96	2,841.33
Security Deposits	1,170.94	1,108.51
Income Tax Refund Receivables	10.77	10.77
Prepaid Rent on Leasehold Land & Premises	3,510.35	3,423.71
Other Prepaid Expenses	64.24	52.14
Total Other Current Assets	7,628.26	7,436.46

Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 12.1 DISCLOSURE TO OTHER NON CURRENT ASSETS - CAPITAL ADVANCES

The Company has given an advance of ₹ 2,420 Lakhs to MIDC for the allotment of a plot at Pale, Ambernath, which is disclosed under Capital advances. The MIDC has issued an allotment letter, however, the Company is still unable to take possession of the said plot, as so far the MIDC has not created any of the basic infrastructure facilities such as water, electricity, roads etc. The Company is very positive about receiving possession after confirmation from relevant authorities.

Upon possession, the Company plans to setup a centralised warehousing facility, however, the Company shall carry out a feasibility study and then decide upon the appropriate action to be taken for the said plot. The present value of the said plot as per the ready reckoner rate as at March 31, 2024 is higher than the advance given.

NOTE 13 CURRENT ASSETS : INVENTORIES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Raw Materials and Packing Materials	9,696.57	14,981.11
Semi-Finished Goods	685.85	543.43
Finished Goods	6,551.68	12,009.99
Consumables	133.90	191.52
Stores & Spares	2,453.87	2,145.22
Total Inventories	19,521.87	29,871.27

NOTE 14 CURRENT ASSETS : TRADE RECEIVABLE

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Secured, Considered good	-	-
Unsecured		
Considered good	26,452.33	26,161.73
From Related Parties {Refer to note no. 43(b)}	8,351.07	21,530.71
Which has a significant increase in Credit Risk	287.38	210.92
Sub Total	35,090.78	47,903.36
Less: Allowance for Expected Credit Loss	287.38	210.92
Total Trade Receivables	34,803.40	47,692.44

Ageing for trade receivables as at March 31, 2024 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	24,606.36	9,689.21	459.84	28.33	3.93	15.73	34,803.40
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	-	-	-	-



**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-

Ageing for trade receivables as at March 31, 2023 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	35,859.58	11,645.79	64.64	52.50	14.44	55.49	47,692.44
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-

NOTE 15 CURRENT FINANCIAL ASSETS : CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Balances with Banks		
In Current Account	2,657.01	3,743.12
In Exchange Earners' Foreign Currency Account	1,191.49	2,907.17
In Fixed Deposit Account (With original maturity of less than 3 Months)	56,899.50	42,249.87
Cash on hand	6.80	19.47
Total Cash and Cash Equivalents	60,754.80	48,919.63

NOTE 16 CURRENT FINANCIAL ASSETS : BANK BALANCES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Balances with Banks		
In Fixed Deposits (with an original maturity of more than 3 months and 12 months or less)	35,343.44	788.44
Others [^]	2.67	26.99
Total Bank Balances	35,346.11	815.43

[^] Others includes Bank balances specifically held for Unspent CSR and unpaid dividends.

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 17 CURRENT FINANCIAL ASSETS : LOANS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Unsecured, considered good		
Loan to employees	65.29	107.91
Total Loans	65.29	107.91

NOTE 18 CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Unsecured, Considered Good		
Security Deposit	14.50	14.80
Interest Rate Swaps {Refer Note 52}	-	22.44
Total Other Financial Assets	14.50	37.24

NOTE 19 CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Income tax (Net of Provision for Income Tax)	1,855.83	1,817.08
Total Current Tax Assets (Net)	1,855.83	1,817.08

NOTE 20 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Prepaid Expenses	509.92	421.35
Balance with Statutory / Government Authorities *	1,564.78	3,708.20
Gratuity Fund Balance with LIC of India	101.92	80.41
Other Advances (including advance to suppliers)	1,778.58	3,704.35
Total Other Current Assets	3,955.20	7,914.31

* Balances with Government Authorities primarily include amounts realisable for Goods and Service Tax (GST), the unutilised GST input tax credits. These are generally realised within one year or utilised regularly. Accordingly, these balances have been classified as "Other Current Assets".



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 21 EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
AUTHORISED		
4,00,00,000 Equity Shares of ₹ 5/- each (Previous Year: 4,00,00,000 Equity Shares of ₹ 5/- each)	2,000.00	2,000.00
Total Authorised Capital	2,000.00	2,000.00
ISSUED, SUBSCRIBED AND PAID-UP		
3,06,59,976 Equity Shares of ₹ 5/- each (Previous Year: 3,06,59,976 Equity Shares of ₹ 5/- each)	1,533.00	1,533.00
Total Issued, Subscribed and Paid-Up Capital	1,533.00	1,533.00

NOTE 21.1 RECONCILIATION OF NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW :

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Equity Shares at the beginning of the year	3,06,59,976	3,06,59,976
Add:- Shares issued during the year	-	-
Add: Issued on account of Subdivision of shares	-	-
Less:- Shares bought back during the year	-	-
Equity Shares at the end of the year	3,06,59,976	3,06,59,976

NOTE 21.2 TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of an interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after the distribution of all preferential amounts, in proportion to their shareholding.

NOTE 21.3 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES OF THE COMPANY

Particulars	As At March 31, 2024		As At March 31, 2023	
	Number of Shares	% in Share Capital	Number of Shares	% in Share Capital
Late Jyotsna Ramesh Shah	-	-	43,25,886	14.11%
Mr. Tushar Ramesh Shah	50,89,721	16.60%	36,99,182	12.07%
Mr. Jayen Ramesh Shah	48,14,166	15.70%	34,23,627	11.17%
Ms. Archana Yatin Sankholkar	22,26,418	7.26%	22,26,418	7.26%
Ms. Anjali Kunal Patil	22,26,417	7.26%	22,26,417	7.26%
Mr. Bimal Mukesh Shah	32,00,766	10.44%	18,10,227	5.90%
Mr. Mukesh Maganlal Shah	19,18,314	6.26%	17,64,045	5.75%
Axis Mutual Fund Trustee Limited #	-	-	16,15,073	5.27%

As of March 31, 2024 less than 5%

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 21.4 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES OF THE COMPANY

Disclosure of shareholding of Promoters / Promoters Group as at March 31, 2024 is as follows:

(₹ in lakhs)

No	Promoters / Promoters Group name	Shares Held				% Change during the year
		As At March 31, 2024		As At March 31, 2023		
Promoters						
1	Mr. Mukesh Maganlal Shah	19,18,314.00	6.26%	17,64,045.00	5.75%	0.51%
2	Mr. Jayen Ramesh Shah	48,14,166.00	15.70%	34,23,627.00	11.17%	4.53%
3	Mr. Tushar Ramesh Shah	50,89,721.00	16.60%	36,99,182.00	12.07%	4.53%
4	Mr. Bimal Mukesh Shah	32,00,766.00	10.44%	18,10,227.00	5.90%	4.54%
5	Late Jyotsna Ramesh Shah	-	0.00%	43,25,886.00	14.11%	(14.11%)
6	Ms. Archana Yatin Sankholkar	22,26,418.00	7.26%	22,26,418.00	7.26%	-
7	Ms. Anjali Kunal Patil	22,26,417.00	7.26%	22,26,417.00	7.26%	-
Promoters Group						
8	Ms. Jayshree Mukesh Shah	5,68,572.00	1.85%	5,68,572.00	1.85%	-
9	Ms. Neeta Jayen Shah	6,59,892.00	2.15%	6,59,892.00	2.15%	-
10	Ms. Bina Tushar Shah	5,74,380.00	1.87%	5,74,380.00	1.87%	-
11	Ms. Shaili Nirav Doshi	1,22,898.00	0.40%	1,22,898.00	0.40%	-
12	Ms. Manali Vishal Doshi	76,614.00	0.25%	76,614.00	0.25%	-
13	Ms. Rhea Tushar Shah	1,06,614.00	0.35%	1,06,614.00	0.35%	-
14	Ms. Esha Tushar Shah	1,06,620.00	0.35%	1,06,620.00	0.35%	-
15	R M Shah HUF	3,08,542.00	1.01%	3,08,542.00	1.01%	-
16	P D Kamat HUF	1,37,178.00	0.45%	1,37,178.00	0.45%	-
17	Ms. Jayen R Shah HUF	3,06,978.00	1.00%	3,06,978.00	1.00%	-
18	Ms. Tushar R Shah HUF	1,03,218.00	0.34%	1,03,218.00	0.34%	-
19	Ms. Maltiben Pradipkumar Shah	19.00	0.00%	19.00	0.00%	-
20	Ms. Akruiti Bimal Shah	4,47,174.00	1.46%	4,47,174.00	1.46%	-
	Total	2,29,94,501.00	75.00	2,29,94,501.00	75.00	

NOTE 21.5 DETAILS OF CALLS UNPAID

There are no calls unpaid.

NOTE 21.6 SUBDIVISION OF SHARES

The Shareholders vide a special resolution has approved the subdivision of shares of the Company in the ratio of 2 shares of face value of ₹ 5 each for every existing 1 share of the face value of ₹ 10 each.

The requisite approvals for modification of the Memorandum and Articles of Association of the Company had been accorded by the shareholders on November 06, 2017.



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 22 OTHER EQUITY

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
(a) Amalgamation Reserve	1,155.24	1,155.24
(Includes ₹ 4.23 Lakhs on Account of Amalgamation)		
(b) Retained Earnings		
Balance as at the beginning of the year	1,49,661.20	93,360.71
Add: Profit for the year	36,755.15	59,059.89
Less:- Dividend	2,759.40	2,759.40
Balance as at the end of the year (b)	1,83,656.95	1,49,661.20
(c) Other Comprehensive Income		
Balance as at the beginning of the year	(136.24)	(199.35)
Add: Other Comprehensive Income for the year	(80.05)	63.11
Balance as at the end of the year (c)	(216.29)	(136.24)
Total (a + b + c)	1,84,595.90	1,50,680.20

Glossary

- (a) Amalgamation Reserve - At the time of business combination under common control, amalgamation adjustment reserve of the transferor company becomes amalgamation adjustment reserve of the transferee company. The Company established this reserve at the time of business combinations made in the earlier years.
- (b) Retained Earnings represents undistributed accumulated earnings of the Company as on the balance sheet date.
- (c) Other Comprehensive Income represents the following -
1. The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve
 2. The Company uses hedging instruments as part of its management of interest rate risk associated with borrowings. For hedging interest rate risk, the Company uses the interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedged reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).
 3. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 23 NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Secured Loans		
Foreign Currency Borrowings - External Commercial Borrowings		
From Bank {Refer to note no. 23.1}	-	2,720.41
Less : Current Maturity {Refer to note no. 25}	-	(2,720.41)
Total Non-Current Borrowings	-	-

NOTE 23.1 DISCLOSURE TO NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

- (i) The foreign currency borrowing was secured against exclusive charge on specific Land & Building and Plant & Machinery of the borrower at plot no. N-42/1, MIDC, Anand Nagar, Additional Ambarnath Industrial Area, Ambarnath - 421501, Maharashtra.
- (ii) During the FY 2023-24 the loan was completely repaid and as of Mar 31, 2024 the charge on assets were completely released.

NOTE 24 MOVEMENT IN LEASE LIABILITIES DURING THE YEAR : LEASE LIABILITIES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Balance at the beginning of the period	132.08	-
Additions	412.07	144.06
Finance cost accrued during the year	24.29	2.43
Deletions	-	-
Payment of lease liabilities	145.26	14.41
Balance at the end of the period	423.18	132.08

NOTE 24.1 BREAK-UP OF CURRENT AND NON-CURRENT LEASE LIABILITIES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Current lease liabilities	176.22	50.50
Non-current lease liabilities	246.96	81.57
Total	423.18	132.07

NOTE 25 BREAK-UP OF CURRENT AND NON-CURRENT LEASE LIABILITIES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Secured Loans		
Current maturities of Long-term Borrowings {Refer note 23.1}	-	2,720.41
Total Current Borrowings	-	2,720.41



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 26 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Outstanding due to Micro and Small Enterprises {Refer to note no. 26.1}	1,779.80	1,871.45
Others	11,417.32	15,200.25
Total	13,197.12	17,071.70

NOTE 26.1 DISCLOSURE TO CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES

Dues to micro and small enterprises

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro and small enterprises amounting to ₹ 1,779.80 Lakhs (Previous Year: ₹ 1,871.45 Lakhs). The disclosure pursuant to the MSMED Act based on the books of account is as under:

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
(i) Principal amount remaining unpaid	1,779.80	1,871.45
(ii) Interest due on above and the unpaid interest	7.88	7.49
(iii) Interest paid in terms of Section 16 of the MSMED Act	-	-
(iv) Amount of payments made to supplier beyond the appointed day	-	-
(v) Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act, 2006	-	-
(vi) Amount of Interest accrued and remaining unpaid *	7.88	7.49
(vii) Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the MSMED Act, 2006	-	-

(*) The interest has not been accrued in the books of account since the outstanding amount majorly includes retention amount payable after completion of contract period.

Ageing for trade payables outstanding as at March 31, 2024 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1731.06	7.89	16.23	24.62	1779.80
(ii) Others	11280.63	43.09	55.46	38.14	11417.32
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	13,011.69	50.98	71.69	62.76	13,197.12

Ageing for trade payables outstanding as at March 31, 2023 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,839.98	25.51	2.78	3.18	1,871.45
(ii) Others	14,990.58	79.35	66.56	63.76	15,200.25
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	16,830.56	104.86	69.34	66.94	17,071.70

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**
NOTE 27 CURRENT FINANCIAL LIABILITIES : OTHERS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Trade / Security Deposits from Customers	261.33	318.87
Dividend Payable	2.67	1.99
Total Other Financial Liabilities	264.00	320.86

NOTE 28 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Statutory dues Payable	227.87	257.19
Contractual Liabilities {refer to Note 31.1}	642.34	571.53
Other #	30.00	-
Total Other Current Liabilities	900.21	828.72

Other current liabilities is insurance claim received pending for final settlement {Refer note 53}

NOTE 29 CURRENT LIABILITIES : PROVISIONS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Provision for CSR Expenses {refer to note no. 38.1}	474.05	25.05
Provision for Expenses	1,527.68	1,539.12
Total Provisions	2,001.73	1,564.17

NOTE 30 CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Income Tax (Net of Income Tax paid)	1,497.03	2,382.54
Total Current Tax Liabilities (Net)	1,497.03	2,382.54

NOTE 31 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(A) Revenue from Contracts with customers		
Sales - Specialty chemicals	1,95,073.71	3,02,888.15
	[A] 1,95,073.71	3,02,888.15
(B) Other Operating Revenue		
Income from Sale of Scrap	40.58	26.47
	[B] 40.58	26.47
Total Revenue from Operations [(A) + (B)]	1,95,114.29	3,02,914.62



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 31.1 OTHER DISCLOSURE RELATING TO REVENUE FROM CONTRACTS WITH CUSTOMERS (IND AS 115)

The Company is primarily in the Business of manufacture and sale of Specialty chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company evaluates the credit limits for the trade receivables. The Company does not give a significant credit period resulting in no significant financing component.

Further, the disaggregation of revenue based on geography has been mentioned under segment information. {refer to note no. 44.3}

Reconciliation of Revenue recognised from contracts with customers with Contract liabilities

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Opening Contract Liability	571.53	792.13
Add: Addition to contract liability during the year	40,359.15	67,901.42
Less: Recognised as revenue during the year	40,288.34	68,122.02
Closing Contract liability	642.34	571.53

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Revenue from contract with the customer as per Contract price	1,95,805.77	3,03,328.20
Less: Discounts and Rebates	53.01	21.27
Less: Sales Returns	679.05	418.78
Revenue from contract with customer as per statement of profit and loss	1,95,073.71	3,02,888.15

NOTE 32 OTHER INCOME

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest Income	4,792.71	1,124.68
Net gain on foreign exchange fluctuations	2,332.91	4,989.40
Other non-operating income		
Profit on Sale of Property, Plant and Equipment (Net of Loss)	32.46	20.88
Insurance claim received	8.13	11.88
Miscellaneous Income	0.97	262.83
Total Other Income	7,167.18	6,409.67

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**
NOTE 32.1 PARTICULARS OF INTEREST INCOME

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest Income from Financial Assets on Amortised Cost Basis [at EIR]	4,792.71	1,124.27
Interest Income from Non Financial Assets	-	0.41
Total	4,792.71	1,124.68

NOTE 33 COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Raw Materials and Packing Materials Consumed		
Opening Stock at the beginning of the year	14,981.11	11,354.97
Add : Purchases and incidental expenses	1,01,389.94	1,95,918.29
	1,16,371.05	2,07,273.26
Less : Closing stock at the end of the year	9,696.57	14,981.11
Total Cost of Materials Consumed	1,06,674.48	1,92,292.15

NOTE 33.1 PARTICULARS OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Raw Materials	1,02,715.02	1,87,531.55
Packing Materials	3,959.46	4,760.60
Total	1,06,674.48	1,92,292.15

NOTE 34 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(A) Opening stock of inventories		
Finished Goods	12,009.99	5,912.21
Semi-Finished Goods	543.43	922.41
Total (A)	12,553.42	6,834.62
(B) Closing Stock of inventories		
Finished Goods	6,551.68	12,009.99
Semi-Finished Goods	685.85	543.43
Total (B)	7,237.53	12,553.42
Net Changes in Inventories of Finished Goods, Stock -in-trade and Work-in-progress [(A) -(B)]	5,315.89	(5,718.80)



**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 35 EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Salaries and other benefits to Directors	2,220.00	2,132.00
Salaries, wages & other benefits to others	8,529.73	7,334.37
Contribution to Provident Fund and Other Funds	285.31	260.40
Employee Welfare and other amenities	330.43	333.09
Total Employee Benefit Expenses	11,365.47	10,059.86

As per Indian Accounting Standard 19 “Employee Benefits” the disclosures as defined are given below:

A] Defined Contribution Plans

The Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefit.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Employer’s Contribution to Pension Scheme	107.44	100.00
Employer’s Contribution to Provident Fund	51.05	47.45
Total	158.49	147.45

B] Defined Benefits Plans

The Company has used the Projected Unit Credit (PUC) actuarial method to assess the Plan’s liabilities, including those related to death-in-service benefits. Under the PUC method, a ‘Projected accrued benefit’ is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The ‘projected accrued benefit’ is based on the Plan’s accrual formula and upon the service as at the beginning or end of the year, but using a member’s final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the ‘projected accrued benefits’ as at the end of the year for the Plan’s active members.

(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Present value of Defined Benefit Obligation at the beginning of the Year	1,331.91	1,201.58
Add : Service Cost		
(a) Current Service Cost	102.41	92.82
(b) Past Service Cost	-	-
(c) Loss/(Gain) from Settlement	-	-
Add: Current Interest Cost	95.90	80.51

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Add: Benefit Paid	(79.44)	(73.40)
Add: Remeasurements of Actuarial (Gain) / Loss		
(a) From changes in Demographic assumptions	-	-
(b) From changes in Financial assumptions	20.80	(46.99)
(c) From experience over the past year	74.08	77.39
Effect of Acquisition/ (Divestiture)		
Transfer In/(Out)		-
Changes in Foreign Exchange Rates		-
Present value of Defined Benefit Obligation at the end of the Year	1,545.66	1,331.91

(ii) Reconciliation of opening & closing balances of fair value of plan assets

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Fair Value of Plan Asset at the beginning of the Year	1,412.31	1,289.11
Add: Contributions Paid by Employer	206.13	106.61
Add: Benefits Paid / (Received)	(79.44)	(73.40)
Add: Interest Income on Plan assets	98.42	84.15
Re-measurements		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	10.15	5.84
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Effect of Acquisition/ (Divestiture)	-	-
Transfer In/(Out)	-	-
Changes in foreign exchange rates	-	-
Fair Value of Plan Asset at the End of the Year	1,647.57	1,412.31
Actual Return on Plan Assets	108.57	89.99
Expected Employer Contributions for the coming year		

(iii) Expenses recognised in Statement Profit and Loss

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Service Cost		
(a) Current Service Cost	102.41	92.82
(b) Past Service Cost	-	-
(c) Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	(2.52)	(3.64)
Employer Expenses	99.89	89.18



**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(iv) Net Liability/(Assets) recognised in the Balance Sheet

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Present Value of Defined Benefit Obligation at end of the Year	1,545.66	1,331.91
Less: Fair Value of Plan Asset at the end of the Year	1,647.57	1,412.31
Liability/ (Asset) recognised in the Balance Sheet	(101.91)	(80.40)
Funded Status [Surplus/(Deficit)]	101.91	80.40
Of which, Short term Liability		
Experience Adjustment on Plan Liabilities: (Gain)/Loss	74.08	77.39
Experience Adjustment on Plan Assets: Gain/(Loss)	-	-

(v) Percentage Break-down of Total Plan Assets

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	-	-
Of which, Conservative/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	100.00%	100.00%

(vi) Assumptions used to determine the defined benefit obligation

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Salary Growth Rate	5.00 % P.A.	5.00 % P.A.
Discount Rate(p.a.)	7% P.A.	7.20% P.A.
Interest Rate on net DBO	7.2% P.A.	6.70% P.A.
Withdrawal Rate	5.00 % P.A.	5.00 % P.A.
Mortality Table Rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Expected weighted average remaining working life	7 years	7 years

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(vii) Movement in Other Comprehensive Income

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Balance at start of year (Loss)/ Gain	(247.41)	(222.85)
Re-measurements on DBO		
(a) Actuarial (Loss)/Gain from changes in demographic assumptions	(20.80)	46.99
(b) Actuarial (Loss)/Gain from changes in financial assumptions	(74.08)	(77.39)
(c) Actuarial (Loss)/Gain from experience over the past period	-	-
Re-measurements on Plan Assets		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on Plan assets, excluding the amount included in net interest on the net defined benefit liability/(asset)	10.15	5.84
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at the end of the year (Loss)/ Gain	(332.14)	(247.41)

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the Sensitivity Analysis is given below:

(₹ in lakhs)

Particulars	As At March 31, 2024		As At March 31, 2023	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Salary Growth Rate	increases by ₹ 110.18 Lakhs	decreases by ₹ 98.88 Lakhs	increases by ₹ 96.21 Lakhs	decreases by ₹ 81.43 Lakhs
Discount Rate	decreases by ₹ 96.24 Lakhs	increases by ₹ 109.08 Lakhs	decreases by ₹ 84.60 Lakhs	increases by ₹ 89.99 Lakhs
Withdrawal Rate	increases by ₹ 11.93 Lakhs	decreases by ₹ 13.46 Lakhs	increases by ₹ 11.74 Lakhs	decreases by ₹ 9.5 Lakhs
Mortality (increase in expected lifetime by 1 year)	decreases by ₹ 0.32 Lakhs	-	decreases by ₹ 0.31 Lakhs	-
Mortality (increase in expected lifetime by 3 years)	decreases by ₹ 0.96 Lakhs	-	decreases by ₹ 0.94 Lakhs	-

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

(ix) Movement in Surplus/ (Deficit)

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Surplus/ (Deficit) at the start of the year	80.40	87.53
Add : Net Acquisition Adjustment	-	-
Transfer In / (Out) on net basis	-	-
Movement during the year		
Less : Current Service Cost	(102.41)	(92.82)
Less : Past Service Cost	-	-
Add : Net Interest on net DBO	2.52	3.64
Re-measurements [Gains/ (Losses)]	(84.73)	(24.56)
Add : Employer Contributions/ Benefits paid	206.13	106.61
Surplus/ (Deficit) at the end of the year	101.91	80.40

(x) Risk Factors

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below:-

Interest Risk

A decrease in the bond Interest rate will increase the plan liability; however, In case of gratuity plan this will be partially offset by an increase in the return on the plan's assets.

