



July 13, 2022

To,

General Manager, Listing Department, BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001 Company code: 533333	The Manager, Listing & Compliance Department The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400051 Company code: FCL
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Subject: Annual Report – 2021-2022 of the 19th Annual General Meeting

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed copy of the Annual Report for the financial year 2021-2022 of 19th Annual General Meeting of the Company.

The above information is for your information and dissemination to the public at large.

Thanking you,

Yours faithfully,

For FINEOTEX CHEMICAL LIMITED


Hemant Auti
Company Secretary



Encl: As Above



FINEOTEX CHEMICAL LIMITED

Manorama Chambers, S.V. Road, Bandra (West), Mumbai - 400 050, India. **Phone** : (+91-22) 2655 9174
Fax : (+91-22) 2655 9178 **E-mail** : info@fineotex.com **Website** : www.fineotex.com **CIN** - L24100MH2004PLC144295



19TH ANNUAL REPORT 2021 - 2022

Expanding together for a
sustainable future



Board of Directors



Surendrakumar Tibrewala
Chairman and Managing Director



Sanjay Tibrewala
Executive Director



Aarti Jhunjunwala
Executive Director



Navin Mittal
Independent Director



Alok Dhanuka
Independent Director



CS Bindu Shah
Independent Director



Dr. Sunil Waghmare
Independent Director

▲ Whistle-blower Committee ▲ Audit Committee ▲ CSR Committee ▲ Administrative Committee

▲ Stakeholder Relationship Committee ▲ Nomination and Remuneration Committee

Contact Us

REGISTERED OFFICE

Manorama Chambers, S.V. Road, Bandra (W), Mumbai - 400050. **Tel:** +91 - 22 - 2655 9174-77

Fax: +91 - 22 - 26559178 | **E-mail:** investor.relations@fineotex.com | **Website:** www.fineotex.com

PLANT LOCATION

Navi Mumbai: A 699 & 700, 684 & 685, 687, 669 TTC Industrial Area, MIDC, Mahape, New Mumbai - 400705.

Ambarnath: B 24, Additional, Ambarnath Industrial Area, Ambarnath - 421506.

E-mail: investor.relations@fineotex.com | **Website:** www.fineotex.com

Registrar & Share Transfer Agent

BIGSHARE SERVICES PRIVATE LTD.

(For shares and dividend related queries)

E-2/3, Ansa Industrial Estate, Saki Vihar, Road, Saki Naka, Andheri (E), Mumbai – 400 072.

Tel: +91 022 6263 8204 | **E-mail:** investor@bigshareonline.com

Bankers

- Indian Bank
- Kotak Mahindra Bank
- ICICI Bank
- Federal Bank
- Punjab National Bank
(Formally known as Oriental Bank of Commerce)

Statutory Auditors, Cost Auditors & Secretarial Auditors

STATUTORY AUDITORS

- ASL & Co
Chartered Accountants

COST AUDITORS

- V.J. Talati & Co.
Cost Accountants

SECRETARIAL AUDITORS

- HSPN & ASSOCIATES LLP
Company Secretaries

Company Secretary

- Hemant Auti

We are now



Celebrating our
High-Trust High-Performance Culture™!

Chairman's Speech



Dear Shareholders,

Greetings, I hope all of you are keeping healthy and staying safe.

I am delighted to report that the Company achieved its best ever financial performance to date, and all thanks to the outstanding team of Fineotex for their discipline and dedication to achieve this milestone. This is evident from our outperformance of our internal targets by registering a top line growth of **69%** and EBITDA growth of **76%**, compared to same period last year. During the year, our domestic revenue has increased by **93%** and the Group's revenue has increased by **68%**. Our operational efficiencies have helped us to achieve volume growth of **50%**, increase share of high value specialities, improve working capital and long term capital management.

As per CRISIL reports, the Indian specialty chemicals industry will double its share in the global market to **6%** by 2026 from **3-4%** in fiscal 2021 basis strong revenue growth of **18-20%** this fiscal and **14-15%** in the next.

As per the industry estimates, the industry is expected to reach **US\$ 304 billion** by 2025 at a CAGR of **9.3%**, driven by rising demand in the end-user segments for specialty chemicals and petrochemicals segment. Specialty chemicals constitute for **22%** of the total chemicals and petrochemicals market in India. Demand for specialty chemicals is expected to register **12%** CAGR in 2019-22.

To capitalise on this opportunity, we are focusing on instituting measures like developing key performance metrics, setting up strategic priorities, emphasising on operational efficiencies, investing in leadership, and focusing on brand building. This will help us in our transformation journey, which is well aligned to our objective of gaining leadership position in the Speciality Chemicals sector. With the fundamental principles in place, the Company is well poised for accelerated growth.