Longevity Risk

The present value of Gratuity plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the Gratuity plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment Risk

For funded plans that rely on Insurers for managing the assets, the value of assets certified by the Insurer may not be the fair value of Instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status, If there are significant changes in the discount rate during the inter-valuation period.

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**
NOTE 36 FINANCE COSTS

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest Expenses		
On Loans	62.66	242.81
On Leases	24.29	2.43
Bank Charges and Commission	145.06	200.84
Total Finance Costs	232.01	446.08

NOTE 37 DEPRECIATION & AMORTISATION EXPENSES

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Depreciation on Property, Plant and Equipment	5,310.08	4,725.41
Amortisation on Intangible Assets	168.71	50.23
Depreciation on Right of Use of Assets	135.84	13.19
Total Depreciation & Amortisation Expenses	5,614.63	4,788.83

NOTE 38 OTHER EXPENSES

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Advertisement & Publicity Expenses	186.63	23.13
Auditors Remuneration:		
(i) Statutory Audit	32.50	31.00
(ii) Taxation Matters	11.50	11.00
(iii) Limited Review	12.00	10.50
(iv) Others	3.00	2.50
Remuneration to Cost Auditor	3.50	3.00
Consumption of Stores and Spares	79.64	40.87
Corporate Social Responsibility Expenses {refer to note no. 38.1}	837.21	478.05
Corporate Environmental Responsibility	25.40	37.71
Director Sitting Fees	35.15	33.80
Electricity Charges	67.93	71.39
Expected Credit Loss Provisions	76.98	110.05
Freight and Forwarding Charges	3,938.68	9,919.45
Insurance Charges	530.61	536.68
Laboratory Expenses	167.41	136.15
Legal and Professional Fees	2,247.71	784.23
Other Administrative Expenses	348.97	334.62
Postage, Telephone and Telegram	154.78	163.53
Power, Fuel and Water Charges	8,900.85	9,762.97
Printing and Stationery Expenses	43.59	45.93



**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Product Registration Fees	28.38	3.08
Bad Debts	63.43	-
Provision for Doubtful Receivables	-	79.14
Rent, Rates and Taxes	1,325.49	779.75
Repairs and Maintenance to:		
(i) Factory Building	111.97	175.85
(ii) Machinery	1,428.82	1,028.62
(iii) Others	379.18	336.34
Sales Promotion Expenses	268.35	101.70
Sales Commission	796.20	1,505.18
Security Charges	327.28	298.29
Seminar & Trade Fair Expenses	410.65	534.72
Subscription, Membership, Books & Periodicals	148.72	87.64
Travelling and Conveyance Expenses	577.70	588.94
Vehicle Expenses	103.48	98.24
Total Other Expenses	23,673.69	28,154.05

NOTE 38.1 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

The Company has spent an amount of ₹ 363.16 Lakhs pertaining to FY 2023-24 and ₹ 478.05 Lakhs pertaining to FY 2022-23 towards various CSR projects for the purpose other than construction/ acquisition of any asset. The Company has transferred ₹ 474.05 Lakhs (i.e. unspent amount for the ongoing CSR projects of the Company for the FY 2023-24) Nil in FY 2022-23 to a separate bank account specially opened by the Company for the CSR.

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
A) Gross amount required to be spent by the Company during the year	837.21	474.80
B) Amount spent during the year		
(i) Construction/acquisition of any asset	NIL	NIL
(ii) On purposes other than (i) above	363.16	478.05
C) Details related to spent / unspent obligations:		
(i) Amount spent in relation to Ongoing Project	319.50	460.00
(ii) Amount spent in relation to other than Ongoing Project	38.66	13.00
(iii) Amount spent in administrative Overheads	5.00	5.05
(iv) Amount transferred to Unspent CSR Account for Ongoing Projects	474.05	-
D) Amounts available for set-off in the succeeding financial year	-	3.25

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 39 RECONCILIATION OF REPORTED PROFIT TO TOTAL TAX EXPENSE

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Profit before Tax	49,348.98	79,302.11
Applicable Income Tax rate	25.17%	25.17%
Expected Income Tax expense	12,421.14	19,960.34
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax expense:		
Effect of Expenses / Provisions not deductible in determining taxable profit	168.04	402.53
Other Permanent Differences	260.82	137.13
Other Temporary Differences	(256.17)	(257.78)
Reported Income Tax Expenses	12,593.83	20,242.22

NOTE 40 DEFERRED TAX EXPENSES / (INCOME)

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Tax effect of items constituting deferred tax liabilities		
Others	(26.90)	(21.69)
Sub Total (A)	(26.90)	(21.69)
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	236.94	230.55
Others	19.25	27.69
Sub Total (B)	256.19	258.24
Deferred tax Expenses / (Income) [A-B]	(283.09)	(279.93)

NOTE 41 EARNINGS PER EQUITY SHARE

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Computation of Profit (numerator)		
Net profit attributable to shareholders (₹ in Lakhs)	36,755.15	59,059.90
(b) Weighted average number of shares (denominator)		
Weighted Average number of Equity Shares used as denominator for calculating Basic & Diluted EPS	3,06,59,976.00	3,06,59,976.00
EPS (Basic & Diluted) (In ₹)	119.88	192.63



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 42 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Contingent Liabilities		
Income tax liability that may arise in respect of matters in appeal	826.35	610.12
Indirect tax liability that may arise in respect of matters in appeal	27.16	27.16
Commitments		
Estimated contracts remaining to be executed on capital account not provided	803.82	1,822.04
Bank Guarantee	1,430.55	1,219.31

The Financial Statements of the Company for the year ended March 31, 2024 have been approved by the Board of Directors in its meeting held on May 10, 2024. For the year ended March 31, 2024, dividend of ₹ 10/- per share (Total dividend of ₹ 3066 Lakhs) has been proposed by the Board of Directors at its meeting held on May 10, 2024. The same is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and therefore proposed dividend has not been recognised as liability as at the Balance Sheet Date in line with Ind AS - 10 "Events after the Reporting Period.

It is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities.

NOTE 43 RELATED PARTY TRANSACTIONS DISCLOSURE:

The Disclosure pertaining to the related parties as required by Indian Accounting Standard 24 issued by Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian accounting Standards) Rule,2015 as amended are indicated below

(a) List of Related Parties and Relationships

(₹ in lakhs)

Sr. No.	Name of the Related Party	Nature of Relationship
	Key Management Personnel (KMP)	
1	Late Prakash Damodar Kamat*	Former Chairman & Director
2	Mukesh Maganlal Shah	Chairman & Managing Director (Chairman & Executive Director w.e.f. April 1, 2024)
3	Jayen Ramesh Shah	Executive Director & CEO (Managing Director w.e.f. April 1, 2024)
4	Tushar Ramesh Shah	Executive Director & CFO (Executive Director & CEO w.e.f. April 1, 2024)
5	Bimal Mukesh Shah	Executive Director
6	Nikhil Dattatraya Kamat	Executive Director (w.e.f. June 27, 2022)
7	Thiruvengadam Parthasarathi	Non-Executive Independent Director
8	Mahesh Pansukhlal Sarda	Non-Executive Independent Director
9	Kaushik Dwarkadas Shah	Non-Executive Independent Director
10	Prakash Krishnaji Apte	Non-Executive Independent Director
11	Pratima Madhukar Umarji	Non-Executive Independent Director
12	Rashi Mehta	Non-Executive Independent Director (w.e.f. February 2, 2024)

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Sr. No.	Name of the Related Party	Nature of Relationship
13	Sonali Bhadani	Chief Financial Officer (w.e.f. April 1, 2024)
Relatives of KMP		
14	Prakash D. Kamat - HUF (upto June 7, 2022)	}
15	Jayshree Mukesh Shah	
16	Mukesh M. Shah - HUF (dissolved on September 1, 2022)	
17	Ramesh M. Shah - HUF	
15	Late Jyotsna Ramesh Shah ^	
16	Neeta Jayen Shah	
17	Shaili Nirav Doshi	
18	Manali Vishal Doshi	
19	Jayen R. Shah - HUF	
20	Bina Tushar Shah	
21	Rhea Tushar Shah	
22	Esha Tushar Shah	
23	Tushar R. Shah - HUF	
24	Akruti Bimal Shah	
25	Neeta Warty (w.e.f. June 27, 2022)	}
26	Nisha Rege (w.e.f. June 27, 2022)	
27	Suneet Nikhil Kamat (w.e.f. June 27, 2022)	
Significant Influence by KMP		
28	Smoothex Chemicals Private Limited	}
29	Fine Organics	
30	Olefine Organics	
31	Oleofine Organics SDN. BHD.	
32	Fine Organic Industries	
33	Universal Legal (w.e.f. February 2, 2024)	
Subsidiaries		
34	Fine Organics (USA) Inc.	}
35	Fine Organics Europe BV	
36	Fine Organic Industries (SEZ) Pvt. Ltd. (w.e.f. October 10, 2023)	
Joint Ventures		
37	Fine Zeelandia Private Limited	}
38	FineAdd Ingredients GmbH {refer note 8.1}	
39	Fine Organic Industries (Thailand) Co. Ltd.	

* Deceased on June 17, 2022

^ Deceased on Dec 7, 2023



**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 43 RELATED PARTY TRANSACTIONS DISCLOSURE:

(b) Transactions (in aggregate) with Related Parties during the period and their closing balances at the period end

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2023 to March 2024	April 2022 to March 2023	As at March 31, 2024	As at March 31, 2023
1	Director's Remuneration				
	Late Prakash Damodar Kamat	-	77.00	-	-
	Mukesh Maganlal Shah	495.00	460.00	45.75	61.00
	Jayen Ramesh Shah	495.00	460.00	45.75	61.00
	Tushar Ramesh Shah	495.00	460.00	45.75	61.00
	Bimal Mukesh Shah	495.00	460.00	45.75	61.00
	Nikhil Dattatraya Kamat	165.00	115.00	12.82	16.03
	Thiruvengadam Parthasarathi	15.00	20.00	13.50	18.00
	Mahesh Pansukhlal Sarada	15.00	20.00	13.50	18.00
	Kaushik Dwarkadas Shah	15.00	20.00	13.50	18.00
	Prakash Krishnaji Apte	15.00	20.00	13.50	18.00
	Pratima Madhukar Umarji	15.00	20.00	13.50	18.00
2	Director's Sitting Fees				
	Thiruvengadam Parthasarathi	8.70	6.75	-	-
	Mahesh Pansukhlal Sarada	7.25	6.75	-	-
	Kaushik Dwarkadas Shah	6.70	7.35	-	-
	Prakash Krishnaji Apte	9.55	8.10	-	-
	Pratima Madhukar Umarji	2.95	4.85	-	-
3	Sale of Goods				
	Oleofine Organics SDN BHD	1,841.92	1,850.46	133.73	57.22
	Fine Organics (USA) Inc.	12,906.14	41,180.01	5,251.20	18,192.86
	Fine Organics Europe BV	6,696.33	14,316.50	2,697.86	3,103.12
	Fine Zeelandia Private Limited	1,800.70	1,665.07	254.91	54.50
4	Sale of Services				
	Fine Zeelandia Private Limited	4.69	-	-	-
5	Sale of Components				
	Oleofine Organics SDN BHD	13.20	7.97	13.38	-
	Fine Zeelandia Private Limited	11.39	-	-	-
	Fine Organic Industries (Thailand) Co.Ltd.	143.39	254.04	-	123.01
6	Dividend paid				
	Late Prakash Damodar Kamat	-	400.76	-	-
	Prakash D. Kamat HUF	-	12.35	-	-
	Mukesh Maganlal Shah	158.76	158.76	-	-
	Jayshree Mukesh Shah	51.17	51.17	-	-
	Mukesh M. Shah HUF	-	12.65	-	-
	Ramesh M. Shah HUF	27.77	27.77	-	-
	Late Jyotsna Ramesh Shah	389.33	389.33	-	-
	Jayen Ramesh Shah	308.13	308.13	-	-
	Neeta Jayen Shah	59.39	59.39	-	-
	Shaili Nirav Doshi	11.06	11.06	-	-

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2023 to March 2024	April 2022 to March 2023	As at March 31, 2024	As at March 31, 2023
	Manali Vishal Doshi	6.90	6.90	-	-
	Jayen R. Shah HUF	27.63	27.63	-	-
	Tushar Ramesh Shah	332.93	332.93	-	-
	Bina Tushar Shah	51.69	51.69	-	-
	Rhea Tushar Shah	9.60	9.60	-	-
	Esha Tushar Shah	9.60	9.60	-	-
	Tushar R. Shah HUF	9.29	9.29	-	-
	Bimal Mukesh Shah	162.92	190.51	-	-
	Akruti Bimal Shah	40.25	-	-	-
	Nikhil Dattatraya Kamat **	-	-	-	-
	Neeta Rajeev Warty	0.45	0.38	-	-
	Nisha Umesh Rege **	-	-	-	-
7	Salary to Relatives				
	Manali Vishal Doshi	40.30	37.40	-	-
	Rhea Tushar Shah	13.50	7.26	-	-
	Suneet Nikhil Kamat	27.08	15.99	-	-
8	Export Commission				
	Oleofine Organics SDN BHD	1.68	-	1.67	-
9	Security Deposit - Rent (*)				
	Fine Organic Industries	-	-	15.41	17.50
	Olefine Organics	-	-	3.00	2.68
10	Rent Expenses				
	Fine Organics	4.74	4.50	-	-
	Fine Organic Industries	151.23	148.64	-	-
	Olefine Organics	68.69	66.32	-	-
	Smoothex Chemicals Pvt Ltd	4.74	4.50	-	-
	Late Prakash Damodar Kamat	-	2.10	-	-
	Late Jyotsna Ramesh Shah	34.14	49.92	-	-
	Jayshree Mukesh Shah	8.82	8.40	-	-
	Bina Tushar Shah	10.41	8.78	-	-
	Fine Zeelandia Private Limited	17.45	15.30	-	-
11	Professional Services				
	Universal Legal	2.48	-	-	-
12	Prepaid Rent Balance as at March 31, 2024 (*)				
	Fine Organic Industries	-	-	2.59	0.50
	Olefine Organics	-	-	-	0.32
13	Advance given to and (repaid) from Subsidiaries				
	Fine Organic Industries (SEZ) Pvt. Ltd	41.00	-	-	-
	Fine Organic Industries (SEZ) Pvt. Ltd	(41.00)	-	-	-
14	Reimbursement of Expenses				
	Mukesh Maganlal Shah	0.24	0.27	-	0.05
	Jayen Ramesh Shah	-	0.62	-	-



**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2023 to March 2024	April 2022 to March 2023	As at March 31, 2024	As at March 31, 2023
	Manali Vishal Doshi	-	0.05	-	-
	Tushar Ramesh Shah	-	-	-	-
	Bimal Mukesh Shah	0.42	0.87	-	-
	Nikhil D. Kamat	-	0.22	-	-
	Suneet Nikhil Kamat	-	0.15	-	-
	Prakash Krishnaji Apte	1.85	1.05	-	-
15	Investments in equity instruments				
	Fine Organics (USA) Inc. (*)	-	-	189.13	189.13
	Fine Organics Europe BV (*)	-	-	34.84	34.84
	Fine Zeelandia Private Limited	-	-	4,028.43	4,028.43
	FineADD Ingredients GmbH {refer to note no. 8.1}	-	-	-	-
	Fine Organic Industries (Thailand) Co. Ltd. (^)	-	996.34	1,050.34	1,050.34
	Fine Organic Industries (SEZ) Pvt Ltd	250.00	-	250.00	-
16	Investment in Debt Instrument - Preference shares				
	Fine Organic Industries (SEZ) Pvt Ltd	6,000.00	-	6,000.00	-
17	Interest Income on Loans, advances and Security deposit (*)				
	Fine Organic Industries	0.71	-	-	0.50
	Olefine Organics	-	-	-	0.32

*Includes Ind AS adjustments

^Became a joint venture wef May 31, 2021.

**Represents amounts less than Rs 1000

Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 44 OPERATING SEGMENT DISCLOSURE

The Company has identified its reportable segment as “Specialty chemicals” since the Chief Operating Decision Maker (CODM) evaluates the Company’s performance as a single segment in terms of Indian Accounting Standard 108 issued by the Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian Accounting Standards) Rule, 2015 as amended are indicated below

NOTE 44.1 DISCLOSURE FOR ASSETS OUTSIDE INDIA

The Company does not have any non-current non-financial assets outside India

NOTE 44.2 DISCLOSURE FOR MAJOR CUSTOMERS MORE THAN 10%

With the Following customer, the Company has transactions of more than 10% of the revenue

(₹ in lakhs)		
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Fine Organics (USA), INC ^	0.00	41,180.01

^ Nil in the current year as it is less than 10% of the total revenue.

NOTE 44.3 DISCLOSURE FOR MAJOR CUSTOMERS MORE THAN 10%

The geographic information analyses the Company’s revenue and non-current assets by the Company’s country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings which are part of the speciality chemicals portfolio of the Company are managed on a worldwide basis from India.

The Company has disaggregated its revenue from contracts with customers and trade receivables on a geographical basis as under:

(₹ in lakhs)		
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
- In India	91,237.45	94,849.36
- Outside India	1,03,836.26	2,08,038.79
Total Revenue from operations	1,95,073.71	3,02,888.15



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Trade Receivables		
- In India	9,904.13	9,331.25
- Outside India	25,186.65	38,572.11
Less : Expected Credit Loss on Trade Receivables	(287.38)	(210.92)
Total	34,803.40	47,692.44

NOTE 45 INTERNAL FINANCIAL CONTROL SYSTEM

The Company implements and manages efficient internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, by maintaining proper records and reports in a timely manner. This is supplemented by an extensive programme of internal audit, reviewed by the Management and relevant policies, guidelines and procedures. The internal control is designed to ensure the reliability of financial and other records for preparing precise financial statements, maintaining accountability of assets and more. The Management is committed to regularly reviewing and making relevant amendments to the internal control system, as and when required.

The Company's process framework provides well-documented standard operating procedures and authorities with adequate built-in controls. The internal control is further enhanced by an extensive programme of internal, external audits and periodic reviews by the Management.

The Company adopts and follows a risk mitigation strategy and reviews risk occurrence to find probable mitigation strategies. The Company's Risk Management Committee reviews risks and mitigation measures at regular intervals and accordingly initiates corrective steps at times of need.

NOTE 46 DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013

(a) Investment Made in Subsidiaries and Joint Venture companies (At Amortised Cost)

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Fine Organics (USA), Inc. (#)	189.13	189.13
Fine Organics Europe BV (#)	34.84	34.84
Fine Zeelandia Private Limited	4,028.43	4,028.43
Fine Organic Industries (SEZ) Private Limited	6,250.00	-
FineADD Ingredients GmbH {refer to note no. 8.1}	-	-
Fine Organic Industries (Thailand) Co., Limited	1,050.34	1,050.34

(#) Amount includes on account of Ind AS adjustment towards Notional Interest and not for actual addition in Investment .

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**
NOTE 47 OPERATING LEASE COMMITMENTS - COMPANY AS LESSEE

The Company's significant leasing arrangements are in respect of operating leases for building premises (offices, plant, godowns etc.). These leasing arrangements are non-cancellable in nature, and are usually renewable by mutual consent on mutually agreeable terms.

(₹ in lakhs)

Particulars	As At	As At
	March 31, 2024	March 31, 2023
Lease payment recognised in the statement of profit and loss	45.21	41.10
Minimum lease payments under non cancellable operating leases payable		
Not later than 1 year	45.72	43.55
Later than 1 year but not less than 5 years	183.49	174.19
Later than 5 years	3,323.47	3,247.87
Total future minimum lease payment	3,552.68	3,465.61

NOTE 48 FAIR VALUES

(₹ in lakhs)

Particulars	Carrying Value		Fair Value	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
FINANCIAL ASSETS				
A] Financial assets at fair value through statement of profit & loss	-	-	-	-
B] Financial assets at fair value through OCI				
Non Current Financial Assets: Investments	4.88	4.68	4.88	4.68
C] Financial assets at amortised cost				
Non Current Financial Assets : Investments	11,552.74	5,302.74	11,552.74	5,302.74
Non Current Financial Assets : Loans	121.28	90.86	121.28	90.86
Non Current Financial Assets : Others	1,239.41	757.29	1,239.41	757.29
Current Financial Assets : Trade Receivables	34,803.40	47,692.44	34,803.40	47,692.44
Current Financial Assets : Cash and Cash Equivalents	60,754.80	48,919.63	60,754.80	48,919.63
Current Financial Assets : Bank Balances	35,346.11	815.43	35,346.11	815.43
Current Financial Assets : Loans	65.29	107.91	65.29	107.91
Current Financial Assets : Others	14.50	37.24	14.50	37.24
FINANCIAL LIABILITIES				
A] Financial liabilities at fair value through statement of profit & loss	-	-	-	-
B] Financial liabilities at amortised cost:				
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	-	2,720.41	-	2,720.41
Non Current Financial Liabilities : Lease Liability	246.96	81.57	246.96	81.57



**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	Carrying Value		Fair Value	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Non Current Financial Liabilities : Others	-	-	-	-
Current Financial Liabilities : Lease Liability	176.22	50.50	176.22	50.50
Current Financial Liabilities : Trade Payables	13,197.12	17,071.70	13,197.12	17,071.70
Current Financial Liabilities : Others	264.00	320.86	264.00	320.86

In all cases, the management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

NOTE 49 FAIR VALUES HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Note 49.1 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2024 :

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
FINANCIAL ASSETS					
A] Financial assets at fair value through statement of profit & loss		-	-	-	-
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	March 31, 2023 {Refer Note No. 49.3}	4.88	-	4.88	-
C] Financial assets at amortised cost					
Non Current Financial Assets : Investments	March 31, 2024	11,552.74	-	-	11,552.74
Non Current Financial Assets : Loans	March 31, 2024	121.28	-	-	121.28
Non Current Financial Assets : Others	March 31, 2024	1,239.41	-	-	1,239.41
Current Financial Assets : Trade Receivables	March 31, 2024	34,803.40	-	-	34,803.40
Current Financial Assets : Cash and Cash Equivalents	March 31, 2024	60,754.80	-	-	60,754.80
Current Financial Assets : Bank Balances	March 31, 2024	35,346.11	-	-	35,346.11
Current Financial Assets : Loans	March 31, 2024	65.29	-	-	65.29
Current Financial Assets : Others	March 31, 2024	14.50	-	-	14.50
FINANCIAL LIABILITIES					
A] Financial liabilities at fair value through statement of profit & loss			-	-	-
B] Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2024	-	-	-	-
Non Current Financial Liabilities : Lease Liability	March 31, 2024	246.96	-	-	246.96
Non Current Financial Liabilities : Others	March 31, 2024	0.00	-	-	0.00

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
Current Financial Liabilities : Lease Liability	March 31, 2024	176.22	-	-	176.22
Current Financial Liabilities : Trade Payables	March 31, 2024	13,197.12	-	-	13,197.12
Current Financial Liabilities : Others	March 31, 2024	264.00	-	-	264.00

In all cases, the management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

Note 49.2 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2023 :

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
FINANCIAL ASSETS					
A] Financial assets at fair value through statement of profit & loss		-	-	-	-
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	March 31, 2022 {Refer Note No. 49.3}	4.68	-	4.68	-
C] Financial assets at amortised cost					
Non Current Financial Assets : Investments	March 31, 2023	5,302.74	-	-	5,302.74
Non Current Financial Assets : Loans	March 31, 2023	90.86	-	-	90.86
Non Current Financial Assets : Others	March 31, 2023	757.29	-	-	757.29
Current Financial Assets : Trade Receivables	March 31, 2023	47,692.44	-	-	47,692.44
Current Financial Assets : Cash and Cash Equivalents	March 31, 2023	48,919.63	-	-	48,919.63
Current Financial Assets : Bank Balances	March 31, 2023	815.43	-	-	815.43
Current Financial Assets : Loans	March 31, 2023	107.91	-	-	107.91
Current Financial Assets : Others	March 31, 2023	37.24	-	-	37.24
FINANCIAL LIABILITIES					
A] Financial liabilities at fair value through statement of profit & loss		-	-	-	-
B] Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2023	2,720.41	-	-	2,720.41
Non Current Financial Liabilities : Lease Liability	March 31, 2023	81.57	-	-	81.57
Non Current Financial Liabilities : Others	March 31, 2023	0.00	-	-	0.00



**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
Current Financial Liabilities : Lease Liability	March 31, 2023	50.50	-	-	50.50
Current Financial Liabilities : Trade Payables	March 31, 2023	17,071.70	-	-	17,071.70
Current Financial Liabilities : Others	March 31, 2023	320.86	-	-	320.86

Particulars	Valuation Technique
FINANCIAL ASSETS	
A] Financial assets at fair value through statement of profit & loss	Not Applicable
B] Financial assets at fair value through OCI	
Non Current Financial Assets: Investments	Level - 2: The fair value is determined as on the reporting date based on value per share derived from a net worth of the Company as per the latest available annual report, since there is no other publically available market based information for similar entities.
C] Financial assets at amortised cost	
Non Current Financial Assets : Investments	Level - 3: The fair value is determined as on the reporting date based on amortised cost method by considering the discount rates based on yields of comparable investments or the transaction values where these are short term in nature.
Non Current Financial Assets : Loans	
Non Current Financial Assets : Others	
Current Financial Assets : Trade Receivables	
Current Financial Assets : Cash and Cash Equivalents	
Current Financial Assets : Bank Balances	
Current Financial Assets : Loans	
Current Financial Assets : Others	
FINANCIAL LIABILITIES	
A] Financial liabilities at fair value through statement of profit & loss	Not Applicable
B] Financial liabilities at amortised cost:	
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	Level - 3: The fair value is determined as on the reporting date based amortised cost method.
Non Current Financial Liabilities : Lease Liability	
Non Current Financial Liabilities : Others	
Current Financial Liabilities : Lease Liability	
Current Financial Liabilities : Trade Payables	
Current Financial Liabilities : Others	

Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 50 CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes issued equity share capital, all other reserves and borrowed capital less reported cash and cash equivalents.

The primary objective of the Company's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value.

The Company's policy is to borrow primarily through banks to maintain sufficient liquidity. The Company also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Company.

The Company monitors capital on the basis of cost of capital. The Company is not subject to any externally imposed capital requirements.

The following table summaries the capital of the Company:

Particulars	(₹ in lakhs)	
	As At March 31, 2024	As At March 31, 2023
Long Term Borrowing (including current maturities of long-term borrowings)	0.00	2,720.41
Less: Cash and cash equivalents	60,754.80	48,919.63
TOTAL BORROWING (NET)	(60,754.80)	(46,199.22)
Equity Share Capital	1,533.00	1,533.00
Other Equity	1,84,595.90	1,50,680.20
TOTAL EQUITY	1,86,128.90	1,52,213.20
Gearing ratio (Net Debt/ Total Equity)	(0.33)	(0.30)

No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

NOTE 51 FINANCIAL RISK MANAGEMENT FRAMEWORK

A] Financial Risk Management

The Company monitors capital on the basis of the cost of capital. The Company is not subject to any externally imposed capital requirements.

1) Market Risk

Market Risks arise due to changes in Interest rates, Foreign Exchange rates and changes in Market prices.

(i) Interest Rate Risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's policy is generally to undertake long-term borrowings using facilities that carry floating-interest rate. The Company manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

As the Company does not have exposure to any floating-interest bearing assets its interest income and related cash inflows are not materially affected by changes in market interest rates.

As at the end of the reporting, the Company had following long term variable interest rate borrowings and derivatives to hedge the interest rate risk as follows:

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Notional value of liability	-	2,720.41
Less: Interest Rate Swap on above Liability	-	(2,720.41)
Net exposure	-	-

Disclosure of Effects of Interest Rate Swaps Hedge Accounting on Financial Position as at March 31, 2024

(₹ in lakhs)

Particulars	Nominal value of liability	Carrying amount of hedging instrument	Maturity date	Hedge ratio
Interest Rate Risk				
- Interest Rate Swaps	-	-	December 2023	1:1

Disclosure for gain / (loss) recognised in cash flow hedging reserve and recycled during the year

For FY 2023-24

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	(22.44)	-	-	22.44	22.44	-

For FY 2022-23

(₹ in lakhs)

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	86.61	-	-	(109.05)	(109.05)	(22.44)

Interest rate sensitivity

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

(ii) Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts to hedge its foreign currency exposures in USD and Euro.

a) Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any Derivative Instruments for Trading and Speculation purposes.

The Forward Exchange Contracts used for hedging foreign exchange currency exposure and outstanding as at reporting date as at under:

(₹ in lakhs)

Particulars	As At March 31, 2024			As At March 31, 2023		
	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent
Forward Contract to Sell	67	\$157.50	13,131.39	57	\$180.34	15,006.74
Forward Contract to Purchase	11	\$26.00	2,167.72	11	\$29.21	477.50
Forward Contract to Sell	32	€ 74.00	6,676.12	53	€ 110.00	9,948.87

b) The unhedged exposures as at the end of the reporting date are as follows

(₹ in lakhs)

Particulars	As At March 31, 2024		As At March 31, 2023	
	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
Financial Assets				
Trade Receivables	6,802.48	\$81.59	19,242.87	\$234.05
Trade Receivables	0.00	€ 0.00	0.00	€ 0.00
Financial Liabilities				
Trade Payables	0.00	\$0.00	0.00	\$0.00
Trade Payables	53.23	€ 0.59	29.57	€ 0.33
Trade Payables	1.04	€ 0.01	0.00	€ 0.00
Long term Borrowings	0.00	\$0.00	1,117.33	€ 13.59
Net Exposure - USD	6,802.48	\$81.59	18,125.54	\$220.46
Net Exposure - EUR	(53.23)	(€ 0.59)	(29.57)	(€ 0.33)
Net Exposure - GBP	(1.04)	(£ 0.01)	0.00	£ 0.00

In case of change in the currencies by 1%, the change in the profit would be as under :

(₹ in lakhs)

Particulars	As At March 31, 2024				As At March 31, 2023			
	Change	USD \$	EURO €	GBP £	Change	USD \$	EURO €	GBP £
1% Depreciation in ₹	1%	68.02	(0.53)	(0.01)	1%	181.26	(0.30)	-
1% Appreciation in ₹	1%	(68.02)	0.53	0.01	1%	(181.26)	0.30	-



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

(iii) Market Price Risks

The Company is exposed to the price risk associated with purchasing of the raw materials. The Company typically does not enter into formal long-term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the Company's business and results of operations. To mitigate this the Company has a risk management strategy in place wherein the senior management reviews the supply chain scenarios, commodity prices and supplier contracts periodically to avoid material impact on the profitability of the Company.

2) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares and Balances with Banks.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence have a low credit risk.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits (generally between 30 to 90 days) and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended March 31, 2024 is 1.46% (P.Y. 0.39%) of the total trade receivables. The Company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

3) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has obtained fund based borrowings from banks. The Company invests its surplus funds in bank fixed deposit which carries low credit risks.

All payments are made on due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Company has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

Maturity Profile of Financial Liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

As At March 31, 2024

Particulars	(₹ in lakhs)				
	Balance As At March 31, 2024	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings (including Current maturity on Long Term Borrowings)	-	-	-	-	-
Lease Liability	423.18	176.22	246.96	-	-
Trade Payable	13,197.12	13,197.12	0.00	-	-
Deposits from customer	261.33	261.33	0.00	-	-
Dividend Payable	2.67	2.67	-	-	-

**Notes Forming an Integral Part of Standalone Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 52 RATIOS

(₹ in lakhs)

No	Ratio	Current Period Ratio	Previous Period Ratio	Variance	Reason for variance
1	Current Ratio	8.67	5.50	57.62%	The Ratio has improved due to efficient usage of working capital and full repayment of debt.
2	Debt-Equity Ratio	0.00	0.02	(100.00%)	The debt has been fully repaid during current financial year.
3	Debt Service Coverage Ratio	19.21	21.78	(11.80%)	-
4	Return on Equity Ratio	21.73%	47.62%	(54.37%)	Ratio has been reduced on account of reduction in net profit after tax of the Company as compared to previous year.
5	Inventory Turnover Ratio	7.90	12.11	(34.75%)	} The ratio has reduced mainly due to decrease in sales as compared to previous year.
6	Trade Receivables Turnover Ratio	4.73	7.49	(36.88%)	
7	Trade Payables Turnover Ratio	6.70	12.16	(44.91%)	
8	Net Capital Turnover Ratio	1.56	3.47	(55.04%)	
9	Net Profit Ratio	18.84%	19.50%	(3.38%)	-
10	Return on Capital Employed	27.00%	50.85%	(46.90%)	Ratio has been reduced on account of reduction in Earning before interest and taxes of the Company as compared to previous year.
11	Return on Investment	4.00%	(3.21%)	224.80%	Profit on investment in current year as against loss in previous year has improved the ratio.

NOTE 53 EXCEPTIONAL ITEM

- (i) On January 18, 2024 early morning, a fire incident occurred in a plant adjacent to the small manufacturing plant at Plot No. W-124-A, Khervai MIDC, Badlapur (E) – 421503, Maharashtra. The fire was spread to our above-mentioned plant and its operations were impacted. The fire was successfully contained within a minimal timeframe, but operations of the said plant were temporarily disrupted. Fortunately, there has been no loss to human life at our plant. This incident led to damage of Property, Plant & Equipment and inventories.

There is adequate insurance coverage for the said plant. The intimation to Insurance Company has already been made on same day and necessary surveys has been done. The primary assessment of loss for book value of assets is ₹ 56.32 Lakhs, which is disclosed as an exceptional item in profit & loss account. The Company is in process of lodging final claim and has received ₹ 30 Lakhs as on account payment.



Notes Forming an Integral Part of Standalone Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 54 OTHER STATUTORY INFORMATION

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off during the year
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The interpretation and guidance on what level edit log and audit trail needs to be maintained; evolved during the year and continues to evolve.

The Company uses an Oracle accounting software for maintaining its books of account which has an inbuilt feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software except for audit trail feature is not enabled at the database level to log any direct or indirect data changes. However, the Company has process and proper mechanism to ensure that any direct access to the data base is granted only through approved person by management of the Company.

Further no instance of audit trail feature being tampered with was noted in respect of the accounting software. The Company is committed to preserve the audit trail as per the statutory requirements for record retention.

Independent Auditor's Report

To,
**The Members of
Fine Organic Industries Limited**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Fine Organic Industries Limited (herein referred to as the "Parent Company") and its Subsidiaries (the Parent Company and its Subsidiaries together referred to as "the Group") and Joint Venture Companies, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (Collectively referred to as "the Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of the auditors/management certified Financial Statement on separate Financial Statement of its subsidiaries and Joint Ventures Entities as audited by us/other auditors certified by management, the aforesaid Consolidated Financial Statements give the information required by the Companies Act 2013, (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (hereinafter referred to as "Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2024, and their Consolidated profit, (including other comprehensive income), their Consolidated statement of changes in equity and their Consolidated cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the

Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial Statements section of our report. We are independent of the Group and its Joint Venture Entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (hereinafter referred to as "the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

4. Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

A. Revenue Recognition

For the year ended March 31, 2024, the Group has recognized revenue from contracts with customers amounting to INR 2,12,295.17 Lakhs.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group



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expects to be entitled in exchange for those goods or services.

The Group has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer.

The variety of terms that define when controls are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.

Revenue is measured net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.

Revenue is also an important element of how the Group measures its performance. The Group focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.

Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the Consolidated Financial Statements.

{Refer to note no. 31 of the Consolidated Financial Statements}.

Auditors' Response:

Our audit procedures included the following:

- Assessed the Parent Company's revenue recognition procedure as per Ind AS 115 'Revenue from contracts with customers'.
- Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.
- Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of these samples, checked that the revenue has been recognized as per the terms.

- To test cut off selected sample of sales transactions made pre-year and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.
- Performed analytical procedures of revenue by streams to identify any unusual trends.
- The Group has provided confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the Consolidated Financial Statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant Indian accounting standards (Ind AS).
- The Holding company has provided balance confirmation of Top 10 Customers along with reconciliations.
- In accordance with SA 505, we have obtained external confirmation from Trade Receivables Parties on sample basis for top 10 parties and reconciliation were provided wherever necessary.

B. Allowance for Expected Credit Losses

The parent company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The parent company uses historical default rates to determine impairment loss on the portfolio of trade receivables and adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations.

At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.

In calculating expected credit loss, the Group also considers other related information for its customers, including credit periods, to estimate the probability of default in future and has taken into account estimates of possible effect from any uncertain events / litigations etc. The Management of the Parent Company has exercised significant

Independent Auditor's Report (Contd.)

judgement in estimating the allowance for credit losses.

(Refer to note no. 14 of the Consolidated Financial Statements)

Auditor's Response:

Our audit procedures to test the effectiveness of controls over allowances for credit loss includes the following:

- Trade Receivables ageing report as on balance sheet date.
- Completeness and accuracy of information used in the estimation of probability of default.
- Status of recovery trade receivables as on 30th April, 2024 out of the total outstanding as at March 31, 2024 as per Standalone Financial Statement
- Verification of calculation of the allowance for credit losses.
- Testing the arithmetical accuracy and computation of the allowance prepared by the Management.
- Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around approach, the assumptions and reviewing the possible effect of any uncertain events / litigations to validate the Parent Company's management estimates.

C. Evaluation of uncertain tax imposition

The Parent Company has material uncertain tax imposition including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.

{Refer to note no. 43 of the Consolidated Financial Statements}

Auditors' Response:

- The Parent Company has provided details of all pending assessments and demands for the year ended March 31, 2024.

- We have obtained Parent Company's Management note / view on possible outcome and its impact on financial position of the Parent Company for all pending assessments and disputed matters under litigations.

Emphasis of Matter

6. We draw your attention to Note No. 53 of the Consolidation Financial Statements with respect to the fire incident occurred at a plant adjacent to the small manufacturing Plant W124-A of the Company.
7. We draw your attention to Note No. 8.1 of the Consolidated Financial Statement with respect to liquidation of Joint Venture Entity namely "FineADD Ingredients GmbH" and write off of book value of Investment in Consolidated Financial Statement.

Our opinion is not modified in respect to the matters referred in above para 6 & 7.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

8. The Parent Company's Board of Directors is responsible for the other information. The other information in the Directors' report includes Annexures to Directors' report, Management Discussion and Analysis Report, Annual Report Business Responsibility Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

9. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the Financial Statements / Information of the Subsidiaries and Joint Venture Companies certified by the Management of the Parent Company, to the extent it relates to these entities and, in doing so, place reliance on Financial Statements / Information provided by the Management of the Parent Company and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially



Independent Auditor's Report (Contd.)

misstated. Other information so far as it relates to the Subsidiaries and Joint Venture Entities is traced from their Financial Statements / information provided by the management of the Parent Company.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

10. The Parent Company's Board of Directors are responsible for the matters specified in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Group including Joint Venture Entities in accordance with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group and of Joint Venture Entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Financial Statements by the Management and Board of Directors of the Parent Company, as aforesaid.
11. In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the Companies included in the Group and of its Joint Venture Entities are responsible for assessing the ability

of the Group and Joint Venture Entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its Joint Venture Entities are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

12. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable Assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
13. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and access the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion

Independent Auditor's Report (Contd.)

on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors of the Parent Company.
- Conclude on the appropriateness of management and Board of Directors of the Parent Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Joint Venture Companies to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Venture Companies to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the business activities within the Group and its Joint Venture Companies to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements of such business activities included in the Consolidated Financial Statements of which we are the independent auditors and whose financial information we have audited. For the business activities included in the Consolidated Financial Statements, which have been either

audited by the other auditors or certified by management of the Parent Company, in such case other auditor and management of the Parent Company remain responsible for the direction, supervision and performance of the business activities. We remain solely responsible for our audit opinion.

14. Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.
15. We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditor's Report (Contd.)

OTHER MATTERS

18. The accompanying statement includes the audited Financial Statements in respect of:

- a) 1 (One) Subsidiary, whose audited financial statements and other information (before eliminating inter companies' transactions) reflects total assets of INR 6,252.05 Lakhs as at March 31, 2024, total revenues of Nil, total net loss after tax of INR 57.05 Lakhs and total comprehensive loss of INR 57.05 Lakhs for the year ended March 31, 2024 respectively and net cash inflows of INR 3,831.65 Lakhs for the year ended March 31, 2024 as considered in the Statement which has been audited by us.
- b) 1 (One) Joint Venture Entity, whose financial statements and other financial information includes the Group's share in net loss after tax of INR 128.22 Lakhs and total comprehensive loss of INR 128.22 Lakhs for and year ended March 31, 2024 respectively as considered in the statement which has been audited by us.

19. The accompanying statement includes the unaudited financial statements and other financial information, in respect of:

We did not audit the Financial Statements / Information of two subsidiaries, whose Financial Statements / Financial Information reflect Total Assets of INR 20,612.51 Lakhs (before eliminating inter group transactions) as at March 31, 2024, Total Revenues of INR 36,783.25 Lakhs, total net profit after tax of INR 1,126.29 Lakhs and total comprehensive income of INR 1126.29 Lakhs and net cash inflow amounting to INR 2,356.26 Lakhs for the year ended on that date and Financial Statements and other financial information of 2 Joint Venture Companies which reflects Group's Share of Net loss after tax of INR 135.72 Lakhs for the year ended March 31, 2024. As informed to us by the management of the Parent Company, the Financial Statements / Results of these subsidiaries and 2 Joint Venture Companies are not required to be audited under the regulations governing the entities and therefore have been compiled by the accountant of the Subsidiaries and 2 Joint venture Companies and certified by the management of the Parent Company, and our opinion on the Consolidated Financial Statements, in so far as

it relates to the amounts and disclosures included in respect of Subsidiaries and 2 Joint Venture Companies and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries, Joint Venture Companies is based solely on the Financial Statement / Financial Information provided by the management.

Our report on the statement is not modified in respect of this matter with respect to the financial results / statement certified by the Management of the parent Company.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

20. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, with respect to clause no (xxi) for any qualifications or adverse remarks by the respective auditors in the Order of the Companies incorporated in India included in this Consolidated Financial Statements and based on the CARO report issued by us with respect to (1) One Joint Venture Entities and (1) One Subsidiary included in the Consolidated Financial Statements of the Companies to which reporting under CARO is applicable, there are no qualifications or adverse remarks in the CARO report of the Joint Venture Entities.

21. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of one Joint Venture Entities issued by us and management certified Financial Statements / Results of the Subsidiary Companies and Joint Venture Companies on the Consolidated Financial Statements referred to in the Other Matters section above, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

Independent Auditor's Report (Contd.)

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rule, 2015 (as amended).
- e) On the basis of the written representations received from the Directors of the Parent Company and 1 Joint Venture Entities whose Financial Statements has been audited by us as on March 31, 2024, taken on record by the Board of Directors of the Parent Company and such Joint Venture Entities incorporated in India, none of the directors of the Parent Company and such Joint Venture Entities incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) On the basis of the written representations received from the Directors of the Parent Company and 1 Subsidiary Company whose Financial Statements has been audited by us as on March 31, 2024, taken on record by the Board of Directors of the Parent Company and such Subsidiary Company incorporated in India, none of the directors of the Parent Company and such Subsidiary Company incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of internal financial controls with Reference to Consolidated Financial Statements of the Group and its Joint Venture Companies incorporated in India; refer to our separate report in 'Annexure – I'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent Company's internal financial controls over financial reporting.
22. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- a) The Parent Company has disclosed the impact of pending litigations on the Consolidated financial position of the Group and its Joint Venture Companies, if any in its Consolidated Financial Statement.
 - b) The Parent Company has made Provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in its Consolidated Financial Statement.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, its Subsidiary Companies, and Joint Venture Companies incorporated in India.
 - d) This clause is omitted vide notification dated March 24, 2021, in the Companies (Audit and Auditors) Amendment Rules, 2021 effective from April 01, 2021.
 - e) (i) The management of Parent Company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Parent Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management of the Parent Company has represented, that, to the best of its knowledge



Independent Auditor's Report (Contd.)

and belief, no funds have been received by the Parent Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (e) (i) and (e) (ii) contain any material misstatement.

f) The final dividend paid by the Parent Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note no. 43 to the Consolidated Financial Statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

g) Based on our examinations which included test checks, the Parent company and Joint Ventures incorporated in India has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

In case of One Subsidiary which is incorporated in India, the Subsidiary Company has not used an accounting software for maintaining books of accounts during the period since the company has opted for customise accounting software namely "Oracle" to be designed and developed according to the requirements of the Company's nature of business. Accordingly, reporting for whether the Company has used an accounting Software which has a feature of recording Audit Trail (Edit Log Facility) as prescribed in Rule 11(g) of the Companies (Audit and Auditors Rules) 2014 (as amended) is not applicable for the period from October 10th, 2023 to March 31st, 2024.

Further, as Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company w.e.f. April 1, 2023 for reporting under Rule 11(g) of Companies (Audit and Auditors Rules) 2014 on preservation of Audit Trail as per the Statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

23. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid / provided by the Parent Company, its Subsidiary Companies, and Joint Venture Companies incorporated in India and is Public Limited Company within a definition of section 2(71) of the Companies Act, 2013 to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

ICAI UDIN : 24137872BKAVBF1119

For **BY & Associates**

Chartered Accountants

ICAI Firm's registration number: 123423W

CA Maulik N. Lodaya

Partner

Membership Number: 137872

Mumbai : May 10, 2024

Annexure I to the Independent Auditor's Report of even date to the members of Fine Organic Industries Limited on the Consolidated Financial Statements for the year ended March 31, 2024.