Capacity expansion to address growing demand

The CRISIL report further noted that the resurgence in domestic demand has spurred players to ramp up their capex plans, thus witnessing a capex jump **50%** to **Rs.15,000 crore** over the two fiscals through 2023, compared with fiscals 2020 and 2021.

On our capex plans, our commissioning of Ambernath plant has been a significant achievement in our project execution, thanks to our professional and dedicated project team and positive commitment by all stakeholders. This state-of-the-art automated unit complies with the highest standards of sustainability and the Company has deployed **Rs. 270 million** in the project for augmenting the manufacturing capacity. The plant is designed to manufacture specialty chemicals for oil drilling industry and cleaning and hygiene products and will double our existing capacity. With this capacity expansion, we will be able to achieve fungibility and will be able to meet any demand exigencies.

Diversifying our portfolio

During the year, the company re-aligned its product portfolio to meet the shifting consumer demands and forayed into home care and hygiene and the drilling specialties segments. Our diversification into new high growth categories was an outcome of opportunities arising out of the demand for detergents from the leading FMCG companies. We also capitalised on the demand for customised solutions under drilling specialties for India's

premier oil and gas companies. The Company's recovery trajectory in the second half of the year was fuelled by improved product share of the home care and hygiene segment.

Strategic Partnerships

During the year the Company entered into strategic alliances with HealthGuard, Australia, developer of cutting-edge solutions for a joint operation in Malaysia. The exclusive global marketing & sales channel partnership with HealthGuard will provide opportunity for Fineotex to sell and distribute, a whole range of products like antimicrobial and antiviral treatments that are the most durable metal-free sustainable chemistry, in the market across industries like, textiles, detergents, leather, and allied industries.

Our collaboration with Eurodye-CTC, Belgium, is to commercialize specialty chemicals like specialised pre-treatment and dyeing products for cotton-synthetic and woollen fibre / fabric / yarn etc, for the Indian market. The association will also complement its local business operation with several well-known corporate accounts for their very specialised products.

Commitment towards Sustainability

Fineotex Chemical Limited (FCL) has actively participated in the global drive towards sustainability. Our manufacturing practices are well aligned to environment sustainability practices. With extensive certifications and accreditations, we are committed to achieving zero waste in our operation. We support the use of non-toxic materials efficiently. Our partnerships with global players is a testimonial to our commitment to innovation and sustainability.

I look forward to sharing with you more milestones in this journey in the coming years. On behalf of the Board of Directors of Fineotex Chemical Limited, I want to thank you for your continued trust, confidence, and support.

Strategic Direction



Fineotex + Biotex Synergies

Leverage Fineotex's industry insights and long standing customer relationships with Biotex's high end product expertise and regional positioning to serve global customers.



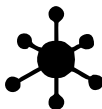
Greenfield Developments

The facility at Ambarnath, Maharashtra is future ready for next phase of growth. Partnerships with International companies to establish manufacturing facilities in India.



New Product Categories

Enter fast growing synergistic segments such as Cleaning and Hygiene and Drilling Specialties while continuing to focus on the core Textile Chemicals business.



Grow Market Share

Strong in-house development capabilities to grow market share across existing and new customers in both Indian and International markets. Continue to develop direct customer relationships and expand distribution network.



Disciplined Capital Allocation

Fineotex has a conservative approach to funding acquisitions and capacity expansions through internal accruals. Capital structure targeted to be net debt neutral.

Our Evolution

2004



- ❖ Accredited with ISO 9001:2008
- ❖ Incorporation of Fineotex Chemical Private Limited (FCPL)

2007



- ❖ Acquisition of FCPL by Fineotex Chemical Limited

2011



- ❖ Listed on BSE
- ❖ Incorporated wholly owned subsidiary in Malaysia
- ❖ Acquired majority stake in Biotex Group

2017



- ❖ Fineotex Chemical Limited announced first buyback

2018



- ❖ Awarded as IPF fastest growing chemical manufacturing Company at BSE Limited on Dec '17

2019



- ❖ Biotex partnered with Bluesign
- ❖ Manufacturing capacity increased to 43,000 MTS annually and both facilities GMP certified

2014



- ❖ Bonus declared on 1:1 basis
- ❖ Accredited with ISO 4001:2004 & OHSAS 8001:2007 certifications

2015



- ❖ Listed on NSE
- ❖ Received Star Export House recognition

2020



- ❖ Buyback of 11 lacs shares up to a maximum price of Rs. 40
- ❖ Deploying Rs. 270 million for the new facility at Ambernath, Maharashtra

2021



- ❖ Collaboration with Eurodye-CTC
- ❖ Collaboration with HealthGuard
- ❖ Partnership with Sasmira
- ❖ Ambernath facility commenced production in Nov 2021

Collaborations

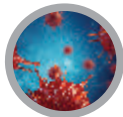


HealthGuard, Australia

HealthGuard is an Australian company engaged in the research and development, manufacture and sales of HealthGuard® products, being globally successful since 1991, with a proven track record commercializing intelligent biotech solutions. The HealthGuard® biotech brand began during the early years of Dr. Chris Harvey.

The product range continues to grow with consumers discovering the real life benefits HealthGuard® has to offer world wide. HealthGuard has collaborated with Fineotex-Biotex to leverage their existing buyer network, with the dual benefit of growth and expanding Fineotex-Biotex range with bio effective sustainable textile treatments! HealthGuard product approved in Turner Bianca, IKEA and many reputed groups of companies.

Our Range is Designed to Help People



ANTI - VIRAL

Protect against a broad range of deadly virus and microbes



ANTI - DUST MITE

Hypoallergenic treatments to destroy pathogens that are known to trigger asthma



ANTI - MICROBIAL

Protect against a broad range of microbes enhancing hygiene and freshness



ANTI - BED BUGS

Prevent the infestation of blood sucking bed bugs known to cause irritation



ANTI - MOSQUITO

Assist in combating deadly disease such as malaria caused by blood feeding mosquitoes



Eurodye-CTC SA, Belgium

The Eurodye-CTC group is a world-renowned European brand for specialized textile auxiliary manufacturer with footprints in 60 countries. Eurodye-CTC offers a large selection of products which meet international quality standards like REACH registration, GOTS, Bluesign, Green screen, which ensures that its formulations are free from any harmful ingredients. Eurodye-CTC plant is in Belgium which was taken over from Unilever few decades ago. Eurodye-CTC has acquired the business of Stephenson Group UK for their special wool speciality chemicals in 2019.



Considering
Environmental Sustainability
& Social Governance As Our Responsibility

Biotex Malaysia group
is now a proud system partner of bluesign

bluesign®

SYSTEM
PARTNER

ESG Profile

Environment

Focusing on Environmental factors and make efforts to restore the environment

Environment Strategy in Place: FCL is committed to ensuring clean environment beyond satisfying all stipulated requirement laid down by the statutory authorities and in the process constantly working towards making a workplace safer for its employees and the community in general.

Product Free From Harmful Substances: Our products are not hazardous. We believe in developing our processes & products in a manner such that no harm is caused to life and nature.

Waste Water Safe Discharge: We are members of the central efficient treatment plant and wastewater duty treatment with own ETP is being discharged safely through CETP.

Water Savings Initiatives: Our aim to develop super specialty products which are sustainable, improve processes, increase efficiency and reduce costs by reducing overall consumption of water and energy is our main strength. This will aid the Company in its growth trajectory and also help the customers perform better.

Energy Consumption: In FY21, the electricity purchased was 3,21,230 units. We monitor the consumption, reduce energy costs and take appropriate measures for energy conservation.

Governance

Focus on maximizing the wealth of shareholders, establish productive and lasting relationships with all shareholders.

4 out of 7 board members Are Independent and Non-Executive Members.

Corporate Governance Policies: The Company's philosophy on Corporate Governance relates to creating an organization intended to maximize the wealth of shareholders, establish productive and lasting relationships with all shareholders with the emphasis laid on fulfilling the responsibility towards the entire community and society.

Board Composition: The Board consists of 7 members – 2 Non retiring Directors as per the Articles of Association of the Company, 1 Promoter Whole time Director liable to retire by rotation and 4 Independent Directors. The Board has two Woman Directors including one Independent Woman Director.

Zero Penalties, punishment or compounding of offences in Fy21.

Board skill Matrix: The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees.

Shareholder Rights and Relations Policy: The Company has a Stakeholders Grievances Committee of the Board of Directors to look into the redressal of investors' grievances.

ESG Profile

Social



Committed to improve economic, environmental and social performance.

100% employees Were given safety and skill up-gradation training.

Social Strategy in Place: The Company has specified programs in support of inclusive growth and equitable development. It is the endeavor of the Company to ensure that there is continuous improvement in its economic, environmental and social performance as the tagline of the Company reads as “let us grow together”.

Product/Service Safety and Quality Metrics: Quality is an integral part of Fineotex’s Corporate Business Principles. We never compromise on quality; Throughout the process, we have stringent tests and quality controls which has enabled us to differentiate our products through customization and high quality control level resulting in superior performance.

Rs 50 Lakhs Spent on CSR activities in Fy22.

Local Employment and Sourcing: Company purchase goods from local suppliers around Thane Bhiwandi and Mumbai Metropolitan Region. These suppliers are depots or distributor of Indian Chemical manufacturers of Importers. Labour, transportation and other services are taken from recognized / government approved suppliers

Community Support Initiatives: We have taken various community initiatives such as: Education of underprivileged and enable them to earn an independent livelihood and thereby become useful and efficient citizen of India, To provide financial assistance and supply items of necessity like food, clothing, medicine etc. for running and maintenance of houses for destitute, aged persons/retired needed persons,

Organize re-habilitation of destitute, old age persons wherever possible and provide assistance in cash, To look after family planning centres and nursing homes/ run eye bank, blood bank, organ banks etc.