1. In conjunction with our audit of the Consolidated Financial Statements of Fine Organic Industries Limited (hereinafter referred to as 'the Parent Company') which includes joint operations as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of the Parent Company, its Subsidiary Companies and Joint Venture Companies, which are incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Management of the Parent Company and Joint Venture Entities, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (hereinafter referred to as 'the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent Company and Joint Venture Entities, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Financial Statements by the Board of Directors of the Parent Company, as aforesaid.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent Company and its Joint Venture Entities, which is incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A Parent Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Parent Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Parent Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Parent Company are being made only in accordance with authorizations of management and directors of the Parent Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or



Annexure I (Contd.)

disposition of the Parent Company's assets that could have a material effect on the Consolidated Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the Parent

Company and the Joint Venture Entities, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

ICAI UDIN : 24137872BKAVBF1119

For **B Y & Associates**

Chartered Accountants

ICAI Firm's registration number: 123423W

CA Maulik N. Lodaya

Partner

Membership Number: 137872

Mumbai : May 10, 2024

Consolidated Balance Sheet

As At March 31, 2024

(₹ in lakhs)

Particulars	Notes	As At	As At
		March 31, 2024	March 31, 2023
ASSETS			
A) NON CURRENT ASSETS			
Property, Plant and Equipment	Note 4	22,696.76	21,123.94
Capital Work-in Progress	Note 5	2,972.98	4,044.08
Intangible Assets	Note 6	169.55	148.54
Right of use assets	Note 7	407.09	130.87
Financial Assets			
- Investments	Note 8	3,616.08	3,879.83
- Loans	Note 9	121.28	90.86
- Others	Note 10	1,239.41	757.29
Deferred Tax Assets (Net)	Note 11	1,327.92	1,068.74
Other Non current Assets	Note 12	10,001.24	7,436.46
Total Non Current Assets (A)		42,552.31	38,680.61
B) CURRENT ASSETS			
Inventories	Note 13	26,089.22	44,497.55
Financial Assets			
- Trade Receivables	Note 14	31,131.21	35,064.61
- Cash and Cash Equivalents	Note 15	69,505.34	51,482.26
- Bank Balances	Note 16	35,346.11	815.43
- Loans	Note 17	65.29	107.91
- Others	Note 18	73.73	277.54
Current Tax Assets (Net)	Note 19	1,897.81	1,817.08
Other Current Assets	Note 20	4,115.81	7,917.37
Total Current Assets (B)		1,68,224.52	1,41,979.75
Total Assets (A + B)		2,10,776.83	1,80,660.36
EQUITY AND LIABILITIES			
A) Equity			
Equity Share Capital	Note 21	1,533.00	1,533.00
Other Equity	Note 22	1,90,571.91	1,52,591.89
Total Equity (A)		1,92,104.91	1,54,124.89
Liabilities			
B) Non Current Liabilities			
Financial Liabilities			
- Borrowings	Note 23	-	-
- Lease Liability	Note 24	246.96	81.57
Total Non Current Liabilities (B)		246.96	81.57
C) Current Liabilities			
Financial Liabilities			
- Borrowings	Note 25	-	2,720.41
- Lease Liability	Note 24	176.22	50.50
- Trade Payables	Note 26		
(a) Total outstanding dues of micro enterprises and small enterprises		1,780.70	1,871.45
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		11,760.24	15,711.73
- Others	Note 27	264.00	320.86
Other Current Liabilities	Note 28	942.72	1,448.07
Provisions	Note 29	2,001.89	1,948.34
Current Tax Liabilities (Net)	Note 30	1,499.19	2,382.54
Total Current Liabilities (C)		18,424.96	26,453.90
Total Equity and Liabilities (A + B + C)		2,10,776.83	1,80,660.36

The accompanying notes 1 to 56 are an integral part of the consolidated financial statements.

As per our report of even date
For B Y & Associates
Chartered Accountants
ICAI Firm Registration No.: 123423W

CA Maulik Lodaya
Partner
Membership No. 137872
Mumbai : May 10, 2024

For and on behalf of the Board of Directors
Fine Organic Industries Limited

Jayen Shah
Managing Director
DIN:00106919

Sonali Bhadani
CFO
PAN:AKPPB5839F

Mumbai : May 10, 2024

Tushar Shah
CEO & Executive Director
DIN:00107144

Pooja Lohar
Company Secretary
Membership No. A28397



Consolidated Statement of Profit and Loss

Account For the Year Ended March 31, 2024

(₹ in lakhs)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I INCOME			
Revenue From Operations	Note 31	2,12,295.17	3,02,307.66
Other Income	Note 32	7,187.64	6,415.18
Total Income		2,19,482.81	3,08,722.84
II EXPENSES			
Cost of Materials Consumed	Note 33	1,08,312.15	1,92,292.15
Purchase of Stock-in-trade	Note 34	16.43	8,453.20
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	Note 35	13,374.82	(22,329.90)
Employee Benefit Expenses	Note 36	11,954.55	10,530.16
Finance Costs	Note 37	243.30	456.78
Depreciation & Amortisation Expenses	Note 38	5,614.87	4,789.30
Other Expenses	Note 39	25,234.28	30,254.30
Total Expenses		1,64,750.40	2,24,445.99
III Profit / (Loss) before exceptional items and tax		54,732.41	84,276.85
Exceptional items	Note 53	56.32	-
IV Share of profit / (loss) of joint ventures (net of tax)		(263.94)	(177.43)
V Profit / (Loss) before tax		54,412.15	84,099.42
VI Tax Expenses			
Current Tax		13,454.99	22,543.58
Deferred Tax		(232.25)	(254.39)
VII Profit / (Loss) For The Period		41,189.41	61,810.23
VIII Other Comprehensive Income			
A] (i) Items that will not be reclassified to Profit or Loss			
(a) Changes in fair value of Equity instruments through OCI		0.20	(0.15)
(b) Remeasurements of Loss /(Profit) on employees defined benefits plan		(84.73)	(24.56)
(c) Amount Recognised in Cashflow Hedging Reserve during the year		(22.44)	109.05
(ii) Income tax relating to items that will not be reclassified to profit or loss		26.92	(21.23)
Total Other Comprehensive Income		(80.05)	63.11
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD [(VII) + (VIII)]		41,109.36	61,873.34
Earnings Per Equity Share (₹)	Note 44		
Basic		134.34	201.60
Diluted		134.34	201.60
Weighted average number of equity shares (Actual)		3,06,59,976	3,06,59,976

The accompanying notes 1 to 56 are an integral part of the consolidated financial statements.

As per our report of even date

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Maulik Lodaya

Partner

Membership No. 137872

Mumbai : May 10, 2024

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Jayen Shah

Managing Director

DIN:00106919

Sonali Bhadani

CFO

PAN:AKPPB5839F

Mumbai : May 10, 2024

Tushar Shah

CEO & Executive Director

DIN:00107144

Pooja Lohor

Company Secretary

Membership No. A28397

Consolidated Statement of Changes in Equity

For the Year Ended March 31, 2024

A) EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 01, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
1,533.00		1,533.00	-	1,533.00

(₹ in lakhs)

Balance as at April 01, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
1,533.00	-	1,533.00	-	1,533.00

B) OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Amalgamation Reserve	Retained Earnings	Foreign Exchange	Other Reserve	Capital Reserve		
Balance as at April 01, 2023	1,155.24	1,53,300.94	(1,739.72)	1.66	10.01	(136.24)	1,52,591.89
Add:- Profit / (loss) for the year	-	41,189.41	(369.96)	0.02	-	-	40,819.47
Reversal of loss on account of Joint Venture accounted as per Equity Method	-	-	-	-	-	-	-
Other comprehensive income / (losses)	-	-	-	-	-	(80.05)	(80.05)
	1,155.24	1,94,490.35	(2,109.68)	1.68	10.01	(216.29)	1,93,331.31
Less:- Dividends	-	2,759.40	-	-	-	-	2,759.40
Non-Controlling Interest	-	-	-	-	-	-	-
Balance as at March 31, 2024	1,155.24	1,91,730.95	(2,109.68)	1.68	10.01	(216.29)	1,90,571.91
Balance as at April 01, 2022	1,155.24	94,250.11	(830.38)	1.57	10.01	(199.35)	94,387.20
Add:- Profit / (loss) for the year	-	61,810.23	(909.34)	0.09	-	-	60,900.98
Other comprehensive income / (losses)	-	-	-	-	-	63.11	63.11
	1,155.24	1,56,060.34	(1,739.72)	1.66	10.01	(136.24)	1,55,351.29
Less:- Dividends	-	2,759.40	-	-	-	-	2,759.40
Non-Controlling Interest	-	-	-	-	-	-	-
Balance as at March 31, 2023	1,155.24	1,53,300.94	(1,739.72)	1.66	10.01	(136.24)	1,52,591.89

As per our report of even date

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Maulik Lodaya

Partner

Membership No. 137872

Mumbai : May 10, 2024

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Jayen Shah

Managing Director

DIN:00106919

Sonali Bhadani

CFO

PAN:AKPPB5839F

Mumbai : May 10, 2024

Tushar Shah

CEO & Executive Director

DIN:00107144

Pooja Lohor

Company Secretary

Membership No. A28397



Consolidated Cash Flow Statement

For the Year Ended March 31, 2024

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net Profit Before Tax	54,412.15	84,099.42
A] Cash flows from operating activities		
Adjustments for:		
Depreciation and amortisation expenses	5,614.87	4,789.30
Interest Income	(4,813.15)	(1,124.68)
Loss / (Profit) on sale of fixed assets (net)	(32.46)	(20.88)
Finance Cost including interest on lease liabilities	243.26	456.42
Net loss / (Gain) on Foreign Exchange Fluctuations	(2,332.91)	(4,989.40)
Expected Credit Loss Provisions / (Reversal)	76.98	110.05
Lease Rent on Leasehold Properties	45.21	41.11
Preliminary expenses for financing activities	12.96	-
Other non-cash adjustments	119.75	79.14
Share of loss from Joint Venture Entity	263.94	177.43
Operating profit before working capital movements	53,610.60	83,617.91
Movement in working capital:		
Decrease / (Increase) in Inventories	18,590.36	(20,017.43)
Decrease / (Increase) in Trade and Other Receivables	31,078.31	15,146.94
(Decrease) / Increase in Trade and Other Payables	(24,828.75)	(7,403.41)
	24,839.92	(12,273.90)
Cash generated from operations	78,450.52	71,344.01
Income Tax Paid	(14,999.14)	(22,813.14)
Net cash flows from operating activities (A)	63,451.38	48,530.87
B] Cash flows (used in) / generated from investing activities		
Payment for Purchase of property, plant and equipment, intangible assets including CWIP and capital advances	(8,641.47)	(8,110.30)
Proceeds from sale of property, plant and equipment	41.35	41.55
Amount (invested)/ matured in Bank Fixed Deposits	(34,888.52)	(508.10)
Interest Income received	4,661.27	1,098.74
Investment in Joint Ventures and subsidiaries	(236.55)	(996.34)
Net Cash Flows Used In Investing Activities (B)	(39,063.92)	(8,474.45)

Consolidated Cash Flow Statement For the Year Ended March 31, 2024 (Contd.)

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
C] Net cash flows (used in)/ generated from financing activities		
Repayment of Borrowings	(2,736.00)	(3,570.22)
Dividend Paid	(2,758.72)	(2,759.41)
Interest and Finance Charges paid	(218.97)	(453.99)
Employee Loans (given)	(66.72)	(112.35)
Employee Loans received	72.51	45.17
Repayments of lease liabilities (including interest thereon)	(145.26)	(14.41)
Net cash flows used in financing activities (C)	(5,853.16)	(6,865.21)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	18,534.30	33,191.21
Cash and cash equivalents at the beginning of the period	51,482.26	22,566.44
Exchange difference on translation of foreign currency (loss) / Gain	(511.22)	(4,275.39)
Cash and cash equivalents at the period end {Refer to note no. 15}	69,505.34	51,482.26
Components of cash and cash equivalents :		
<u>Balances with banks</u>		
In Current Account	7,688.27	6,305.75
In Exchange Earners' Foreign Currency Account	1,191.49	2,907.17
In Fixed Deposit Account	60,618.75	42,249.87
Cash on hand	6.83	19.47

The accompanying notes 1 to 56 are an integral part of the consolidated financial statements.

As per our report of even date

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Maulik Lodaya

Partner

Membership No. 137872

Mumbai : May 10, 2024

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Jayen Shah

Managing Director

DIN:00106919

Sonali Bhadani

CFO

PAN:AKPPB5839F

Mumbai : May 10, 2024

Tushar Shah

CEO & Executive Director

DIN:00107144

Pooja Lohor

Company Secretary

Membership No. A28397



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

1. CORPORATE INFORMATION

Fine Organic Industries Limited is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Parent Company was converted into Public Company with effect from November 02, 2017 and consequently the name of the Company has changed from Fine Organic Industries Private Limited to Fine Organic Industries Limited. The registered office of the Company is situated in the State of Maharashtra.

The Consolidated Financial Statements were approved and authorized for issue with the resolution of the Board of Directors on May 10, 2024 and are subject to the approval of Shareholders in the Annual General Meeting.

The Group has following investments in Subsidiaries and Joint Ventures:

Particulars	Name of Entities					
	Fine Organics (USA), Inc	Fine Organics Europe BV	Fine Organics (SEZ) Pvt Ltd ^	Fine Zeelandia Private Limited	FineADD Ingredients GmbH #	Fine Organic Industries (Thailand) Co.Ltd.
Principal place of business and Country of Incorporation	United States of America	Belgium	India	India	Germany	Thailand
Investee relationship	Subsidiary Company	Subsidiary Company	Subsidiary Company	Joint Venture	Joint Venture	Joint Venture
Proportion of ownership interest	100.00%	100.00%	100.00%	50.00%	50.00%	45.00%

^ Incorporated on October 10, 2023

Ceased to exist wef November 21, 2023

2. BASIS OF PREPARATION:

2.1 Statement of compliance

The accompanying Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Parent Company carries on business in India and abroad, as manufacturers, processors, suppliers, distributors, dealers, importers, exporters of wide range of oleochemical-based additives used in foods, plastics, cosmetics, coatings and other specialty application in various industries.

The subsidiaries are engaged in trading of product manufactured by the Parent Company.

One of its jointly controlled entity incorporated in India is into the business of manufacturing, processing, supplying, distributing, dealership, importing and exporting of powder premixes for bakery & confectionary products and pan release agents.

Equity shares of the Group are listed on July 02, 2018 on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

2.2 Functional and presentation currency

Items included in the financial statements of each entities of the Group are measured using the currency of the primary economic environment in which the group operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupees, which is the functional and presentation currency of the group.

2.3 Basis of measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

Notes Forming an Integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Net defined benefit (assets)/ liabilities that are measured at fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgements

The preparation of the Consolidated Financial Statements in accordance with Ind AS requires use of judgements, estimates and assumptions, which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2023 are as follows:

a) Property, plant and equipment

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act except plant & machineries, which in the opinion of the Management represent the useful lives as they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Revenue from contracts with customers

The Group's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

c) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

d) Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits, if any. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

e) Contingent Liabilities, Commitments and Litigations

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By their nature, contingencies will be resolved only



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Litigation

From time to time, the Group might be subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

2.5 Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both Financial and Non-Financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the Management. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are Capitalized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level-1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level-2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level-3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is capitalized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group capitalize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Operating cycle

An operating cycle is the time between the acquisition of assets for processing and their Realization in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.7 Current / non-current classification

A group shall classify an asset as current when:

- a) It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- b) It holds the asset primarily for the purpose of trading;
- c) It expects to realise the asset within twelve months after the reporting period; or
- d) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A group shall classify all other assets as non-current.

A group shall classify a liability as current when:-

- a) It expects to settle the liability in its normal operating cycle;

Notes Forming an Integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

- b) It holds the liability primarily for the purpose of trading;
- c) The liability is due to be settled within twelve months after the reporting period; or
- d) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

A group shall classify all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.8 Basis of consolidation

The Consolidated Financial Statements (CFS) comprise the financial statements of the Parent Company, its subsidiaries & its jointly controlled entities as at the reporting date.

Subsidiaries

Subsidiaries include all the entities over which the Parent Company has control. The Parent Company controls an entity when it is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date on which the Parent Company attains control and are deconsolidated from the date that control ceases to exist.

Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint venture are accounted for using the equity method of accounting (see (C) below).

The CFS have been prepared on the following basis

- a) The financial statements of the Parent Company and its subsidiary companies have been consolidated on a line by line basis by adding together of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealized

profits or losses, unless cost cannot be recovered, as per the applicable Accounting Standards in India. Accounting policies of the respective subsidiaries are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

- b) The results of subsidiaries acquired or disposed off during the year are included in the CFS from the effective date of acquisition and up to the effective date of disposal, as appropriate.
- c) The CFS includes the share of profit / loss of the joint ventures which are accounted as per the 'equity method'.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in OCI of the investee in OCI. Dividends received or receivable, if any from joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

- d) The CFS are presented, to the extent applicable, in accordance with the requirements of Schedule III of the 2013 Act as applicable to the Company's separate financial statements.
- e) Non-controlling interests, if any in the net assets of the subsidiaries that are consolidated consists of the amount of equity attributable to non-controlling shareholders at the date of acquisition and subsequent addition of their share of changes in equity.

Profit or loss and each component of OCI are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment (PPE)

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

- a) Its purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- b) Any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by Management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is recognized

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end. Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as capital advances under "Other non-current assets".

Leasehold rent payable to MIDC relating to new project of the parent company, during the project development stage prior to its intended use, are considered as pre – operative expenses and disclosed under Current Assets and the same will be amortised in the year of commencement of project.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated on pro-rata basis using the diminishing balance method on cost of items of property, plant and equipment less their estimated residual values over the estimated residual useful lives based on Schedule II of the Companies Act, 2013 except for plant & machinery.

In case of plant & machinery, based on internal assessment, the management believes that the useful lives as given below best represent the period over which the management expects to use these assets. Hence the useful lives for these assets may differ from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible Assets	Useful lives as per Schedule II
Buildings	30 Years
Computers	
Computers – Server & Network	6 Years
Computers – Others	3 Years
Plant & Machinery	5 – 15 Years
Furniture and Fixtures	10 Years
Electrical Installation	10 Years
Motor Cars & Vehicles	8 Years
Office Equipments	5 Years
Laboratory Equipments	10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.2 Intangible Assets

Recognition and measurement

Intangible assets comprise of computer software and patent / trademark, which acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Notes Forming an Integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values and it is included in depreciation and amortisation in the Statement of profit and loss.

Intangible assets are amortised over the estimated useful lives as given below:

Intangible Assets	Useful life
Computer Software (WDV Method)	3 Years
Patent / Trademark (SLM Method)	10 Years

3.3 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale less any investment income on the temporary investment of those borrowings.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.4 Impairment of Non-Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

3.5 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that

it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Company.

Minimum Alternate Tax (MAT) credit is recognized as a Deferred Tax Asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

3.6 Inventories

Inventories which comprise raw materials, packing materials, work-in-progress, finished goods, consumables and stores & spares are carried at the lower of cost and net realisable value.

The cost of inventories is based on weighted average basis and includes expenditure incurred in acquiring the inventories, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work in progress, cost includes an appropriate share of fixed production overheads based on actual production.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, defective and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

3.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of less than 3 months and more than 3 months but less than 12 months which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered as an integral part of the Group's cash management.

3.8 Trade Payables

Trade payables represent liabilities for goods including capital goods and services provided to the Group prior to the end of Financial year which are unpaid. Trade and other payables are reported as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.9 Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair

Notes Forming an Integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A Financial asset is measured at amortised cost using the effective interest rate method, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A Financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified in any of the above categories is measured at FVTPL.

Investment in subsidiaries, Associates and Joint Ventures

The Group has opted to account for its investments in subsidiaries, associates and joint venture at cost less provision for diminution other than temporary.

Other Equity Investments

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Group has made an irrevocable choice to present the value changes in 'Other Comprehensive Income'.

Impairment of Financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables, the Group applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Derivative financial instruments and Hedge Accounting

The parent company uses various derivative financial instruments such as forwards and Interest



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

rate swaps to mitigate the risk of changes in exchange rates and Interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

In case of loss / gains from interest rate swaps, directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Cash flow hedge

The parent company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued

prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Fair Value Hedge

The parent company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

b) De-recognition of Financial instruments

The Group derecognizes a Financial asset when the contractual rights to the cash flows from the Financial asset expire or it transfers the Financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when and only when, the Group has legally enforceable right to set off the amount and it intends, either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

Notes Forming an Integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

3.10 Revenue Recognition

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the goods.

Sale of Products

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The performance obligations in contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue from the sale of goods is measured based on the consideration specified in a contract with a customer, net of returns and allowances, trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and service tax. The group does not provide any warranties or maintenance contracts to its customers.

Variable consideration

This includes incentives, volume rebates, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Cost to obtain a contract

The Group pays sales commission to its selling agents for each contract that they obtain for the group. The Group

has elected to apply the optional practical expedient for costs to obtain a contract which allows it to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognized.

Other Operating Revenues

Other operating revenue mainly consists of sale of scrap arising from the production of finished goods.

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

Interest income is included in finance income in the Statement of profit and loss.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Dividends

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Insurance and other claims

Revenue in respect of Insurance and other claim is recognized only on reasonable certainty of ultimate collection.

3.11 Foreign Currencies

Items included in the financial statements of each entities of the Group are measured using the currency of the primary economic environment in which the Parent Company operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupees, which is the functional and presentation currency of the Parent Company.



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

Transactions and balances

Transactions in foreign currencies are initially recorded by the group at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

3.12 Employee benefits

Short term employee benefits

Liabilities for short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are reported as current employee benefits payable in the balance sheet.

Post-employment benefits

a) Defined benefit plans

The liability or asset recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method at the year end.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Employee Benefit Expense in the Statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive

Income. They are included in retained earnings in the statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the profit or loss as past service cost.

b) Defined contribution plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognized as expenses for the period in which the employee has rendered the service.

3.13 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessee

At inception of a contract, the Parent Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1. The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified.
2. The Parent Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
3. The Parent Company as a lessee has the right to direct the use of the asset. The parent Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the parent Company has the right to direct the use of the asset if either :

Notes Forming an Integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

- a) the parent Company as a lessee has the right to operate the asset; or
- b) the parent Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used

The parent Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if the parent Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The parent Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases

that have a lease term of 12 months or less and leases of low-value assets. The parent Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.14 Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the Management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

3.15 Dividend

The Holding Company recognizes a liability to pay dividend to equity holders of the Holding Company when the distribution is authorised by the shareholders and the distribution is no longer at the discretion of the Holding Company. A corresponding amount is recognized directly in equity upon approval from shareholders.

3.16 Earnings per share (EPS)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the equity by the weighted average number of equity shares outstanding during the financial year.