No accidents Reported in Fy21.

Product Development: We've always been dedicated to enhancing our technologies and research and development so that we can meet a wide range of consumer needs and offer even more high-quality items. We built a culture of excellence in R&D and delivered sustainable products to our customers while preserving an ideal price-performance ratio in our pursuit of innovation-driven growth. We have worked hard to increase the value of our brand and are known for having a zero-tolerance policy when it comes to sacrificing quality and service.

5% Attrition Rates

Training and Development: We consider our employees as our most valuable asset and have been working towards keeping them engaged and inspired. The current workforce structure has a good mix of employees at all levels. The Company is aware that the success of its business depends upon its technical experts coordinating with research and development staff on one hand and marketing on the other. Necessary training and orientation are provided to our employees to equip them in providing productive and committed results.

Certifications



FCL

Where Dependability Counts...
**MANUFACTURER OF SPECIALITY
 PERFORMANCE CHEMICALS & SOLUTIONS**

- | | | |
|--|---|--|
| ISO 9001:2015 | ISO 14001:2015 | ISO 14045 & ISO 22000 |
| ISO 45001:2018 | OHSAS 18001 & WHO - GMP | SA 8000 |
| HACCP | Green Building | Gots Version 6.0 |
| FDA For HPC | Public Listed Company | Exports To 69 Countries |
| Star Export House | Bluesign (Biotex) | Plants In India & Malaysia |
| Eco Passport | ZDHC Contributor | Great Place To Work |
| EURODYE ctc
(Collaboration For India) | Ranked Amongst India's
Top 1000 Companies By Nse | Health Guard
(Global Marketing Channel Partner) |



BT BIOTEX Sdn BHD, is a proud bluesign® SYSTEM PARTNER



Fineotex goes for State-Of-The- Art Sustainable Expansion at additional **Ambarnath.**



Fineotex setup R & D Centre in Collaboration with **Sasmira Institute.**



Expanded Our Horizons At



INDIAN FACILITIES LOCATED AT AMBERNATH, MUMBAI.

B-24, Anand Nagar, Additional M.I.D.C, Ambernath, Maharashtra.

The production capacity is 40,000 MT p.a. and plans to increase to 61,000 MT by 2022 - 23.



INDIAN FACILITIES LOCATED AT MAHAPE, NAVI MUMBAI.

Trans Thane Creek Industrial Area, Mahape, Navi Mumbai.

The current production capacity is 36,500 MT p.a.



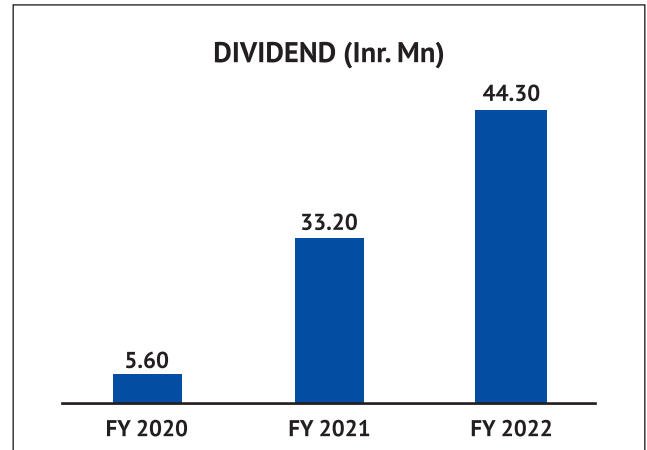
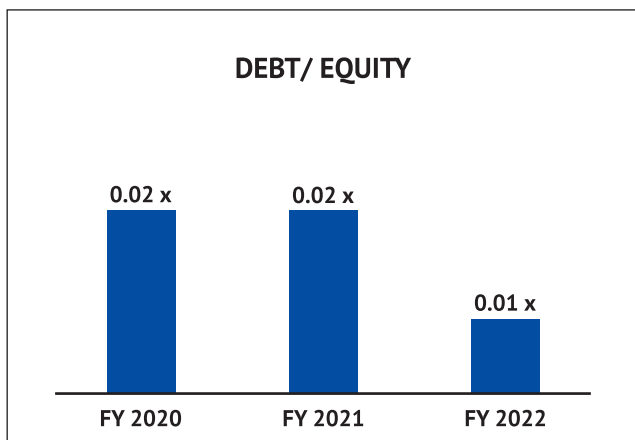
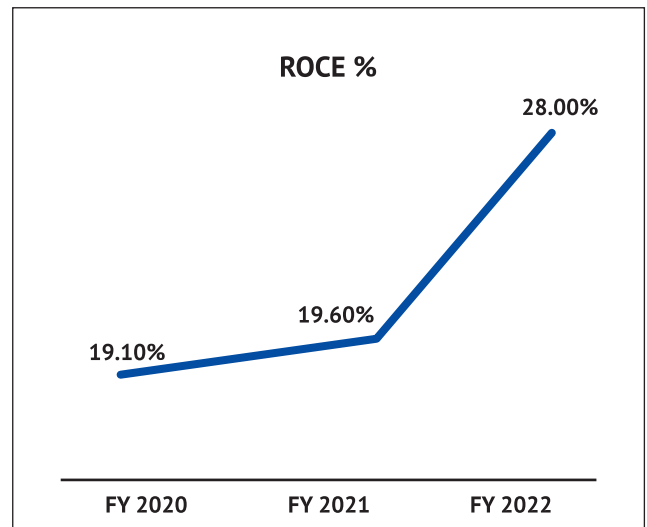
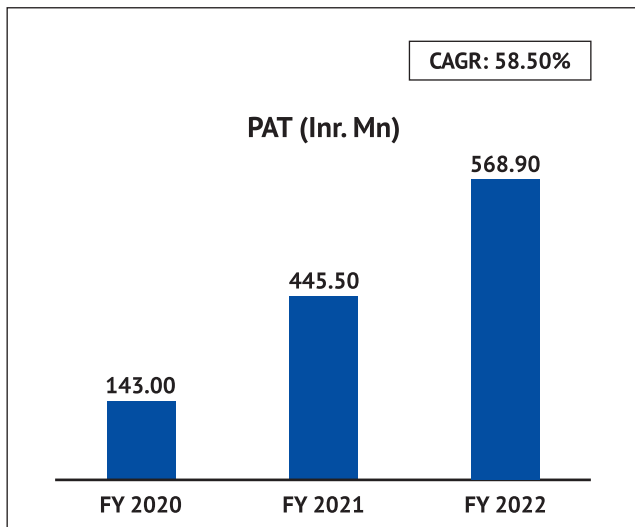
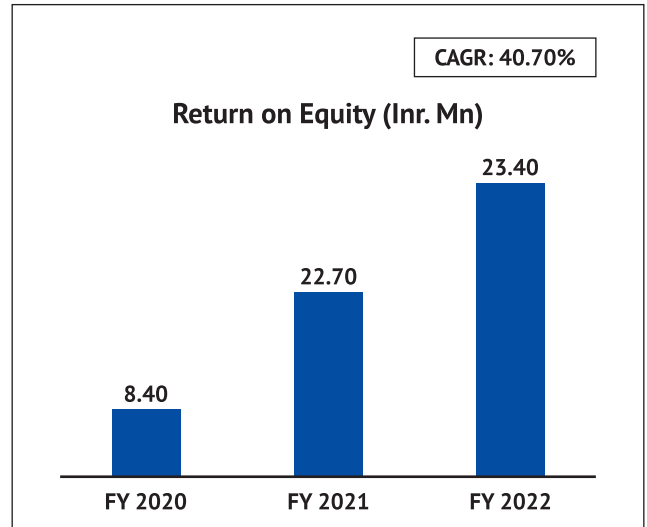
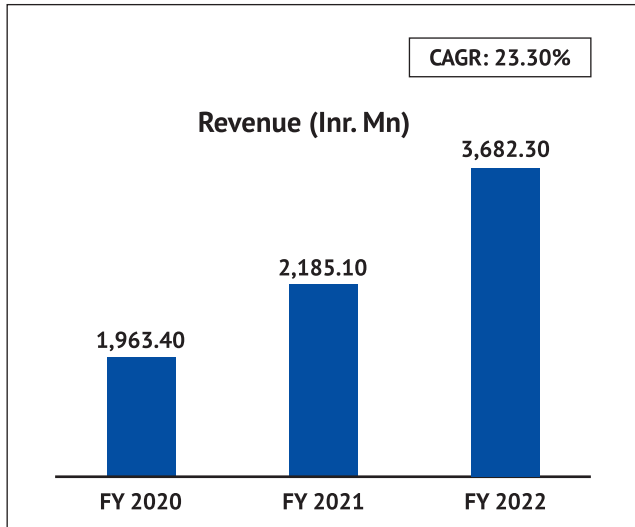
MALAYSIAN FACILITY AT BANDER BARU BANGI, MALAYSIA.

Plot 71, Jalan P10/21, Salaman Industrial Park, 43000 Bandar Baru Bangi, Selangor, Malaysia.

The current production capacity is 6,500 MT p.a.