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3.17 Preoperative Expenses:

Preoperative expenses relate to operating expenses incurred before commencement of business operations

which would be otherwise charged to the Statement of Profit and Loss. The management has decided to transfer any preoperative expense incurred above ₹ 5,000 to “Preoperative expenses pending for allocation”. Spreading these costs over five years aligns the expense recognition with the benefits derived from the investments, providing a more accurate picture of profitability and operational performance. These expenses are amortized over a period of five years from the date of its accrual. The unamortized portion of the expenditure is classified under Non-current Assets and Current Assets based on the timing of future amortisation. Preoperative Expenses Pending for Allocation which are expected to be amortized within next 12 months are classified under Current Assets

**Notes Forming an Integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 4 NON CURRENT ASSETS : PROPERTY, PLANT & EQUIPMENT (PPE)

Particulars	(₹ in lakhs)											
	Factory / Research Centre Building	Office Prem- ises	Resi- dential Premises	Factory Flats	Plant and Equip- ments	Electrical Equip- ments	Labor- atory Equip- ments	Office Equip- ments	Furniture & Fixtures	Computer & Peripherals (including Server & Network)	Vehicles	Total Property Plant and Equipment
Gross Carrying Amount												
Balance as at April 01, 2022	18,933.42	281.21	77.44	2.76	24,687.91	2,662.07	937.91	913.32	862.16	1,070.91	980.66	51,409.77
Add: Additions during the year	743.01	-	-	-	977.68	203.62	16.58	135.39	108.00	516.51	296.22	2,997.01
Less: Disposals/ Adjustments	-	-	-	-	15.04	20.17	-	14.45	-	31.76	103.36	184.78
Balance as at March 31, 2023	19,676.43	281.21	77.44	2.76	25,650.55	2,845.52	954.49	1,034.26	970.16	1,555.66	1,173.52	54,222.01
Add: Additions during the year	1,699.65	-	-	-	2,854.11	638.85	156.84	250.24	317.97	866.64	130.71	6,915.01
Less: Disposals/ Adjustments ^	15.38	48.26	4.38	-	70.33	1.10	6.03	19.04	0.70	18.42	105.22	288.86
Balance as at March 31, 2024	21,360.70	232.95	73.06	2.76	28,434.33	3,483.27	1,105.30	1,265.46	1,287.43	2,403.88	1,199.01	60,848.16
Accumulated Depreciation												
Balance as at April 01, 2022	6,927.86	70.43	23.12	1.45	16,437.57	1,499.81	739.52	697.60	662.75	784.58	691.61	28,536.30
Add: Depreciation for the year	1,174.74	18.86	2.64	0.06	2,584.64	320.60	49.41	114.39	54.40	279.52	126.61	4,725.87
Less: Disposals/ Adjustments	-	-	-	-	14.13	15.89	-	7.78	-	29.78	96.53	164.11
Balance as at March 31, 2023	8,102.60	89.29	25.76	1.51	19,008.08	1,804.52	788.93	804.21	717.15	1,034.32	721.69	33,098.06
Add: Depreciation for the year	1,227.04	17.00	2.51	0.05	2,524.53	398.78	61.87	171.66	124.65	616.72	165.49	5,310.30
Less: Disposals/ Adjustments ^	12.91	36.16	3.15	-	65.13	0.12	5.73	17.27	0.67	16.22	99.61	256.97
Balance as at March 31, 2024	9,316.73	70.13	25.12	1.56	21,467.48	2,203.18	845.07	958.60	841.13	1,634.82	787.57	38,151.39
Net Carrying Amount												
Balance as at March 31, 2023	11,573.83	191.92	51.68	1.25	6,642.47	1,041.00	165.56	230.05	253.01	521.34	451.83	21,123.94
Balance as at March 31, 2024	12,043.97	162.82	47.94	1.20	6,966.85	1,280.09	260.23	306.86	446.30	769.06	411.44	22,696.76

^ Disposals include assets deleted due to fire at Badlapur Plant {Refer Note 53}



**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 5 NON CURRENT ASSETS : CAPITAL WORK IN PROGRESS

(₹ in lakhs)

Particulars	As At year ended March 31, 2024	As At year ended March 31, 2023
Balance at the beginning of the year	4,044.08	1,412.47
Add :- Additions during the year	6,174.04	6,032.14
Less :- Capitalisation during the year	7,245.14	3,400.53
Balance at the end of the year	2,972.98	4,044.08

NOTE 5.1 AGEING SCHEDULE FOR CAPITAL WORK-IN PROGRESS

(₹ in lakhs)

Particulars	As At March 31, 2024				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	2,759.43	118.81	56.40	38.34	2,972.98
-- Projects temporarily suspended	-	-	-	-	-
Total	2,759.43	118.81	56.40	38.34	2,972.98

(₹ in lakhs)

Particulars	As At March 31, 2023				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	2,960.61	643.56	185.43	254.48	4,044.08
-- Projects temporarily suspended	-	-	-	-	-
Total	2,960.61	643.56	185.43	254.48	4,044.08

NOTE 5.2 There are no Capital Work-in Progress, whose completion is overdue or has exceeded its cost compared to its original plan

NOTE 6 NON CURRENT ASSETS : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Patents & Trademarks	Total Intangible Assets
Gross Carrying Amount			
Balance as at April 01, 2022	148.19	34.76	182.95
Add: Additions during the year	140.83	0.83	141.66
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2023	289.02	35.59	324.61
Add: Additions during the year	167.54	22.18	189.72
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2024	456.56	57.77	514.33
Accumulated Depreciation			
Balance as at April 01, 2022	109.79	16.05	125.84
Add: Additions during the year	46.56	3.67	50.23

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	Software	Patents & Trademarks	Total Intangible Assets
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2023	156.35	19.72	176.07
Add: Additions during the year	165.00	3.71	168.71
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2024	321.35	23.43	344.78
Net Carrying Amount			
Balance as at March 31, 2023	132.67	15.87	148.54
Balance as at March 31, 2024	135.21	34.34	169.55

NOTE 7 NON-CURRENT FINANCIAL ASSETS : RIGHT OF USE OF ASSETS

As as Lessor

The lease portfolio of the Company consists of agreements which fall under operating lease categories. These lease commitments primarily consist of lease rent payments for the branch office, and godowns.

Changes in the carrying value of Right-Of-Use (ROU) assets during the period :

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Balance at the Beginning of the period	130.87	-
Additions	412.06	144.06
Depreciation	(135.84)	(13.19)
Balance at the End of the period	407.09	130.87

NOTE 7.1 ASSET CLASS-WISE RIGHT OF USE ASSETS FOR THE PERIOD ENDED MARCH 31, 2024 ARE AS FOLLOWS :

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Building		
Balance at the Beginning of the period	130.87	-
Additions	412.06	144.06
Depreciation	(135.84)	(13.19)
Balance at the End of the period	407.09	130.87



**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 8 NON-CURRENT FINANCIAL ASSETS : INVESTMENT

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Unquoted Investment in Equity Instruments of Jointly Controlled Entity (At Cost)		
(i) Fine Zeelandia Private Limited (Current Year: 4,02,84,250 shares of INR 10/- each fully paid up) (Previous Year: 4,02,84,250 shares of INR 10/- each fully paid up)	2,714.17	2,842.39
(ii) FineADD Ingredients GmbH (Refer Note 8.1) (Current Year: Nil) (Previous Year: 2,500 shares of Euro 100 each fully paid up)	-	-
(iii) Fine Organic Industries (Thailand) Co. Limited (Current Year: 4,49,970.75 shares of Thai Baht 100 each fully paid up) (Previous Year: 4,49,970.75 shares of Thai Baht 100 each fully paid up)	897.03	1,032.76
Unquoted Investment in Equity Instruments at FVTOCI		
(i) Saraswat Co-Operative Bank Limited (Current Year: 2,500 shares of INR 10/- each fully paid up) (Previous Year: 2,500 shares of INR 10/- each fully paid up)	4.88	4.68
Total Investments	3,616.08	3,879.83

NOTE 8.1 DIMINUTION IN VALUE OF THE INVESTMENT IN A JOINT VENTURE

During the year ended March 2024, the Company has received intimation that liquidation process of Joint Venture Entity "FineADD Ingredients GmbH" has been completed and ceased to exist w.e.f. November 21, 2023. In earlier years, the Company has fully provided for diminution in value of Investment.

NOTE 9 NON-CURRENT FINANCIAL ASSETS : LOANS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Unsecured, considered good		
Loan to employees	121.28	90.86
Total Loans	121.28	90.86

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 10 NON-CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Security Deposits Rent (Amortised Cost)	28.92	32.20
Fixed Deposits with Bank (Original Maturity More than 12 months)	1,210.49	725.09
Total Others	1,239.41	757.29

NOTE 11 DEFERRED TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	1,398.00	1,161.06
Others	72.33	76.99
Gross Deferred Tax Asset (a)	1,470.33	1,238.05
Tax effect of items constituting deferred tax liabilities		
Others	142.41	169.31
Gross Deferred Tax Liability (b)	142.41	169.31
Deferred Tax Assets (Net) (a-b)	1,327.92	1,068.74

NOTE 12 NON-CURRENT ASSETS - OTHERS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Capital Advances (Unsecured, Considered good)	5,068.09	2,841.33
Security Deposits	1,171.04	1,108.51
Income Tax Refund Receivables	10.77	10.77
Prepaid Rent on Leasehold Land & Premises	3,510.35	3,423.71
Other Prepaid Expenses	64.24	52.14
Pre-operative expenses	176.75	-
Total Other Current Assets	10,001.24	7,436.46



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 12.1 DISCLOSURE TO OTHER NON CURRENT ASSETS - CAPITAL ADVANCES

The Holding Company has given an advance of ₹ 2,420 Lakhs to MIDC for allotment of a plot at Pale, Ambarnath, which is disclosed under Capital advances. The MIDC has issued an allotment letter, however, the Holding Company is still unable to take possession of the said plot, as so far the MIDC has not created any of the basic infrastructure facilities such as water, electricity, roads etc. The Company is very positive about receiving possession after confirmation from relevant authorities.

Upon possession, the Company plans to setup a centralised warehousing facility. However the Holding Company shall carry out a feasibility study and then decide upon the appropriate action to be taken for the said plot. Present value of the said plot as per the ready reckoner rate as at March 31, 2024 is higher than the advance given.

Additionally, one of the subsidiary the group has made a total capital advance of ₹ 2,196.13 Lakhs for investment in Property, Plant and Equipment. Out of which ₹ 2,180.79 Lakhs pertains to advance to JNPT authorities for allotment of a plot at Nhava Sheva. The subsidiary company has received Letter of Intent and 20% has been paid as per terms. However the subsidiary company will be able to take the possession of land for setting-up manufacturing plant after paying balance 80% of lease premium mentioned in the LOI. Once the subsidiary company receives the Letter of Allotment from the Authorities the asset would be capitalised.

NOTE 13 CURRENT ASSETS : INVENTORIES

(₹ in lakhs)

Particulars	As At	
	March 31, 2024	March 31, 2023
Raw Materials and Packing Materials	9,696.57	14,981.11
Semi-Finished Goods	685.85	543.43
Trading Goods	6,567.35	14,626.28
Finished Goods	6,551.68	12,009.99
Consumables	133.90	191.52
Stores & Spares	2,453.87	2,145.22
Total Inventories	26,089.22	44,497.55

NOTE 14 CURRENT ASSETS : TRADE RECEIVABLE

(₹ in lakhs)

Particulars	As At	
	March 31, 2024	March 31, 2023
Secured, Considered good	-	-
Unsecured		
Considered good	30,729.20	34,829.88
From Related Parties {Refer to note no. 44(b)}	402.01	234.73
Which have significant increase in Credit Risk	287.38	210.92
Sub Total	31,418.59	35,275.53
Less: Allowance for Expected Credit Loss	287.38	210.92
Total Trade Receivables	31,131.21	35,064.61

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

Ageing for trade receivables as at March 31, 2024 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	20,194.54	9,950.68	934.00	32.33	3.93	15.73	31,131.21
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-

Ageing for trade receivables as at March 31, 2023 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	25,608.14	9,254.75	78.15	53.56	14.52	55.49	35,064.61
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-

NOTE 15 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Balances with Banks		
In Current Account	7,688.27	6,305.75
In Exchange Earners' Foreign Currency Account	1,191.49	2,907.17
In Fixed Deposit Account (With original maturity of less than 3 Months)	60,618.75	42,249.87
Cash on hand	6.83	19.47
Total Cash and Cash Equivalents	69,505.34	51,482.26



**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 16 CURRENT FINANCIAL ASSETS : BANK BALANCES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Balances with Banks		
In Fixed Deposits (with original maturity of more than 3 months and 12 months or less)	35,343.44	788.44
Others [^]	2.67	26.99
Total Bank Balances	35,346.11	815.43

[^] Others includes Bank balances specifically held for Unspent CSR, unpaid dividend.

NOTE 17 CURRENT FINANCIAL ASSETS : LOANS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Unsecured, considered good		
Loan to employees	65.29	107.91
Total Loans	65.29	107.91

NOTE 18 CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Unsecured, Considered Good		
Security Deposit	73.73	255.10
Interest Rate Swaps {Refer Note 52}	-	22.44
Total Other Financial Assets	73.73	277.54

NOTE 19 CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Income tax (Net of Provision for Income Tax)	1,897.81	1,817.08
Total Current Tax Assets (Net)	1,897.81	1,817.08

Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 20 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Prepaid Expenses	570.98	421.35
Balance with Statutory / Government Authorities *	1,616.93	3,711.26
Gratuity Fund Balance with LIC of India	101.92	80.41
Other Advances (including advance to suppliers)	1,778.58	3,704.35
Pre-operative expenses	47.40	-
Total Other Current Assets	4,115.81	7,917.37

* Balances with Government Authorities primarily include amounts realisable for Goods and Service Tax (GST), the unutilised GST input tax credits. These are generally realised within one year or utilised regularly. Accordingly, these balances have been classified as "Other Current Assets".

NOTE 21 EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
AUTHORISED		
4,00,00,000 Equity Shares of ₹ 5/- each	2,000.00	2,000.00
(Previous Year: 4,00,00,000 Equity Shares of ₹ 5/- each)		
Total Authorised Capital	2,000.00	2,000.00
ISSUED, SUBSCRIBED AND PAID-UP		
3,06,59,976 Equity Shares of ₹ 5/- each	1,533.00	1,533.00
(Previous Year: 3,06,59,976 Equity Shares of ₹ 5/- each)		
Total Issued, Subscribed and Paid-Up Capital	1,533.00	1,533.00

NOTE 21.1 RECONCILIATION OF NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW :

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Equity Shares at the beginning of the year	3,06,59,976	3,06,59,976
Add:- Shares issued during the year	-	-
Add: Issued on account of Subdivision of shares	-	-
Less:- Shares bought back during the year	-	-
Equity Shares at the end of the year	3,06,59,976	3,06,59,976

NOTE 21.2 TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 21.3 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES OF THE COMPANY

Particulars	As At March 31, 2024		As At March 31, 2023	
	Number of Shares	% in Share Capital	Number of Shares	% in Share Capital
Late Jyotsna Ramesh Shah	-	-	43,25,886	14.11%
Mr. Tushar Ramesh Shah	50,89,721	16.60%	36,99,182	12.07%
Mr. Jayen Ramesh Shah	48,14,166	15.70%	34,23,627	11.17%
Ms. Archana Yatin Sankholkar	22,26,418	7.26%	22,26,418	7.26%
Ms. Anjali Kunal Patil	22,26,417	7.26%	22,26,417	7.26%
Mr. Bimal Mukesh Shah	32,00,766	10.44%	18,10,227	5.90%
Mr. Mukesh Maganlal Shah	19,18,314	6.26%	17,64,045	5.75%
Axis Mutual Fund Trustee Limited #	-	-	16,15,073	5.27%

As of March 31, 2024 less than 5%

NOTE 21.4 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES OF THE COMPANY

Disclosure of shareholding of Promoters / Promoters Group as at March 31, 2024 is as follows:

No	Promoters / Promoters Group name	Shares Held				% Change during the year
		As At March 31, 2024		As At March 31, 2023		
	Promoters					
1	Mukesh Maganlal Shah	19,18,314.00	6.26%	17,64,045.00	5.75%	0.51%
2	Jayen Ramesh Shah	48,14,166.00	15.70%	34,23,627.00	11.17%	4.53%
3	Tushar Ramesh Shah	50,89,721.00	16.60%	36,99,182.00	12.07%	4.53%
4	Bimal Mukesh Shah	32,00,766.00	10.44%	18,10,227.00	5.90%	4.54%
5	Late Jyotsna Ramesh Shah	-	-	43,25,886.00	14.11%	(14.11%)
6	Archana Yatin Sankholkar	22,26,418.00	7.26%	22,26,418.00	7.26%	-
7	Anjali Kunal Patil	22,26,417.00	7.26%	22,26,417.00	7.26%	-
	Promoters Group					
8	Ms. Jayshree Mukesh Shah	5,68,572.00	1.85%	5,68,572.00	1.85%	-
9	Ms. Neeta Jayen Shah	6,59,892.00	2.15%	6,59,892.00	2.15%	-
10	Ms. Bina Tushar Shah	5,74,380.00	1.87%	5,74,380.00	1.87%	-
11	Ms. Shaili Nirav Doshi	1,22,898.00	0.40%	1,22,898.00	0.40%	-
12	Ms. Manali Vishal Doshi	76,614.00	0.25%	76,614.00	0.25%	-
13	Ms. Rhea Tushar Shah	1,06,614.00	0.35%	1,06,614.00	0.35%	-
14	Ms. Esha Tushar Shah	1,06,620.00	0.35%	1,06,620.00	0.35%	-
15	R M Shah HUF	3,08,542.00	1.01%	3,08,542.00	1.01%	-
16	P D Kamat HUF	1,37,178.00	0.45%	1,37,178.00	0.45%	-
17	Ms. Jayen R Shah HUF	3,06,978.00	1.00%	3,06,978.00	1.00%	-
18	Ms. Tushar R Shah HUF	1,03,218.00	0.34%	1,03,218.00	0.34%	-
19	Ms. Maltiben Pradipkumar Shah	19.00	-	19.00	-	-
20	Ms. Akruiti Bimal Shah	4,47,174.00	1.46%	4,47,174.00	1.46%	-
	Total	2,29,94,501.00	75.00%	1,85,41,666.00	75.00%	

(₹ in lakhs)

Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 21.5 DETAILS OF CALLS UNPAID

There is no calls unpaid.

NOTE 21.6 SUBDIVISION OF SHARES

The Shareholders vide a special resolution has approved sub division of shares of the Company in the ratio of 2 shares of face value of ₹ 5 each for every existing 1 share of the face value of ₹ 10 each. The requisite approvals for modification of the Memorandum and Articles of Association of the Company had been accorded by the shareholders on November 6, 2017.

NOTE 22 OTHER EQUITY

Particulars	(₹ in lakhs)	
	As At March 31, 2024	As At March 31, 2023
(a) Amalgamation Reserve	1,155.24	1,155.24
(Includes ₹ 4.23 Lakhs On Account of Amalgamation)		
(b) Retained Earnings		
Balance as at the beginning of the year	1,53,300.94	94,250.11
Add: Profit for the year	41,189.41	61,810.23
Less:- Reversal of loss on account of Joint Venture accounted as per Equity Method		
Less:- Dividend	2,759.40	2,759.40
Non Controlling interest		
Balance as at the end of the year (b)	1,91,730.95	1,53,300.94
(c) Other Comprehensive Income		
Balance as at the beginning of the year	(136.24)	(199.35)
Add: Other Comprehensive Income for the year	(80.05)	63.11
Balance as at the end of the year (c)	(216.29)	(136.24)
(d) Foreign Exchange Translation Reserve		
Balance as at the beginning of the year	(1,739.72)	(830.38)
Add: Addition / (Deletion) for the period / year	(369.96)	(909.34)
Balance as at the end of the year (d)	(2,109.68)	(1,739.72)
(e) Other Reserve		
Balance as at the beginning of the year	1.66	1.57
Add: Addition / (Deletion) for the period / year	0.02	0.09
Balance as at the end of the year (e)	1.68	1.66
(f) Capital Reserve	10.01	10.01
Total (a + b + c + d + e + f)	1,90,571.91	1,52,591.89

- (a) Amalgamation Reserve - At the time of business combination under common control, amalgamation adjustment reserve of transferor company becomes amalgamation adjustment reserve of the transferee company. The Company established this reserve at the time of business combinations made in the earlier years.
- (b) Retained Earnings represents undistributed accumulated earnings of the Company as on the balance sheet date.



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

(c) Other Comprehensive Income represents the following -

- The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve
- The Company uses hedging instruments as part of its management of interest rate risk associated with borrowings. For hedging interest rate risk, the Company uses the interest rate swaps. To the extent this hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedged reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).
- Remeasurements, comprising of actuarial gains and losses are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

NOTE 23 NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Secured Loans		
Foreign Currency Borrowings - External Commercial Borrowings		
From Bank {Refer to note no. 23.1}	-	2,720.41
Less : Current Maturity {Refer to note no. 25}	-	(2,720.41)
Total Non-Current Borrowings	-	-

NOTE 23.1 DISCLOSURE TO NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

- The foreign currency borrowing is secured against exclusive charge on specific Land & Building and Plant & Machinery of the borrower at plot no. N-42/1, MIDC, Anand Nagar, Additional Ambarnath Industrial Area, Ambarnath - 421501, Maharashtra.
- During the FY 2023-24 the loan was completely repaid and as of Mar 31, 2024 the charge on assets were completely released.

NOTE 24 MOVEMENT IN LEASE LIABILITIES DURING THE YEAR : LEASE LIABILITIES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Balance at the beginning of the period	132.08	-
Additions	412.07	144.06
Finance cost accrued during the year	24.29	2.43
Deletions	-	-
Payment of lease liabilities	145.26	14.41
Balance at the end of the period	423.18	132.08

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 24.1 BREAK-UP OF CURRENT AND NON-CURRENT LEASE LIABILITIES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Current lease liabilities	176.22	50.50
Non-current lease liabilities	246.96	81.57
Total	423.18	132.07

NOTE 25 BREAK-UP OF CURRENT AND NON-CURRENT LEASE LIABILITIES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Secured Loans		
Current maturities of Long-term Borrowings {Refer note 23.1}	-	2,720.41
Total Current Borrowings	-	2,720.41

NOTE 26 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Outstanding due to Micro and Small Enterprises {Refer to note no. 26.1}	1,780.70	1,871.45
Others	11,760.24	15,711.73
Total	13,540.94	17,583.18

NOTE 26.1 DISCLOSURE TO CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES

Dues to micro and small enterprises

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro and small enterprises amounting to ₹ 1,780.70 Lakhs (Previous Year: ₹ 1,871.45 Lakhs). The disclosure pursuant to MSMED Act based on the books of account is as under:

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
(i) Principal amount remaining unpaid	1,780.70	1,871.45
(ii) Interest due on above and the unpaid interest	7.88	7.49
(iii) Interest paid in terms of Section 16 of the MSMED	-	-
(iv) Amount of payments made to supplier beyond the appointed day	-	-
(v) Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act,2006	-	-
(vi) Amount of Interest accrued and remaining unpaid *	7.88	7.49
(vii) Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the MSMED Act,2006	-	-

(*) The interest has not been accrued in the books of account since the outstanding amount majorly includes the retention amount payable after completion of the contract period.