Consolidated Financial Performance

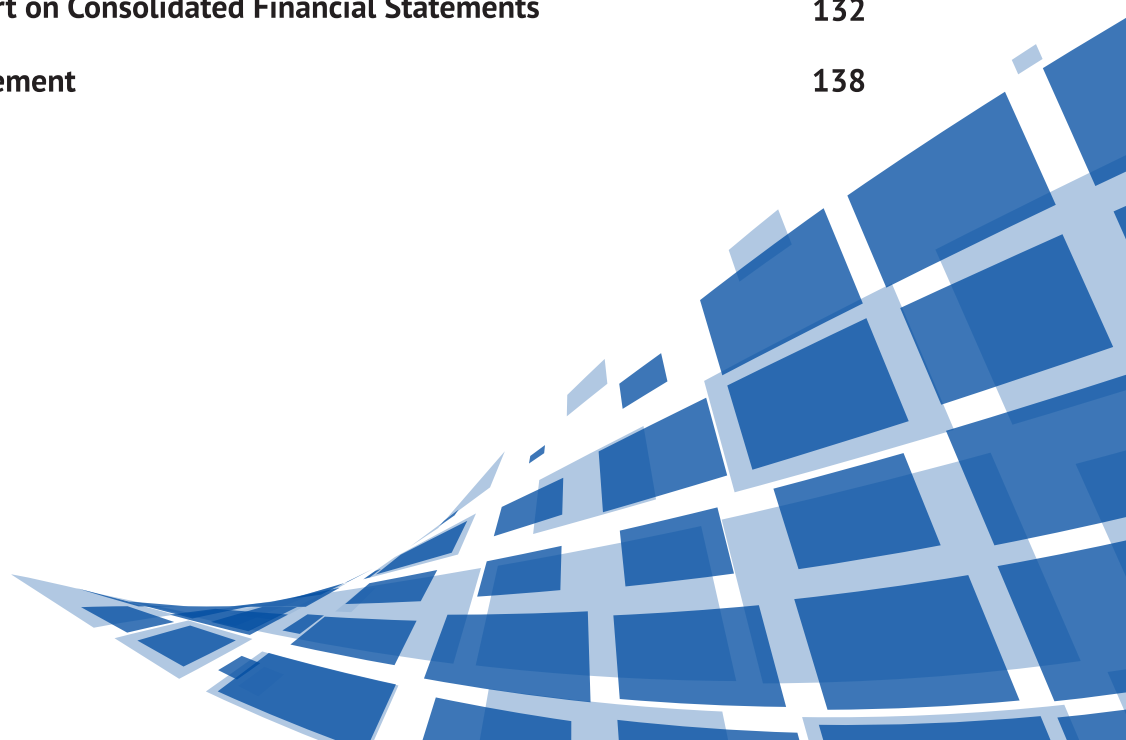


ANNUAL REPORT

2021-2022

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of Fineotex Chemical Limited will be held on Friday, the August 5, 2022 at 5.00 p.m. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Standalone and Consolidated Financial Statements

To receive, consider and adopt the Standalone Audited Financial Statements and Consolidated Audited Financial Statements for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon.

2. Appointment of a Director retiring by rotation

To appoint a director in place of Mrs. Aarti Jhunjunwala who retires by rotation at the conclusion of this meeting and being eligible offers herself for reappointment.

3. Declaration of Dividend

To declare dividend of Rs. 0.40 per fully paid up share of Rs. 2 each on Equity Shares for the financial year ended March 31, 2022.

SPECIAL BUSINESS

4. Remuneration of Cost Auditors

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs. 45,000/- per annum (Rupees Forty Five Thousand only) plus applicable taxes and reimbursement of travel and out of pocket expenses, to be paid to M/s. V. J. Talati & Co., Cost Accountants (Firm Registration No. R/00213), appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2023.

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution.”

5. Re-appointment and Revision in the remuneration payable to Mr. Surendrakumar Tibrewala, Managing Director of the Company with effect from 1st October, 2022.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of

sections 196, 197, 198, 199, 202 and 203 read with Schedule V, Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the members be and hereby accorded for re-appointment of Mr. Surendrakumar Tibrewala, as a Managing Director of the Company for a period of three years with effect from October 1, 2022 on a remuneration not exceeding Rs. 5 crores by way of salary, perquisites and commission which the Company is entitled to pay as per the provisions of section I of the Part II of the Schedule V of the Companies Act, 2013 or any re-enactment thereof (on the terms and conditions including remuneration as set out in the statement annexed to the notice, with liberty to the Board of Directors (hereinafter referred as the Board which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and condition of the said appointment and /or remuneration as may deem fit”).

RESOLVED FURTHER THAT any excess salary drawn by or paid to him in any year of loss or inadequacy of profits, over and above the amount mentioned in Section II of Part II of Schedule V, shall be refunded by him and for this purpose, the company shall effect recovery month by month and every month commencing from the month in which the annual accounts disclosing the loss or inadequacy of profits are approved by the Board of Directors in their meeting held as per provisions of section 134 of Companies Act 2013.

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

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

6. Re-appointment and Revision in the remuneration payable to Mr. Sanjay Tibrewala, Whole Time Director of the Company with effect from 1st October, 2022.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of sections 196, 197, 198, 199, 202 and 203 read with Schedule V, Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the members be and hereby accorded for re-appointment of Mr. Surendrakumar Tibrewala, as a Managing Director of the Company for a period of three years with effect from October 1, 2022 on a remuneration not exceeding Rs. 5 crores by way of salary, perquisites and commission which the Company is entitled to pay as per the provisions of section I of the Part II of the Schedule V of the

Companies Act, 2013 or any re-enactment thereof (on the terms and conditions including remuneration as set out in the statement annexed to the notice, with liberty to the Board of Directors (hereinafter referred as the Board which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and condition of the said appointment and /or remuneration as may deem fit.)”.

RESOLVED FURTHER THAT any excess salary drawn by or paid to him in any year of loss or inadequacy of profits, over and above the amount mentioned in Section II of Part II of Schedule V, shall be refunded by him and for this purpose, the company shall effect recovery month by month and every month commencing from the month in which the annual accounts disclosing the loss or inadequacy of profits are approved by the Board of Directors in their meeting held as per provisions of section 134 of Companies Act 2013.

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

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

7. Raising of funds through issue of equity shares

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to Sections 23, 41, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof for the time being in force and in accordance with the provisions of the memorandum of association and articles of association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Foreign Exchange Management Act, 1999 and the regulations made thereunder including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India from time to time, each as amended, the Depository Receipts Scheme, 2014, the listing agreements entered into by the Company with the stock exchanges where the equity shares of face value of ₹ 2 each of the Company are listed (“Stock Exchanges”), and such equity shares, (the “Equity Shares”), and other applicable laws, regulations, rules, notifications or circulars issued by the Ministry of Finance, Ministry of Corporate Affairs (“MCA”), Reserve Bank of India (“RBI”), Securities and Exchange Board of India (“SEBI”), Stock Exchanges,

Registrar of Companies, Maharashtra at Mumbai (“RoC”), the Government of India (“GOI”) and such other governmental / statutory / regulatory authorities in India or abroad, and subject to all approvals, permissions, consents, and/or sanctions as may be necessary or required from SEBI, the Stock Exchanges, RBI, MCA, GOI, RoC, or any other concerned governmental/statutory/regulatory authority in India or abroad, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and/or sanctions by any of the aforesaid authorities, which may be agreed to by the Board of Directors of the Company (“Board”, which term shall include any committee which the Board of Directors may have constituted or may hereinafter constitute to exercise its powers, including the powers conferred by this resolution), the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised on behalf of the Company, to create, offer, issue, and allot such number of Equity Shares, and/or any other equity linked securities (the Equity Shares and all such other securities are hereinafter collectively referred to as the “Securities”), through one or more of the permissible modes including but not limited to private placement, follow-on public offering (“FPO”), preferential issue, qualified institutions placement (“QIP”) in accordance with the SEBI ICDR Regulations, or a combination thereof, to any eligible investors in Indian Rupees or its equivalent of any other foreign currencies (whether or not such investors are Members of the Company, to all or any of them, jointly or severally), for cash, in one or more tranches, for an aggregate amount of up to ₹ 200 crore (inclusive of such discount or premium to market price or prices permitted under applicable law), on such other terms and conditions as may be mentioned in the prospectus and/or offer document and/or placement document to be issued by the Company in respect of the Issue, as permitted under applicable laws and regulations, at such price, in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, considering the prevailing market conditions and/or other relevant factors, and wherever necessary, in consultation with the book running lead managers and/or other advisors appointed by the Company and the terms of the issuance as may be permitted by SEBI, the Stock Exchanges, RBI, MCA, GOI, RoC, or any other concerned governmental/statutory/ regulatory authority in India or abroad, together with any amendments and modifications thereto (“Issue”).

RESOLVED FURTHER THAT subject to the provisions of the SEBI ICDR Regulations, in the event the Issue is undertaken by way of a QIP:

- (i) the allotment of Securities shall only be to qualified institutional buyers as defined in the SEBI ICDR Regulations (“QIBs”);
- (ii) The allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution or such other time as may be allowed under the Companies Act, 2013 and/or SEBI ICDR Regulations, from time to time;
- (iii) The relevant date for the purposes of pricing of the Securities

to be issued and allotted in the proposed QIP shall be the date of the meeting in which the Board or a duly authorised committee decides to open the proposed QIP;