**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

Ageing for trade payables outstanding as at March 31, 2024 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1731.96	7.89	16.23	24.62	1780.70
(ii) Others	11623.55	43.09	55.46	38.14	11760.24
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	13,355.51	50.98	71.69	62.76	13,540.94

Ageing for trade payables outstanding as at March 31, 2023 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,839.98	25.51	2.78	3.18	1,871.45
(ii) Others	15,501.00	80.41	66.56	63.76	15,711.73
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	17,340.98	105.92	69.34	66.94	17,583.18

NOTE 27 CURRENT FINANCIAL LIABILITIES : OTHERS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Trade / Security Deposits from Customers	261.33	318.87
Dividend Payable	2.67	1.99
Total Other Financial Liabilities	264.00	320.86

NOTE 28 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Statutory dues Payable	270.38	876.54
Contractual Liabilities {refer to note no. 33.1}	642.34	571.53
Other #	30.00	-
Total Other Current Liabilities	942.72	1,448.07

Other current liabilities is insurance claim received pending for final settlement {Refer note 53}

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**
NOTE 29 CURRENT LIABILITIES : PROVISIONS

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Provision for CSR Expenses {refer to note no. 41.1}	474.05	25.05
Provision for Expenses	1,527.84	1,923.29
Total Provisions	2,001.89	1,948.34

NOTE 30 CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Income Tax (Net of Income Tax paid)	1,499.19	2,382.54
Total Current Tax Liabilities (Net)	1,499.19	2,382.54

NOTE 31 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the Period Ended March 31, 2024	For the Year Ended March 31, 2023
(A) Revenue from Contracts with customers		
Sales - Specialty Chemicals	2,12,254.59	3,02,281.19
	[A] 2,12,254.59	3,02,281.19
(B) Other Operating Revenue		
Income from Sale of Scrap	40.58	26.47
	[B] 40.58	26.47
Total Revenue From Operations [(A) + (B)]	2,12,295.17	3,02,307.66

NOTE 31.1 OTHER DISCLOSURE RELATING TO REVENUE FROM CONTRACTS WITH CUSTOMERS (IND AS 115)

The Company is primarily in the Business of manufacture and sale of Specialty chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company evaluates the credit limits for the trade receivables. The Company does not give a significant credit period resulting in no significant financing component.

Further, the disaggregation of revenue based on geography has been mentioned under segment information. {refer to note no. 45.3}



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

Reconciliation of Revenue recognised from contracts with customers with Contract liabilities

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Opening Contract Liability	571.53	792.13
Add: Addition to contract liability during the year	40,359.15	67,901.42
Less: Recognised as revenue during the year	40,288.34	68,122.02
Closing Contract liability	642.34	571.53

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Revenue from contract with customer as per Contract price	2,12,986.65	3,03,328.20
Less: Discounts and Rebates	53.01	21.31
Less: Sales Returns	679.05	418.78
Revenue from contract with customer as per statement of profit and loss	2,12,254.59	3,02,281.19

NOTE 32 OTHER INCOME

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest Income	4,813.15	1,124.68
Net gain on foreign exchange fluctuations	2,332.91	4,989.40
Other non-operating income		
Profit on Sale of Property, Plant and Equipment (Net of Loss)	32.46	20.88
Insurance claim received	8.13	11.88
Miscellaneous Income	0.99	268.34
Total Other Income	7,187.64	6,415.18

NOTE 32.1 PARTICULARS OF INTEREST INCOME

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest Income from Financial Assets on Amortised Cost Basis [at EIR]	4,813.15	1,124.27
Interest Income from Non Financial Assets	-	0.41
Total	4,813.15	1,124.68

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 33 COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Raw Materials and Packing Materials Consumed		
Opening Stock at the beginning of the year	14,981.11	11,354.97
Add : Purchases and incidental expenses	1,03,027.61	1,95,918.29
	1,18,008.72	2,07,273.26
Less : Closing stock at the end of the year	9,696.57	14,981.11
Total Cost of Materials Consumed	1,08,312.15	1,92,292.15

NOTE 33.1 PARTICULARS OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Raw Materials	1,02,715.02	1,87,531.55
Packing Materials	3,959.46	4,760.60
Total	1,06,674.48	1,92,292.15

NOTE 34 PURCHASE OF STOCK IN TRADE

(₹ in lakhs)

Particulars	For the Period Ended March 31, 2024	For the Year Ended March 31, 2023
Purchase of Stock In Trade	16.43	8,453.20
Total Purchase of Stock in Trade	16.43	8,453.20

NOTE 35 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakhs)

Particulars	For the Period Ended March 31, 2024	For the Year Ended March 31, 2023
(A) Opening Stock of Inventories		
Finished Goods	12,009.99	5,912.21
Semi-Finished Goods	543.43	922.41
Trading Goods	14,626.28	3,393.46
Total (A)	27,179.70	10,228.08
(B) Closing Stock of Inventories		
Finished Goods	6,551.68	12,009.99
Semi-Finished Goods	685.85	543.43
Trading Goods	6,567.35	14,626.28
Total (B)	13,804.88	27,179.70
(C) Stock in Transit	-	5,378.28
Net Changes in Inventories of Finished Goods, Semi-Finished Goods, Trading goods and Stock in transit [(A) - (B) - (C)]	13,374.82	(22,329.90)



**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 36 EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Salaries and other benefits to Directors	2,220.00	2,132.00
Salaries, wages & other benefits to others	9,104.65	7,796.32
Contribution to Provident Fund and Other Funds	286.35	261.48
Employee Welfare and other amenities	343.55	340.36
Total Employee Benefit Expenses	11,954.55	10,530.16

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures as defined are given below:

A] Defined Contribution Plans

The Group makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefit.

Contribution to Defined Contribution Plans, recognised as expense for the year is as follows:

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Employer's Contribution to Pension Scheme	107.44	100.00
Employer's Contribution to Provident Fund	51.05	47.45
Total	158.49	147.45

B] Defined Benefits Plans

The Group has used the Projected Unit Credit (PUC) actuarial method to assess the Plan's liabilities, including those related to death-in-service benefits. Under the PUC method, a 'Projected accrued benefit' is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The 'projected accrued benefit' is based on the Plan's accrual formula and upon the service as at the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the 'projected accrued benefits' at the end of the year for the Plan's active members.

(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Present value of Defined Benefit Obligation at the beginning of the Year	1,331.91	1,201.58
Add : Service Cost		
(a) Current Service Cost	102.41	92.82
(b) Past Service Cost	-	-
(c) Loss/(Gain) from Settlement	-	-
Add: Current Interest Cost	95.90	80.51

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Add: Benefit Paid	(79.44)	(73.40)
Add: Remeasurements of Actuarial (Gain) / Loss		
(a) From changes in Demographic assumptions		
(b) From changes in Financial assumptions	-	-
(c) From experience over the past year	20.80	(46.99)
Effect of Acquisition/ (Divestiture)	74.08	77.39
Transfer In/(Out)	-	-
Changes in Foreign Exchange Rates	-	-
Present value of Defined Benefit Obligation at the end of the Year	1,545.66	1,331.91

(ii) Reconciliation of opening & closing balances of fair value of plan assets

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Fair Value of Plan Asset at the beginning of the Year	1,412.31	1,289.11
Add: Contributions Paid by Employer	206.13	106.61
Add: Benefits Paid / (Received)	(79.44)	(73.40)
Add: Interest Income on Plan assets	98.42	84.15
Re-measurements		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	10.15	5.84
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Effect of Acquisition/ (Divestiture)	-	-
Transfer In/(Out)	-	-
Changes in foreign exchange rates	-	-
Fair Value of Plan Asset at the End of the Year	1,647.57	1,412.31
Actual Return on Plan Assets	108.57	89.99
Expected Employer Contributions for the coming year		

(iii) Expenses recognised in Statement Profit and Loss

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Service Cost		
(a) Current Service Cost	102.41	92.82
(b) Past Service Cost	-	-
(c) Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	(2.52)	(3.64)
Employer Expenses	99.89	89.18



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

(iv) Net Liability/(Assets) recognised in the Balance Sheet

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Present Value of Defined Benefit Obligation at end of the Year	1,545.66	1,331.91
Less: Fair Value of Plan Asset at the end of the Year	1,647.57	1,412.31
Liability/ (Asset) recognised in the Balance Sheet	(101.91)	(80.40)
Funded Status [Surplus/(Deficit)]	101.91	80.40
Of which, Short term Liability		
Experience Adjustment on Plan Liabilities: (Gain)/Loss	74.08	77.39
Experience Adjustment on Plan Assets: Gain/(Loss)	-	-

(v) Percentage Break-down of Total Plan Assets

Particulars	As At March 31, 2024	As At March 31, 2023
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	-	-
Of which, Conservative/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	100.00%	100.00%

(vi) Assumptions used to determine the defined benefit obligation

Particulars	As At March 31, 2024	As At March 31, 2023
Salary Growth Rate	5.00 % P.A.	5.00 % P.A.
Discount Rate(p.a.)	7% P.A.	7.20% P.A.
Interest Rate on net DBO	7.2% P.A.	6.70% P.A.
Withdrawal Rate	5.00 % P.A.	5.00 % P.A.
Mortality Table Rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Expected weighted average remaining working life	7 years	7 years

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(vii) Movement in Other Comprehensive Income

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Balance at start of year (Loss)/ Gain	(247.41)	(222.85)
Re-measurements on DBO		
(a) Actuarial (Loss)/Gain from changes in demographic assumptions	(20.80)	46.99
(b) Actuarial (Loss)/Gain from changes in financial assumptions	(74.08)	(77.39)
(c) Actuarial (Loss)/Gain from experience over the past period	-	-
Re-measurements on Plan Assets		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on Plan assets, excluding the amount included in net interest on the net defined benefit liability/(asset)	10.15	5.84
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at the End of the Year (Loss)/ Gain	(332.14)	(247.41)

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the Sensitivity Analysis is given below:

(₹ in lakhs)

Particulars	As At March 31, 2024		As At March 31, 2023	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Salary Growth Rate	increases by ₹ 110.18 Lakhs	decreases by ₹ 98.88 Lakhs	increases by ₹ 96.21 Lakhs	decreases by ₹ 87.04 Lakhs
Discount Rate	decreases by ₹ 96.24 Lakhs	increases by ₹ 109.08 Lakhs	decreases by ₹ 84.60 Lakhs	increases by ₹ 95.08 Lakhs
Withdrawal Rate	increases by ₹ 11.93 Lakhs	decreases by ₹ 13.46 Lakhs	increases by ₹ 11.74 Lakhs	decreases by ₹ 13.18 Lakhs
Mortality (increase in expected lifetime by 1 year)	decreases by ₹ 0.32 Lakhs	-	decreases by ₹ 0.31 Lakhs	-
Mortality (increase in expected lifetime by 3 years)"	decreases by ₹ 0.96 Lakhs	-	decreases by ₹ 0.94 Lakhs	-

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

(ix) Movement in Surplus/ (Deficit)

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Surplus/ (Deficit) at the start of the year	80.40	87.53
Add : Net Acquisition Adjustment	-	-
Transfer In / (Out) on net basis	-	-
Movement during the year		
Less : Current Service Cost	(102.41)	(92.82)
Less : Past Service Cost	-	-
Add : Net Interest on net DBO	2.52	3.64
Re-measurements [Gains/ (Losses)]	(84.73)	(24.56)
Add : Employer Contributions/ Benefits paid	206.13	106.61
Surplus/ (Deficit) at the End of the Year	101.91	80.40

(x) Risk Factors

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below:-

Interest Risk

A decrease in the bond Interest rate will increase the plan liability; however, In the case of a gratuity plan, this will be partially offset by an increase in the return on the plan's assets.

Longevity Risk

The present value of Gratuity plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the Gratuity plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment Risk

For funded plans that rely on Insurers for managing the assets, the value of assets certified by the Insurer may not be the fair value of Instruments backing the liability. In such cases, the present value of the assets is Independent of the future discount rate. This can result in wide fluctuations In the net liability or the funded status, If there are significant changes in the discount rate during the inter-valuation period.

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 37 FINANCE COSTS

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest Expenses		
On Loans	62.66	242.81
On Leases	24.29	2.43
Bank Charges and Commission	156.35	211.54
Total Finance Costs	243.30	456.78

NOTE 38 DEPRECIATION & AMORTISATION EXPENSES

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Depreciation on Property, Plant and Equipment	5,310.32	4,725.88
Amortisation on Intangible Assets	168.71	50.23
Depreciation on Right of Use of Assets	135.84	13.19
Total Depreciation & Amortisation Expenses	5,614.87	4,789.30

NOTE 39 OTHER EXPENSES

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Advertisement & Publicity Expenses	196.99	33.12
Auditors Remuneration:		
(i) Statutory Audit	33.50	31.00
(ii) Taxation Matters	11.50	11.00
(iii) Limited Review	12.00	10.50
(iv) Others	7.82	9.20
Remuneration to Cost Auditor	3.50	3.00
Consumption of Stores and Spares	79.64	40.87
Corporate Social Responsibility Expenses {refer to note no. 41.1}	837.21	478.05
Corporate Environmental Responsibility	25.40	37.71
Director Sitting Fees	35.15	33.80
Electricity Charges	67.93	71.39
Expected Credit Loss Provisions	76.98	110.05
Freight and Forwarding Charges	4,315.84	10,362.44
Insurance Charges	571.77	577.14
Laboratory Expenses	167.41	136.15
Legal and Professional Fees	2,287.84	825.38
Other Administrative Expenses	368.55	349.42
Postage, Telephone and Telegram	159.36	166.55
Power, Fuel and Water Charges	8,900.85	9,762.97
Printing and Stationery Expenses	43.64	45.93



**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Product Registration Fees	28.38	3.08
Bad Debts	63.43	-
Provision for Doubtful Receivables	-	79.14
Rent, Rates and Taxes	2,262.42	1,479.22
Repairs and Maintenance to:		
(i) Factory Building	111.97	175.85
(ii) Machinery	1,428.82	1,028.62
(iii) Others	380.02	337.07
Sales Promotion Expenses	269.41	102.00
Sales Commission	857.56	2,311.51
Security Charges	327.28	298.29
Seminar & Trade Fair Expenses	410.65	534.72
Subscription, Membership, Books & Periodicals	148.86	87.64
Travelling and Conveyance Expenses	605.62	606.12
Vehicle Expenses	124.00	115.37
Pre-operative Expense written off	12.98	-
Total Other Expenses	25,234.28	30,254.30

NOTE 39.1 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

The Company has spent an amount of ₹ 363.16 Lakhs pertaining to FY 2023-24 and ₹ 478.05 Lakhs pertaining to FY 2022-23 towards various CSR projects for the purpose other than construction/ acquisition of any asset. The Company has transferred ₹474.05 Lakhs (i.e. unspent amount for the ongoing CSR projects of the Company for the FY 2023-24) Nil in FY 2022-23 to a separate bank account specially opened by the Company for the CSR.

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
A) Gross amount required to be spent by the Company during the year	837.21	474.80
B) Amount spent during the year		
(i) Construction/acquisition of any asset	NIL	NIL
(ii) On purposes other than (i) above	363.16	478.05
C) Details related to spent / unspent obligations:		
(i) Amount spent in relation to Ongoing Project	319.50	460.00
(ii) Amount spent in relation to other than Ongoing Project	38.66	13.00
(iii) Amount spent in administrative Overheads	5.00	5.05
(iv) Amount transferred to Unspent CSR Account for Ongoing Projects	474.05	-
D) Amounts available for set-off in the succeeding financial year	-	3.25

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 40 RECONCILIATION OF REPORTED PROFIT TO TOTAL TAX EXPENSE

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Profit before Tax	54,412.15	84,099.42
Applicable Income Tax rate	19.07%	21.01%
Expected Income Tax Expense	10,376.40	17,669.29
Tax effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax expense:		
Effect of Expenses / Provisions not deductible in determining taxable profit	2,817.77	4,737.16
Other Permanent Differences	260.82	137.13
Other Temporary Differences	(232.25)	(254.39)
Reported Income Tax Expenses	13,222.74	22,289.19

NOTE 41 DEFERRED TAX EXPENSES / (INCOME)

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Tax effect of items constituting deferred tax liabilities		
Others	(26.90)	(25.07)
Sub Total (A)	(26.90)	(25.07)
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	236.94	230.55
Others	(4.66)	27.69
Sub Total (B)	232.28	258.24
Deferred tax Expenses / (Income) [A-B]	(259.18)	(283.31)

NOTE 42 EARNINGS PER EQUITY SHARE

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(a) Computation of Profit (numerator)		
Net profit attributable to shareholders (₹ in Lakhs)	41,189.41	61,810.23
(b) Weighted average number of shares (denominator)		
Weighted Average number of Equity Shares used as denominator for calculating Basic & Diluted EPS	3,06,599.76	3,06,599.76
EPS (Basic & Diluted) (In ₹)	134.34	201.60



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 43 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Contingent Liabilities		
Income tax liability that may arise in respect of matters in appeal	826.35	610.12
Indirect tax liability that may arise in respect of matters in appeal	27.16	27.16
Commitments		
Estimated contracts remaining to be executed on capital account not provided	9,672.04	1,822.04
Bank Guarantee	1,430.55	1,219.31

The Financial Statements of the Holding Company for the year ended March 31, 2024 have been approved by the Board of Directors in its meeting held on May 10, 2024. For the year ended March 31, 2024, dividend of ₹ 10/- per share (Total dividend of ₹ 3066 Lakhs) has been proposed by the Board of Directors at its meeting held on May 10, 2024. The same is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and therefore proposed dividend has not been recognised as liability as at the Balance Sheet Date in line with Ind AS - 10 "Events after the Reporting Period."

It is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities.

NOTE 44 RELATED PARTY TRANSACTIONS DISCLOSURE:

The Disclosure pertaining to the related parties as required by Indian Accounting Standard 24 issued by Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian accounting Standards) Rule,2015 as amended are indicated below

(a) List of Related Parties and Relationships

(₹ in lakhs)

Sr. No.	Name of the Related Party	Nature of Relationship
	Key Management Personnel (KMP)	
1	Late Prakash Damodar Kamat*	Former Chairman & Director
2	Mukesh Maganlal Shah	Chairman & Managing Director (Chairman & Executive Director w.e.f. April 1, 2024)
3	Jayen Ramesh Shah	Executive Director & CEO (Managing Director w.e.f. April 1, 2024)
4	Tushar Ramesh Shah	Executive Director & CFO (Executive Director & CEO w.e.f. April 1, 2024)
5	Bimal Mukesh Shah	Executive Director
6	Nikhil Dattatraya Kamat	Executive Director (w.e.f. June 27, 2022)
7	Thiruvengadam Parthasarathi	Non-Executive Independent Director
8	Mahesh Pansukhlal Sarada	Non-Executive Independent Director
9	Kaushik Dwarkadas Shah	Non-Executive Independent Director
10	Prakash Krishnaji Apte	Non-Executive Independent Director
11	Pratima Madhukar Umarji	Non-Executive Independent Director

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Sr. No.	Name of the Related Party	Nature of Relationship
12	Rashi Mehta	Non-Executive Independent Director (w.e.f. February 2, 2024)
13	Sonali Bhadani	Chief Financial Officer (w.e.f. April 1, 2024)
Relatives of KMP		
14	Prakash D. Kamat - HUF (upto June 17, 2022)	}
15	Jayshree Mukesh Shah	
16	Mukesh M. Shah - HUF (dissolved on September 1, 2022)	
15	Ramesh M. Shah - HUF	
15	Late Jyotsna Ramesh Shah ^	
16	Neeta Jayen Shah	
17	Shaili Nirav Doshi	
18	Manali Vishal Doshi	
19	Jayen R. Shah - HUF	
20	Bina Tushar Shah	
21	Rhea Tushar Shah	
22	Esha Tushar Shah	
23	Tushar R. Shah - HUF	
24	Akruti Bimal Shah	
25	Neeta Warty (w.e.f. June 27, 2022)	
26	Nisha Rege (w.e.f. June 27, 2022)	
27	Suneet Nikhil Kamat (w.e.f. June 27, 2022)	
Significant Influence by KMP		
28	Smoothex Chemicals Private Limited	}
29	Fine Organics	
30	Olefine Organics	
31	Oleofine Organics SDN. BHD.	
32	Fine Organic Industries	
35	Universal Legal (w.e.f. February 2, 2024)	
Joint Ventures		
36	Fine Zeelandia Private Limited	}
37	FineAdd Ingredients GmbH {refer note 8.1}	
38	Fine Organic Industries (Thailand) Co. Ltd.	

* Deceased on June 17, 2022

^ Deceased on Dec 7, 2023



**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

NOTE 44 RELATED PARTY TRANSACTIONS DISCLOSURE:

(b) Transactions (in aggregate) with Related Parties during the period and their closing balances at the period end

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2023 to March 2024	April 2022 to March 2023	As at March 31, 2024	As at March 31, 2023
1	Director's Remuneration				
	Late Prakash Damodar Kamat	-	77.00	-	-
	Mukesh Maganlal Shah	495.00	460.00	45.75	61.00
	Jayen Ramesh Shah	495.00	460.00	45.75	61.00
	Tushar Ramesh Shah	495.00	460.00	45.75	61.00
	Bimal Mukesh Shah	495.00	460.00	45.75	61.00
	Nikhil Dattatraya Kamat	165.00	115.00	12.82	16.03
	Thiruvengadam Parthasarathi	15.00	20.00	13.50	18.00
	Mahesh Pansukhlal Sarada	15.00	20.00	13.50	18.00
	Kaushik Dwarkadas Shah	15.00	20.00	13.50	18.00
	Prakash Krishnaji Apte	15.00	20.00	13.50	18.00
	Pratima Madhukar Umarji	15.00	20.00	13.50	18.00
2	Director's Sitting Fees				
	Thiruvengadam Parthasarathi	8.70	6.75	-	-
	Mahesh Pansukhlal Sarada	7.25	6.75	-	-
	Kaushik Dwarkadas Shah	6.70	7.35	-	-
	Prakash Krishnaji Apte	9.55	8.10	-	-
	Pratima Madhukar Umarji	2.95	4.85	-	-
3	Sale of Goods				
	Oleofine Organics SDN BHD	1,841.92	1,850.46	133.73	57.22
	Fine Zeelandia Private Limited	1,800.70	1,665.07	254.91	54.50
4	Sale of Services				
	Fine Zeelandia Private Limited	4.69	-	-	-
5	Sale of Components				
	Oleofine Organics SDN BHD	13.20	7.97	13.38	-
	Fine Zeelandia Private Limited	11.39	-	-	-
	Fine Organic Industries (Thailand) Co. Ltd.	143.39	254.04	-	123.01
6	Dividend paid				
	Late Prakash Damodar Kamat	-	400.76	-	-
	Prakash D. Kamat HUF	-	12.35	-	-
	Mukesh Maganlal Shah	158.76	158.76	-	-
	Jayshree Mukesh Shah	51.17	51.17	-	-
	Mukesh M. Shah HUF	-	12.65	-	-
	Ramesh M. Shah HUF	27.77	27.77	-	-
	Late Jyotsna Ramesh Shah	389.33	389.33	-	-
	Jayen Ramesh Shah	308.13	308.13	-	-
	Neeta Jayen Shah	59.39	59.39	-	-
	Shaili Nirav Doshi	11.06	11.06	-	-
	Manali Vishal Doshi	6.90	6.90	-	-
	Jayen R. Shah HUF	27.63	27.63	-	-

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2023 to March 2024	April 2022 to March 2023	As at March 31, 2024	As at March 31, 2023
	Tushar Ramesh Shah	332.93	332.93	-	-
	Bina Tushar Shah	51.69	51.69	-	-
	Rhea Tushar Shah	9.60	9.60	-	-
	Esha Tushar Shah	9.60	9.60	-	-
	Tushar R. Shah HUF	9.29	9.29	-	-
	Bimal Mukesh Shah	162.92	190.51	-	-
	Akruti Bimal Shah	40.25	-	-	-
	Nikhil Dattatraya Kamat **	-	-	-	-
	Neeta Rajeev Warty	0.45	0.38	-	-
	Nisha Umesh Rege **	-	-	-	-
7	Salary to Relatives				
	Manali Vishal Doshi	40.30	37.40	-	-
	Rhea Tushar Shah	13.50	7.26	-	-
	Suneet Nikhil Kamat	27.08	15.99	-	-
8	Export Commission				
	Oleofine Organics SDN BHD	1.68	-	1.67	-
9	Security Deposit - Rent (*)				
	Fine Organic Industries	-	-	15.41	17.50
	Olefine Organics	-	-	3.00	2.68
10	Rent Expenses				
	Fine Organics	4.74	4.50	-	-
	Fine Organic Industries	151.23	148.64	-	-
	Olefine Organics	68.69	66.32	-	-
	Smoothex Chemicals Pvt Ltd	4.74	4.50	-	-
	Prakash Damodar Kamat	-	2.10	-	-
	Late Jyotsna Ramesh Shah	34.14	49.92	-	-
	Jayshree Mukesh Shah	8.82	8.40	-	-
	Bina Tushar Shah	10.41	8.78	-	-
	Fine Zeelandia Private Limited	17.45	15.30	-	-
11	Professional Services				
	Universal Legal	2.48	-	-	-
12	Prepaid Rent Balance as at March 31, 2024 (*)				
	Fine Organic Industries	-	-	2.59	0.50
	Olefine Organics	-	-	-	0.32
13	Reimbursement of Expenses				
	Mukesh Maganlal Shah	0.24	0.27	-	0.05
	Jayen Ramesh Shah	-	0.62	-	-
	Manali Vishal Doshi	-	0.05	-	-
	Tushar Ramesh Shah	-	-	-	-
	Bimal Mukesh Shah	0.42	0.87	-	-
	Nikhil D. Kamat	-	0.22	-	-
	Suneet Nikhil Kamat	-	0.15	-	-



**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2023 to March 2024	April 2022 to March 2023	As at March 31, 2024	As at March 31, 2023
	Prakash Krishnaji Apte	1.85	1.05	-	-
14	Investments in equity instruments				
	Fine Zeelandia Private Limited	-	-	2,714.17	2,842.39
	FineADD Ingredients GmbH {refer to note no. 8.1}	-	-	-	-
	Fine Organic Industries (Thailand) Co. Ltd. (^)	-	996.34	897.03	1,032.76
15	Interest Income on Loan, advances and Security deposit (*)				
	Fine Organic Industries	0.71	-	-	0.50
	Olefine Organics	-	-	-	0.32

*Includes Ind AS adjustments

**Represents amounts less than Rs 1000

NOTE 45 OPERATING SEGMENT DISCLOSURE

The Group has identified its reportable segment as “Specialty chemicals” since the Chief Operating Decision Maker (CODM) evaluates the Group’s performance as a single segment in terms of Indian Accounting Standard 108 issued by Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian accounting Standards) Rule, 2015 as amended are indicated below

NOTE 45.1 DISCLOSURE FOR ASSETS OUTSIDE INDIA

The Group does not have any non current non financial assets outside India

NOTE 45.2 DISCLOSURE FOR MAJOR CUSTOMERS MORE THAN 10%

There are no transactions with single external customer which amounts to 10% or more of the Group’s revenue.

NOTE 45.3 GEOGRAPHIC INFORMATION

The geographic information analyses the Group’s revenue and non current assets by the Group’s country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non current assets.

The product offerings which are part of the speciality chemicals portfolio of the Group are managed on a worldwide basis from India.

The Group has disaggregated its revenue from contract with customers and trade receivables on a geographical basis as under:

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
- In India	91,237.45	94,849.36
- Outside India	1,21,017.14	2,07,431.83
Total Revenue from operations	2,12,254.59	3,02,281.19

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Trade Receivables		
- In India	9,904.13	9,331.25
- Outside India	21,514.46	25,944.28
Less : Expected Credit Loss on Trade Receivables	(287.38)	(210.92)
Total	31,131.21	35,064.61

NOTE 46 INTERNAL FINANCIAL CONTROL SYSTEM

The Group implements and manages efficient internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, by maintaining proper records and reports in a timely manner. This is supplemented by an extensive programme of internal audit, reviewed by the Management and relevant policies, guidelines and procedures. The internal control is designed to ensure the reliability of financial and other records for preparing precise financial statements, maintaining accountability of assets and more. The Management is committed to regularly reviewing and making relevant amendments to the internal control system, as and when required.

The Group's process framework provides well-documented standard operating procedures and authorities with adequate built-in controls. The internal control is further enhanced by an extensive programme of internal, external audits and periodic reviews by the Management.

The Group adopts and follows a risk mitigation strategy and reviews risk occurrence to find probable mitigation strategies. The Group's Risk Management Committee reviews risks and mitigation measures at regular intervals, and accordingly initiates corrective steps at times of need.

NOTE 47 DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013

(a) Investment Made in Joint Venture companies (At Amortised Cost)

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Fine Zeelandia Private Limited	2,714.17	2,842.39
FineADD Ingredients GmbH {refer to note no. 8.1}	-	-
Fine Organic Industries (Thailand) Co., Limited	897.03	1,032.76



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 48 OPERATING LEASE COMMITMENTS - GROUP AS LESSEE

The Group's significant leasing arrangements are in respect of operating leases for building premises (offices, plant, godowns etc.). These leasing arrangements are non-cancellable in nature, and are usually renewable by mutual consent on mutually agreeable terms.

(₹ in lakhs)

Particulars	As At	As At
	March 31, 2024	March 31, 2023
Lease payment recognised in the statement of profit and loss	45.21	41.10
Minimum lease payments under non cancellable operating leases payable		
Not later than 1 year	45.72	43.55
Later than 1 year but not less than 5 years	183.49	174.19
Later than 5 years	3,323.47	3,247.87
Total future minimum lease payment	3,552.68	3,465.61

NOTE 49 FAIR VALUES

(₹ in lakhs)

Particulars	Carrying Value		Fair Value	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
FINANCIAL ASSETS				
A] Financial assets at fair value through statement of profit & loss	-	-	-	-
B] Financial assets at fair value through OCI				
Non Current Financial Assets: Investments	4.88	4.68	4.88	4.68
C] Financial assets at amortised cost				
Non Current Financial Assets : Investments	3,611.20	3,875.15	3,611.20	3,875.15
Non Current Financial Assets : Loans	121.28	90.86	121.28	90.86
Non Current Financial Assets : Others	1,239.41	757.29	1,239.41	757.29
Current Financial Assets : Trade Receivables	31,131.21	35,064.61	31,131.21	35,064.61
Current Financial Assets : Cash and Cash Equivalents	69,505.34	51,482.26	69,505.34	51,482.26
Current Financial Assets : Bank Balances	35,346.11	815.43	35,346.11	815.43
Current Financial Assets : Loans	65.29	107.91	65.29	107.91
Current Financial Assets : Others	73.73	277.54	73.73	277.54
FINANCIAL LIABILITIES				
A] Financial liabilities at fair value through statement of profit & loss	-	-	-	-
B] Financial liabilities at amortised cost:				
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	-	2,720.41	-	2,720.41
Non Current Financial Liabilities : Lease Liability	246.96	81.57	246.96	81.57

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	Carrying Value		Fair Value	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
Non Current Financial Liabilities : Others	-	-	-	-
Current Financial Liabilities : Lease Liability	176.22	50.50	176.22	50.50
Current Financial Liabilities : Trade Payables	13,540.94	17,583.18	13,540.94	17,583.18
Current Financial Liabilities : Others	264.00	320.86	264.00	320.86

In all cases, the management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

NOTE 50 FAIR VALUES HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Note 50.1 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2024 :

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
FINANCIAL ASSETS					
A] Financial assets at fair value through statement of profit & loss		-	-	-	-
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	March 31, 2023 {Refer Note No. 52.3}	4.88	-	4.88	-
C] Financial assets at amortised cost					
Non Current Financial Assets : Investments	March 31, 2024	3,611.20	-	-	3,611.20
Non Current Financial Assets : Loans	March 31, 2024	121.28	-	-	121.28
Non Current Financial Assets : Others	March 31, 2024	1,239.41	-	-	1,239.41
Current Financial Assets : Trade Receivables	March 31, 2024	31,131.21	-	-	31,131.21
Current Financial Assets : Cash and Cash Equivalents	March 31, 2024	69,505.34	-	-	69,505.34
Current Financial Assets : Bank Balances	March 31, 2024	35,346.11	-	-	35,346.11
Current Financial Assets : Loans	March 31, 2024	65.29	-	-	65.29
Current Financial Assets : Others	March 31, 2024	73.73	-	-	73.73
FINANCIAL LIABILITIES					
A] Financial liabilities at fair value through statement of profit & loss		-	-	-	-
B] Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2024	-	-	-	-
Non Current Financial Liabilities : Lease Liability	March 31, 2024	246.96	-	-	246.96
Non Current Financial Liabilities : Others	March 31, 2024	-	-	-	-
Current Financial Liabilities : Lease Liability	March 31, 2024	176.22	-	-	176.22



**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
Current Financial Liabilities : Trade Payables	March 31, 2024	13,540.94	-	-	13,540.94
Current Financial Liabilities : Others	March 31, 2024	264.00	-	-	264.00

In all cases, the management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

Note 50.2 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2023 :

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
FINANCIAL ASSETS					
A] Financial assets at fair value through statement of profit & loss		-	-	-	-
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	March 31, 2022 {Refer Note No. 52.3}	4.68	-	4.68	-
C] Financial assets at amortised cost					
Non Current Financial Assets : Investments	March 31, 2023	3,875.15	-	-	3,875.15
Non Current Financial Assets : Loans	March 31, 2023	90.86	-	-	90.86
Non Current Financial Assets : Others	March 31, 2023	757.29	-	-	757.29
Current Financial Assets : Trade Receivables	March 31, 2023	35,064.61	-	-	35,064.61
Current Financial Assets : Cash and Cash Equivalents	March 31, 2023	51,482.26	-	-	51,482.26
Current Financial Assets : Bank Balances	March 31, 2023	815.43	-	-	815.43
Current Financial Assets : Loans	March 31, 2023	107.91	-	-	107.91
Current Financial Assets : Others	March 31, 2023	277.54	-	-	277.54
FINANCIAL LIABILITIES					
A] Financial liabilities at fair value through statement of profit & loss		-	-	-	-
B] Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2023	2,720.41	-	-	2,720.41
Non Current Financial Liabilities : Lease Liability	March 31, 2023	81.57	-	-	81.57
Non Current Financial Liabilities : Others	March 31, 2023	-	-	-	-
Current Financial Liabilities : Lease Liability	March 31, 2023	50.50	-	-	50.50
Current Financial Liabilities : Trade Payables	March 31, 2023	17,583.18	-	-	17,583.18
Current Financial Liabilities : Others	March 31, 2023	320.86	-	-	320.86

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

Note 50.3 - Quantitative disclosures & Valuation Technique

Particulars	Valuation Technique
FINANCIAL ASSETS	
A] Financial assets at fair value through statement of profit & loss	Not Applicable
B] Financial assets at fair value through OCI	
Non Current Financial Assets: Investments	Level - 2: The fair value is determined as on the reporting date based on value per share derived from net worth of the Group as per the latest available annual report, since there is no other publically available market based information for similar entities.
C] Financial assets at amortised cost	
Non Current Financial Assets : Investments	
Non Current Financial Assets : Loans	
Non Current Financial Assets : Others	
Current Financial Assets : Trade Receivables	Level - 3: The fair value is determined as on the reporting date based on amortised cost method by considering the discount rates based on yields of comparable investments or the transaction values where these are short term in nature.
Current Financial Assets : Cash and Cash Equivalents	
Current Financial Assets : Bank Balances	
Current Financial Assets : Loans	
Current Financial Assets : Others	
FINANCIAL LIABILITIES	
A] Financial liabilities at fair value through statement of profit & loss	Not Applicable
B] Financial liabilities at amortised cost:	
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	Level - 3: The fair value is determined as on the reporting date based amortised cost method.
Non Current Financial Liabilities : Lease Liability	
Non Current Financial Liabilities : Others	
Current Financial Liabilities : Lease Liability	
Current Financial Liabilities : Trade Payables	
Current Financial Liabilities : Others	



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 51 CAPITAL MANAGEMENT

For the purposes of the Group's capital management, capital includes issued equity share capital, all other reserves and borrowed capital less reported cash and cash equivalents.

The primary objective of the Group's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value.

The Group's policy is to borrow primarily through banks to maintain sufficient liquidity. The Group also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Group.

The Group monitors capital on the basis of cost of capital. The Group is not subject to any externally imposed capital requirements.

The following table summaries the capital of the Group:

Particulars	(₹ in lakhs)	
	As At March 31, 2024	As At March 31, 2023
Long Term Borrowing (including current maturities of long term borrowings)	-	2,720.41
Less: Cash and cash equivalents	69,505.34	57,075.59
TOTAL BORROWING (NET)	(69,505.34)	(54,355.18)
Equity Share Capital	1,533.00	1,533.00
Other Equity	1,90,571.91	1,52,591.89
TOTAL EQUITY	1,92,104.91	1,54,124.89
Gearing ratio (Net Debt/ Total Equity)	(0.36)	(0.35)

No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

NOTE 52 FINANCIAL RISK MANAGEMENT FRAMEWORK

A] Financial Risk Management

The Group monitors capital on the basis of cost of capital. The Group is not subject to any externally imposed capital requirements.

1) Market Risk

Market Risks arise due to Changes in Interest rates, Foreign Exchange rates and changes in Market prices.

(i) Interest Rate Risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's exposure to the risk of changes in market rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's policy is generally to undertake long-term borrowings using facilities that carry floating-interest rate. The Group manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Moreover, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure.

Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

As the Group does not have exposure to any floating-interest bearing assets its interest income and related cash inflows are not materially affected by changes in market interest rates.

As at the end of reporting period, the Group had following long term variable interest rate borrowings and derivatives to hedge the interest rate risk as follows:

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Notional value of liability	-	2,720.41
Less: Interest Rate Swap on above Liability	-	(2,720.41)
Net exposure	-	-

Disclosure of Effects of Interest Rate Swaps Hedge accounting on Financial Position as at March 31, 2024

(₹ in lakhs)

Particulars	Nominal value of liability	Carrying amount of hedging instrument	Maturity date	Hedge ratio
Interest Rate Risk				
- Interest Rate Swaps	-	-	December 2023	1:1

Disclosure for gain / (loss) recognised in cashflow hedging reserve and recycled during the year

For FY 2023-24

(₹ in lakhs)

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	(22.44)	-	-	22.44	22.44	-

For FY 2022-23

(₹ in lakhs)

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	86.61	-	-	(109.05)	(109.05)	(22.44)

Interest rate sensitivity

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

(ii) Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group enters into forward exchange contracts to hedge its foreign currency exposures in USD and Euro.

a) Exposure in foreign currency - Hedged

The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any Derivative Instruments for trading and Speculation purposes.

The Forward Exchange Contracts used for hedging foreign exchange currency exposure and outstanding as at reporting date are as under:

(₹ in lakhs)

Particulars	As At March 31, 2024			As At March 31, 2023		
	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent
Forward Contract to Sell	67	\$157.50	13,131.39	57	\$180.34	15,006.74
Forward Contract to Purchase	11	\$26.00	2,167.72	11	\$29.21	477.50
Forward Contract to Sell	32	€ 74.00	6,676.12	53	€ 110.00	9,948.87

b) The unhedged exposures as at the end of the reporting date are as follows

(₹ in lakhs)

Particulars	As At March 31, 2024		As At March 31, 2023	
	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
Financial Assets				
Trade Receivables	4,269.58	\$51.21	6,684.96	\$82.31
Trade Receivables	-	€ -	-	€ -
Financial Liabilities				
Trade Payables	-	\$-	448.32	\$5.52
Trade Payables	120.89	€ 1.34	86.92	€ 0.97
Trade Payables	1.04	€ 0.01	-	€ 0.00
Long term Borrowings	-	\$0.00	1,103.74	€ 13.59
Net Exposure - USD	4,269.58	\$51.21	5,132.90	\$63.20
Net Exposure - EUR	(120.89)	(€ 1.34)	(86.92)	(€ 0.97)
Net Exposure - GBP	(1.04)	(£ 0.01)	0.00	£ 0.00

In case of change in the currencies by 1%, the change in the profit would be as under :

(₹ in lakhs)

Particulars	As At March 31, 2024				As At March 31, 2023			
	Change	USD \$	EURO €	GBP £	Change	USD \$	EURO €	GBP £
1% Depreciation in ₹	1%	42.70	(1.21)	(0.01)	1%	51.33	(0.87)	-
1% Appreciation in ₹	1%	(42.70)	1.21	0.01	1%	(51.33)	0.87	-

Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

(iii) Market Price Risks

The Group is exposed to the price risk associated with purchasing of the raw materials. The Group typically does not enter into formal long-term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the Group's business and results of operations. To mitigate this the Group has a risk management strategy in place wherein the senior management reviews the supply chain scenarios, commodity prices and supplier contracts periodically to avoid material impact on profitability of the Group.

2) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares and Balances with Banks.

The Group holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits (generally between 30 to 90 days) and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended March 31, 2024 is 3.46% (P.Y. 0.58%) of the total trade receivables. The Group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

3) Liquidity Risk

The Group manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Group has obtained fund based borrowings from banks. The Group invests its surplus funds in bank fixed deposit which carry low credit risks.

All payments are made on due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Group has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

Maturity Profile of Financial Liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

As At March 31, 2024

Particulars	(₹ in lakhs)				
	Balance As At March 31, 2024	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings (including Current maturity on Long Term Borrowings)	-	-	-	-	-
Lease Liability	423.18	176.22	246.96	-	-
Trade Payable	13,540.94	13,540.94	-	-	-
Deposits from customer	261.33	261.33	-	-	-
Dividend Payable	2.67	2.67	-	-	-



Notes Forming an integral Part of Consolidated Financial Statements For the Year Ended March 31, 2024 (Contd.)

NOTE 53 EXCEPTIONAL ITEM

- (i) On January 18, 2024 early morning, a fire incident occurred in a plant adjacent to the small manufacturing plant at Plot No. W-124-A, Khervai MIDC, Badlapur (E) – 421503, Maharashtra. The fire was spread to our above-mentioned plant and its operations were impacted. The fire was successfully contained within a minimal timeframe, but operations of the said plant are temporarily disrupted. Fortunately, there has been no loss to human life at our plant. This incident led to damage of Property, Plant & Equipment and inventories.

There is adequate insurance coverage for the said plant. The intimation to Insurance Company has already been made on same day and necessary surveys has been done. The primary assessment of loss for book value of assets is ₹ 56.32 Lakhs, which is disclosed as an exceptional item in profit & loss account. The Holding Company is in process of lodging final claim and has received ₹ 30 Lakhs as on account payment.

NOTE 54 OTHER INFORMATION

- (i) As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The interpretation and guidance on what level edit log and audit trail needs to be maintained; evolved during the year and continues to evolve.

The Group uses an accounting software for maintaining its books of account which has an inbuilt feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software except for audit trail feature is not enabled at the database level to log any direct or indirect data changes. However, the Group has process and proper mechanism to ensure that any direct access to the data base is granted only through approved person by management of the group.

In case of One Subsidiary which is incorporated in India, it has not used an accounting software for maintaining books of accounts during the period since the company has opted for customise accounting software namely “Oracle” to be designed and developed according to the requirements of the Company’s nature of business. Accordingly, reporting for whether the Company has used an accounting Software which has a feature of recording Audit Trail (Edit Log Facility) as prescribed in Rule 11(g) of the Companies (Audit and Auditors Rules) 2014 (as amended) is not applicable for the period from October 10th, 2023 to March 31st, 2024.

Further no instance of audit trail feature being tampered with was noted in respect of the accounting software. The Group is committed to preserve the audit trail as per the statutory requirements for record retention.

NOTE 55 OTHER STATUTORY INFORMATION

Interest in other Entities

The Group has invested in following Joint ventures and are consolidated as per equity method of accounting. These entities are in nature of closely held entities and are not listed on equity public exchange. The following table illustrates the summarised financial information of the Group’s investment in joint ventures.

(₹ in lakhs)

Particulars	Percentage of Ownership	
	As At March 31, 2024	As At March 31, 2023
Fine Zeelandia Private Limited (Incorporated in India)	50%	50%
FineADD Ingredients GmbH (Incorporated in Germany) {refer note 8.1}	0%	50%
Fine Organic Industries (Thailand) Co. Limited (Incorporated in Thailand)	45%	45%

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

Note 55.1 - Summarised Financial Position of the Group's Investment in Joint Venture - Fine Zealandia Private Limited

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Non current assets (A)	4,276.94	4,655.83
Current assets (B)	1,939.52	2,093.45
Total assets (A+B)	6,216.46	6,749.28
Non current liabilities (C)	59.42	-
Current liabilities (D)	644.86	1,000.39
Total liabilities (C+D)	704.28	1,000.39
Total equity (net assets) [(A+B)-(C+D)]	5,512.18	5,748.89

Note 55.2 - Summarised Financial Position of the Group's Investment in Joint Venture - FineADD Ingredients GmbH

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
	-	-
Current assets (B)	-	36,378.52
Total assets (A+B)	-	36,378.52
Non current liabilities (C)	-	-
Current liabilities (D)	-	36,378.52
Total liabilities (C+D)	-	36,378.52
Total equity (net assets) [(A+B)-(C+D)]	-	-

Note 55.3 - Summarised Financial Position of the Group's Investment in Joint Venture - Fine Organic Industries (Thailand) Co. Limited

(₹ in lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Non current assets (A)	1,915.82	1,381.47
Current assets (B)	123.17	1,075.95
Total assets (A+B)	2,038.99	2,457.42
Non current liabilities (C)	-	-
Current liabilities (D)	77.44	86.96
Total liabilities (C+D)	77.44	86.96
Total equity (net assets) [(A+B)-(C+D)]	1,961.55	2,370.46



**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

**NOTE 56 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 FOR
COMPANY PREPARING CONSOLIDATED FINANCIAL STATEMENTS:**

For March 31, 2024

(₹ in lakhs)

Sr. No	Name of the entity	Net Assets i.e Total Assets (minus) Total Liabilities		Share in Profit or Loss		Share in other Comprehensive Income		SHARE IN TOTAL COMPREHENSIVE INCOME	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other comprehensive Income	Amount
A	Parent								
A.1	Fine Organic Industries Limited	96.88%	186,128.90	89.23%	36,755.15	100.00%	(80.05)	89.21%	36,675.10
B	Subsidiaries- Foreign								
B.1	Fine Organics (USA) Inc	3.43%	6,593.61	3.94%	1,623.39	-	-	3.95%	1,623.39
B.2	Fine Organics Europe BV	2.96%	5,684.65	(1.21%)	(497.12)	-	-	(1.21%)	(497.12)
B.3	Fine Organic Industries (SEZ) Pvt Ltd	-	-	(0.14%)	(57.05)	-	-	(0.14%)	(57.05)
C	Joint Ventures (Investment as per equity method)								
C.1	Fine Zeelandia Private Limited	(0.68%)	(1,314.26)	(0.31%)	(128.22)	-	-	(0.31%)	(128.22)
C.2	Fine Organic Industries (Thailand) Co., Ltd	(0.08%)	(153.31)	(0.33%)	(135.72)	-	-	(0.33%)	(135.72)
C.3	FineADD Ingredients GmbH	-	-	-	-	-	-	-	-
D	Adjustments arising out of consolidation	(2.50%)	(4,811.30)	8.81%	3,628.98	-	-	8.83%	3,628.98
	Total	100.00%	192,104.91	100.00%	41,189.41	100.00%	(80.05)	100.00%	41,109.36

For March 31, 2023

(₹ in lakhs)

Sr. No	Name of the entity	Net Assets i.e Total Assets (minus) Total Liabilities		Share in Profit or Loss		Share in other Comprehensive Income		SHARE IN TOTAL COMPREHENSIVE INCOME	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other comprehensive Income	Amount
A	Parent								
1	Fine Organic Industries Limited	98.76%	152,213.20	95.55%	59,059.89	100.00%	63.11	95.55%	59,123.00
B	Subsidiaries- Foreign								
1	Fine Organics (USA) Inc	3.40%	5,240.49	7.78%	4,807.13	-	-	7.77%	4,807.13
2	Fine Organics Europe BV	4.08%	6,281.40	6.56%	4,055.42	-	-	6.55%	4,055.42

**Notes Forming an integral Part of Consolidated Financial Statements
For the Year Ended March 31, 2024 (Contd.)**

(₹ in lakhs)

Sr. No	Name of the entity	Net Assets i.e Total Assets (minus) Total Liabilities		Share in Profit or Loss		Share in other Comprehensive Income		SHARE IN TOTAL COMPREHENSIVE INCOME	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other comprehensive Income	Amount
C	Joint Ventures (Investment as per equity method)								
C.1	Fine Zeelandia Private Limited	(0.77%)	(1,186.04)	(0.26%)	(160.58)	-	-	(0.26%)	(160.58)
C.2	Fine Organic Industries (Thailand) Co., Ltd	(0.01%)	(17.58)	(0.03%)	(16.85)	-	-	(0.03%)	(16.85)
C.3	FineADD Ingredients GmbH	-	-	-	-	-	-	-	-
D	Adjustments arising out of consolidation	(5.45%)	(8,406.56)	(9.60%)	(5,934.77)	-	-	(9.59%)	(5,934.77)
	Total	100.00%	154,124.91	100.00%	61,810.24	100.00%	63.11	100.00%	61,873.35



FINE ORGANICS

FINE ORGANIC INDUSTRIES LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty-Second Annual General Meeting (“AGM”) of the Members of Fine Organic Industries Limited will be held on Wednesday, August 21, 2024, at 11:00 a.m. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, along with the Report of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, along with the Report of Auditors thereon.
3. To declare a Final Dividend of ₹ 10/- per equity share of face value of ₹ 5/- each for the financial year ended March 31, 2024.
4. To appoint a Director in place of Mr. Tushar Shah (DIN: 00107144), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. **Ratification of Remuneration to Cost Auditors for FY 2024-25.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies

(Audit and Auditors) Rules, 2014 including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force, the remuneration payable to M/s. Y. R. Doshi & Associates, Cost Accountants, having Firm Registration Number 000286, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending March 31, 2025, amounting to ₹ 3,50,000/- (Rupees Three Lakh Fifty Thousand only) plus Goods and Service Tax as applicable and reimbursement of actual out of pocket expenses, be and is hereby ratified.”

**By Order of the Board of Directors
For Fine Organic Industries Limited**

Pooja Lohor
Company Secretary and Compliance Officer
Membership No: A28397

Mumbai: May 10, 2024

**Registered Office:
FINE ORGANIC INDUSTRIES LIMITED**

CIN: L24119MH2002PLC136003
Fine House, Anandji Street,
Off M.G. Road, Ghatkopar East,
Mumbai - 400 077, Maharashtra, India
Tel: +91-22-21025000, Fax: +91-22-21028899
E-mail: investors@fineorganics.com
Website: www.fineorganics.com

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Notes:

1. The Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 09/2023 dated September 25, 2023 read with General Circular Nos. 14/2020, 17/2020, 20/2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM without physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 read with para 5.1 and 5.2 of section VI-J of chapter VI of the SEBI Master Circular dated July 11, 2023 (collectively referred to as 'SEBI Circulars') has also granted relaxation from compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have permitted the holding of AGM through VC/OAVM without physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and the MCA Circulars, the 22nd AGM of the Company is being held through VC/OAVM.
2. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy by the Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In accordance with the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on the applicability of Secretarial Standards - 1 and 2 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc. authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote either through remote e-voting or during AGM together with attested specimen signature(s) of the duly authorised representative(s). The said Resolution / Authorisation shall be sent electronically through registered email address to the Scrutiniser at co.secretaries@gmail.com with a copy marked to evoting@kfintech.com.
5. Participation of Members through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
6. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
7. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/KFin Technologies Limited / Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.fineorganics.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Limited (KFinTech) at <https://evoting.kfintech.com>.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 14, 2024, to Wednesday, August 21, 2024, (both days inclusive) for the purpose of determining the members who shall be entitled to receive the dividend for the financial year 2023-24. The final dividend for the financial year 2023-24, if declared at the AGM, will be paid on and from 6th day from the conclusion of AGM to those members, whose names appear in the Register of Members and Register of Beneficial Owners maintained by NSDL and CDSL in accordance with the book closure schedule.
9. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change



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of address, change of name, e-mail address, contact numbers, PAN etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company records which will help the Company and the Company's Registrar and Transfer Agent, KFintech to provide efficient and better services.

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has made it mandatory for shareholders holding shares in physical form to furnish PAN, KYC (i.e., postal address with pin code, email address, mobile number, bank account details, specimen signature, Demat account details) and their nominee details to the KFintech. Further details and relevant forms to update the above-mentioned are available on the Company's website at <https://www.fineorganics.com/investor-kyc-updation/>

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the weblink at <https://www.fineorganics.com/investor-kyc-updation/>

- 10.** As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members are requested to hold the shares in dematerialised form.
- 11.** As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their Depository Participant (DP) in case the shares are held in electronic form and to KFintech in case the shares are held in physical form.
- 12.** Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.
- 13.** In case the Company is unable to pay the dividend to any Member directly in their bank account through the electronic mode, due to non-availability of their latest bank account details, the Company shall dispatch the dividend warrant/demand draft to such Members.
- 14.** Pursuant to Section 101 and Section 136 of the Act read with the relevant Rules made thereunder, to support the 'Green Initiative' announced by the Government of India; read with applicable circulars, the Company is sending the Annual Report, Notice of the AGM and e-voting instructions only in electronic form to the registered email addresses of the Members. Therefore, those Members who have not yet registered their email addresses or who have become Members post sending this Notice of AGM are requested to get their email addresses registered by following the procedure given below:
 - i. Those Members who have not registered their email address, mobile numbers, address and bank details (including any changes thereof) may please contact and validate/update their details with their respective Depository Participant(s) for shares held in electronic form.
 - ii. Member may send an email request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy for electronic folios for sending the Annual report, Notice of AGM and the e-voting instructions by email.
 - iii. Members only desiring to download the Annual Report and Notice of the AGM, may visit the website of the Company www.fineorganics.com or the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com respectively, or the website of the RTA viz. <https://evoting.kfintech.com/> for the same.

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15. Pursuant to Finance Act, 2020, dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source from dividend paid to the Members at the prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to the Finance Act, 2020 and amendments thereof. The Members are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual Member if the total dividend to be received during FY 2024-25 does not exceed ₹ 5,000/-. The withholding tax rate (TDS rate) would vary depending on the residential status of the Member and the documents submitted by them and accepted by the Company.

A Resident individual Member with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to investors@fineorganics.com latest by 11:59 p.m. (IST) on August 13, 2024.

Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

In respect of resident Members, the TDS rate is subject to section 206AB of the Income-tax Act (effective from July 01, 2021) which specifies higher rate of TDS for specified persons who have not furnished their PAN / Not filed ITR for preceding two years. In such cases tax has to be deducted at higher of the following rates in case of payments to the specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

In cases where Sections 206AA and 206AB are applicable i.e. the Member has not submitted the PAN as well as not filed the return; tax will be deducted at higher of the two rates prescribed in these sections.

Non-resident Members can avail beneficial rates under tax treaty between India and their country of

residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investors@fineorganics.com. The aforesaid declarations and documents need to be submitted by the Members latest by 11:59 p.m. (IST) on August 13, 2024.

16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the Members from the date of circulation of this Notice upto the date of AGM i.e. August 21, 2024. Members seeking to inspect such documents can send an email to investors@fineorganics.com

17. Voting through electronic means

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with, Rule 20 of Companies (Management and Administration) Rules, 2014 (amended from time to time) and sub-regulation (1) & (2) of Regulation 44 of Listing Regulations, the Company is pleased to provide Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 22nd AGM by electronic means and has engaged the services of Kfintech to provide the facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') as well as e-voting at the AGM through VC/OAVM ('e-voting at the AGM').

Remote E-voting: The remote e-voting period commences on Friday, August 16, 2024 from 9:00 a.m. and ends on Tuesday, August 20, 2024 at 5:00 p.m. During this period, the Members of the Company holding shares in physical form or in dematerialised form, as on the cut-off date, being Wednesday, August 14, 2024, may cast their vote by electronic means in the manner and process set out herein below. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.



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The instructions and other information relating to remote e-voting are as under:

I. Login method for e-Voting: Applicable only for Individual Members holding securities in Demat

As per the SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with their respective Depositories and Depository Participants as detailed below. Members are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Option 1 – Login through Depositories

NSDL	CDSL
<p>1. Members who have already registered and opted for IDEAS facility to follow below steps:</p> <p>i) Go to URL: https://eservices.nsdl.com</p> <p>ii) Click on the “Beneficial Owner” icon under ‘IDEAS’ section.</p> <p>iii) On the new page, enter the existing User ID and Password. Post successful authentication, click on “Access to e-Voting”</p> <p>iv) Click on the Company name or e-Voting service provider and you will be re-directed to e-Voting service provider website (i.e. KFintech) for casting the vote during the remote e-Voting period.</p>	<p>1. Members who have already registered and opted for Easi / Easiest to follow below steps:</p> <p>i) Go to URL: https://web.cdslindia.com/myeasitoken/home/login or URL: www.cdslindia.com and then go to Login and select New System Myeasi.</p> <p>ii) Login with user id and password.</p> <p>iii) The option will be made available to reach e-Voting page without any further authentication.</p> <p>iv) Click on Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.</p>
<p>2. User not registered for IDEAS e-Services</p> <p>i) To register click on the link: https://eservices.nsdl.com (Select “Register Online for IDEAS”); or https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>ii) Proceed with completing the required fields.</p>	<p>2. User not registered for Easi/Easiest</p> <p>i) Option to register is available at: https://web.cdslindia.com/myeasitoken/home/login</p> <p>ii) Proceed with completing the required fields.</p>
<p>3. First-time users can visit the e-Voting website directly and follow the process below:</p> <p>i) Go to URL: https://www.evoting.nsdl.com/</p> <p>ii) Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>iii) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>iv) Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>v) Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website (i.e. KFintech) for casting your vote during the remote e-Voting period.</p>	<p>3. First-time users can visit the e-Voting website directly and follow the process below:</p> <p>i) Go to URL: www.cdslindia.com</p> <p>ii) Click on the icon “E-Voting”</p> <p>iii) Provide demat Account Number and PAN No.</p> <p>iv) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress.</p> <p>vi) Click on the Company name and you will be redirected to e-Voting service provider website (i.e. KFintech) for casting your vote during the remote e-Voting period.</p>
<p>4. Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for a seamless voting experience</p> <p>NSDL Mobile App is available on</p> <p> </p> <p> </p>	

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Option 2 - Login through Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website of KFintech for casting your vote during the remote e-Voting period.

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the abovementioned website. For any technical issues, Members may contact as below:

NSDL	CDSL
NSDL helpdesk by email to: evoting@nsdl.co.in or call at toll-free no.: 1800 1020 990 or 1800 22 44 30 or call at 022 – 48867000 and 022-24997000	CDSL helpdesk by email to: helpdesk.evoting@cdslindia.com or call at toll-free no 1800225533 or call at 022- 23058738, 23058542-43

I. Login method for e-Voting: Applicable only for Members holding shares in physical form and for Non-Individual Members (holding shares either in physical or demat):

A. Members whose email IDs are registered with the Company / Depository Participant(s):

- (i) Launch internet browser by typing the URL: <https://evoting.kfintech.com/>.
- (ii) Members whose email IDs are registered with the Company/ Depository Participants, will receive an email from KFintech which will include details of E-Voting Event Number (EVEN) i.e., 8171, USER ID and password. Members are requested to use these credentials at the Remote Voting Login at the abovementioned URL.
- (iii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.

- (iv) After entering these details appropriately, click on “LOGIN”.
- (v) You will now reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.) The system will prompt you to change your password and update your contact details like mobile number, email id etc., on first login. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (vi) You need to login again with the new credentials.
- (vii) On successful login, the system will prompt you to select the “EVENT” i.e., Fine Organic Industries Limited.

B. Members whose Email IDs are not registered with the Company / DPs and consequently have not received the Notice of the AGM and e-voting instructions will have to follow the following process:

- i. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to Registrar & Transfer Agent i.e. einward.ris@kfintech.com.
- ii. Members may send an e-mail request at einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested copy of PAN and copy of Client Master for sending the Notice of the AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all the steps mentioned below to cast your vote by electronic means.

Once the Members have logged in by using either of Option 1 or Option 2, as applicable, they are required to follow the instructions given below:

- (i) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under “FOR/AGAINST” or alternatively,



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you may partially enter any number “FOR” and partially “AGAINST” but the total number in “FOR/ AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST”, it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

- (ii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
 - (iii) Voting has to be done for each resolution of the Notice of the AGM separately. In case you do not desire to cast your vote on any specific resolution it will be treated as abstained.
 - (iv) You may then cast your vote by selecting an appropriate option and click on “Submit”.
 - (v) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on all the resolutions by clicking “SUBMIT”.
- I. Voting at the AGM: Those Members who are present in the Meeting through VC / OAVM and have not cast their vote on resolutions through remote e-voting, can vote through e-voting at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.
 - II. A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- Other Instructions:**
- a. Members holding shares either in physical form or in dematerialised form, as on the close of business hours on Wednesday, August 14, 2024, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company. as on the cut-off date.
 - b. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as on Wednesday, August 14, 2024, may obtain the login ID and password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to +91 9212993399
 1. Example for NSDL:
MYEPWD <SPACE> IN12345612345678
 2. Example for CDSL:
MYEPWD <SPACE> 1402345612345678
 3. Example for Physical:
MYEPWD <SPACE> XXXX1234567890
(XXXX being E-Voting Event Number)
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. In case of any queries, you may refer Help or ‘FAQs’ and ‘User Manual’ for Members available at the ‘Download’ section on the website (bottom corner) of Kfintech at <https://evoting.kfintech.com/> or call Kfintech on Toll-Free No. 1-800-3094-001. Member may send an e-mail request to einward.ris@kfintech.com However, Kfintech shall endeavour to send User ID and Password to those new Members whose e-mail IDs are available.
 - c. The Board of Directors has appointed M/s. K s & Associates, Practicing Company Secretaries (C. P. No.5163) as a Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
 - d. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon 3 unsuccessful attempts to key in the correct password. In such an event, you will need to go

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through the 'Forgot User Details/Password' option available on <https://evoting.kfintech.com> to reset the password.

- e. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make within two working days from the conclusion of AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- f. The Results declared along with the Scrutiniser's Report(s) will be available on the website of the Company www.fineorganics.com and on e-voting at <https://evoting.kfintech.com> and will be communicated to the BSE Ltd. and the National Stock Exchange of India Limited within two working days from the conclusion of the AGM.

18. Instructions for Members attending the AGM through VC/OAVM and E-voting at the AGM

- a. Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com/> by clicking on the tab 'video conference' and using their e-voting login credentials provided in the email received from the Company / KFintech. After logging in, click on the Video Conference tab and select the EVENT and name of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the Members who have not registered their e-mail address or do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice.
- b. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such scheduled time.
- c. The e-Voting window shall be activated upon instructions of the Chairman during the AGM proceedings. Upon the declaration by the Chairperson about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the

'Instapoll' page. Members would need to click on the "Instapoll" icon and follow the instructions to vote on the resolutions. Only those shareholders, who are present in the AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

- d. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Microsoft Edge, Mozilla Firefox 22.
- e. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- f. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by visiting <https://emeetings.kfintech.com> and clicking on the tab 'Speaker Registration' and mentioning their registered email id, mobile number and city during the period starting from Friday, August 16, 2024, (from 9:00 a.m.) to Monday, August 19, 2024 (up to 5:00 p.m.) Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- g. Post your Question: Members may who may want to express their views or post questions with regard to the accounts or any matter to be placed at the AGM, may do so by visiting <https://emeetings.kfintech.com> On successful login select "Post Your Question" option to post their queries in the window provided. The window shall remain active from Friday, August 16, 2024, at 9:00 a.m. up to Monday, August 19, 2024, at 5:00 p.m. The members may alternatively express their views or post questions on investors@fineorganics.com within the aforesaid time period.



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- h. A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL: <https://cruat04.kfintech.com/emeetings/video/howitworks.aspx>
- i. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1-800-309-4001 or write to them at einward.ris@kfintech.com

Summarised information at glance:

Particulars	Details
Time and Date of AGM	Wednesday, August 21, 2024 at 11:00 a.m. (IST)
Venue/Mode	Through video conference at below link: https://emeetings.kfintech.com/
Book closure dates	Wednesday, August 14, 2024 to Wednesday, August 21, 2024 (both days inclusive)
Final dividend recommended for FY 2023-24	₹ 10/- per equity share
Cut-off date for e-voting	Wednesday, August 14, 2024
E-voting Start time and date	Friday, August 16, 2024 at 9:00 a.m.
E-voting end time and date	Tuesday, August 20, 2024 at 5:00 p.m.
E-voting website links (Please use as applicable to you)	https://evoting.kfintech.com https://eservices.nsdl.com https://web.cdslindia.com/myeasitoken/home/login
E-voting Event Number (EVEN)	8171
Contact details of RTA	Mr. Umesh Pandey, Senior Manager KFin Technologies Limited Selenium Building, Tower B, Plot 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India Email ids : einward.ris@kfintech.com ; umesh.pandey@kfintech.com Website: https://www.kfintech.com Toll free number 1-800-309-4001.

**By Order of the Board of Directors
For Fine Organic Industries Limited**

Pooja Lohor
Company Secretary and Compliance Officer
Membership No: A28397

Mumbai: May 10, 2024

Registered Office:
FINE ORGANIC INDUSTRIES LIMITED
CIN: L24119MH2002PLC136003
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NOTICE OF ANNUAL GENERAL MEETING (Contd.)

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5

Pursuant to the provisions of Section 148 of the Act, the Company is required to conduct the audit of its cost records by a Cost Accountant in Practice. Upon the recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment and remuneration of M/s. Y. R. Doshi & Associates, Cost Accountants as the Cost Auditors of the Company to conduct audit of cost records of the Company for the FY 2024-25, at a remuneration of ₹ 3,50,000/- (Rupees Three Lakhs Fifty Thousand only) plus Goods and Service Tax as applicable and reimbursement of actual out-of-pocket expenses incurred.

Considering the scope of audit, time and resources required to be deployed by the cost auditors, in the opinion of the Directors, the proposed remuneration payable would be fair and reasonable and do not in any way impair the independence & judgement of the Cost Auditors.

In accordance with the provisions of Section 148(3) of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the FY 2024-25.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the Resolution mentioned at Item No. 5 of the Notice.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 5 of the Notice for the approval of the Members.



NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Disclosures Relating to Directors Pursuant To Regulation 36(3) Of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, And Secretarial Standards on General Meetings:

Name of Director	Tushar Shah
Date of Birth	March 18, 1968
Age	56 years
Director Identification Number	00107144
Date of First Appointment	May 24, 2002
Qualification, Experience in specific functional areas and brief resume	<p>Mr. Tushar Shah brings over three decades of invaluable experience to Fine Organics, where he currently serves as the Whole Time Director and Chief Executive Officer. Mr. Tushar Shah has completed second year while pursuing Bachelors' in Science from University of Mumbai. He joined Fine Organics group in 1989 and has been associated with the Company since its inception.</p> <p>During his tenure, Mr. Tushar Shah has held various key positions within the organisation, demonstrating his deep understanding of enterprise resource planning, customer relationship management, and financial systems. His pioneering efforts were instrumental in establishing Fine Organics Badlapur manufacturing facility, marking a significant milestone in the Company's journey.</p> <p>Mr. Tushar Shah's, strategic vision and leadership have also facilitated the expansion of Fine Organics global footprint, with the successful establishment of subsidiaries in North America and Europe, and a Joint Venture Company in Thailand. His expertise extends across multiple domains, including Finance, Banking, Marketing, Compliance, Export, Taxation, Human Resources, and Logistics, reflecting his comprehensive understanding of the business landscape.</p> <p>He is also making a valuable contribution to the CSR initiatives of the Company. With his wealth of experience and unwavering commitment, Mr. Tushar Shah continues to play a pivotal role in steering Fine Organics towards sustained growth and operational excellence.</p>
Directorship in other Companies*	<ol style="list-style-type: none"> 1. Fine Zeelandia Pvt. Ltd 2. Fine Organic Industries (SEZ) Pvt. Ltd.
Chairperson / Member of the Committees of the Board of Directors of the Company	<p>Corporate Social Responsibility Committee - Member</p> <p>Audit Committee - Member</p> <p>Stakeholders Relationship Committee - Member</p> <p>Executive Committee - Member</p> <p>Strategic Growth Committee - Member</p>
Chairperson / Member of the Committees of the Board of Directors of the other Companies in which he is a Director**	NIL
Terms and conditions of Reappointment / Appointment	<p>Mr. Tushar Shah is eligible for retirement by rotation and is seeking re-appointment at the AGM. The Board of Directors at its meeting held on February 02, 2024 re-designated Mr. Tushar Shah from Whole Time Director and Chief Financial Officer to Whole Time Director and Chief Executive Officer of the Company. All other terms and conditions of his appointment as approved by the shareholders at the 20th Annual General Meeting dated August 23, 2022 shall remain valid and in full force and effect.</p>

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Name of Director	Tushar Shah
Last Drawn Remuneration	Salary - ₹ 42,00,000/- p.m. Commission - ₹ 75,00,000/-
Remuneration sought to be paid	As per the terms and conditions of his appointment as approved by the shareholders at the 20 th Annual General Meeting dated August 23, 2022
No. of shares held in the Company	50,89,721 Equity shares (Face value of ₹ 5/- per share)
Inter se Relationship between Directors	Brother of Mr. Jayen Shah – Managing Director of the Company
No. of Board meetings attended during the Financial Year (2023-24)	5 meetings attended out of 5 meetings held during the F.Y. 2023-24.
Listed Companies from which he resigned in the past three years	NIL

*Includes Directorships in Indian Companies only.

**Includes the Chairpersonship/ Membership in the Audit Committee and Stakeholders Relationship Committee only of the Indian Companies.