- (iv) The Securities (excluding warrants) shall be allotted as fully paid up;
- (v) The issuance and allotment of the Securities by way of the QIP shall be made at such price that is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations ("Floor Price"), and the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the SEBI ICDR Regulations, as may be applicable. However, subject to shareholders' approval, the Board, at its absolute discretion, may offer a discount, of not more than 5% or such other percentage as may be permitted under applicable law, on the Floor Price;
- (vi) The Securities shall not be eligible to be sold by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolution, the Securities to be created, offered, issued, and allotted shall be subject to the provisions of the memorandum and articles of association of the Company and any Equity Shares that may be created, offered, issued and allotted under the Issue or allotted upon conversion of the equity linked instruments issued by the Company shall rank pari-passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted under the Issue or to be allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the Issue. All such Equity Shares shall rank pari-passu with the existing Equity Shares in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized on behalf of the Company to do such acts, deeds, matters and take all steps as may be necessary including without limitation, the determination of the terms and conditions of the Issue including among other things, the date of opening and closing of the Issue, the class of investors to whom the Securities are to be issued, determination of the number of Securities, tranches, issue price, finalisation and approval of offer document, placement document, preliminary or final, interest rate, listing, premium/discount, permitted under applicable law (now or hereafter), conversion of Securities, if any, redemption, allotment of Securities, listing of securities at Stock Exchange(s) and to sign and execute all deeds, documents, undertakings, agreements, papers, declarations and writings as may be required in this regard including without limitation, the private placement offer letter (along with the application form), information

memorandum, disclosure documents, the placement document or the offer document, placement agreement, escrow agreement and any other documents as may be required, approve and finalise the bid cum application form and confirmation of allocation notes, seek any consents and approvals as may be required, provide such declarations, affidavits, certificates, consents and/or authorities as required from time to time, finalize utilisation of the proceeds of the Issue, give instructions or directions and/or settle all questions, difficulties or doubts that may arise at any stage from time to time, and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the MCA, the book running lead manager(s), or other authorities or intermediaries involved in or concerned with the Issue and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to this resolution may be exercised by the Board to that end and intend that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to approve, finalise, execute, ratify, and/or amend/modify agreements and documents, including any power of attorney, lock up letters, and agreements in connection with the appointment of any intermediaries and/or advisors (including for marketing, listing, trading and appointment of book running lead managers/legal counsel/bankers/ advisors/ registrars/and other intermediaries as required) and to pay any fees, commission, costs, charges and other expenses in connection therewith.

RESOLVED FURTHER THAT subject to applicable law, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things and also to execute such documents, writings etc., as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any of the Directors of the Company or the Company Secretary of the Company or any official in the grade of Chief Manager or above of Secretarial Department, signed physically or by digital means, be forwarded to the authorities concerned for necessary action.

By Order of the Board
For Fineotex Chemical Limited

Surendrakumar Tibrewala
Chairman & Managing Director
DIN: 00218394

Place: Mumbai
Date: June 24, 2022

ANNEXURE TO THE NOTICE

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19”, General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 respectively in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)”, (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 4 to 7 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 2, Item No. 5 and Item No. 6 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI 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.

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The Company has fixed Friday, July 29, 2022 as the “Record Date” for determining entitlement of Members to final dividend for the financial year ended March 31, 2022, if approved at the AGM.
4. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on or after August 10, 2022:
 - (i) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), collectively “Depositories”, as of end of day on Friday, July 29, 2022;
 - (ii) To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Friday, July 29, 2022.
5. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:
 - a) For shares held in electronic form: to their Depository Participants (DPs)
 - b) For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters for furnishing the required details.
6. In terms of the provisions of Section 152 of the Act, Mrs. Aarti M Jhunjhunwala, Director, retire by rotation at the Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend her re-appointments. Mrs. Aarti Jhunjhunwala is interested in the Ordinary Resolutions set out at Item No. 2, of the Notice with regard to her re-appointment. Mr. Surendrakumar D Tibrewala and Mr. Sanjay Tibrewala may be deemed to be interested in the resolution. The other relatives may be deemed to be interested in this resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business’.
7. Members may please note that 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 dematerialized 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, Members 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 at <https://fineotex.com/wp-content/uploads/2021/07/Form-ISR-4.pdf>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
8. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only

- in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company for assistance in this regard.
9. As per the provisions of Section 72 of the Act and SEBI Circular, 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. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <https://fineotex.com/investor-relation/>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to FCL in case the shares are held in physical form.
 10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
 11. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before July 29, 2022 through email on investor.relations@fineotex.com The same will be replied by the Company suitably.
 12. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the July 30, 2022 to Friday, August 5, 2022 (both days inclusive) for the purpose of Annual General Meeting.
 13. Members are requested to note that, dividends if not encashed for a 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"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
 14. Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. Notice and Integrated Annual Report 2021-22 will also be available on the Company's website www.fineotex.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 NSDL <https://www.evoting.nsdl.com>.
 15. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.
 16. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their valid PAN with the DPs (if shares held in dematerialized form) and the Company/FCL (if shares are held in physical form).

A Resident individual shareholder 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 e-mail to investor.relations@fineotex.com by 11:59 p.m. IST on Friday, July 29, 2022. Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax 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. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to investor.relations@fineotex.com The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Wednesday, July 27, 2022.
 17. **Payment of Dividend through electronic means:**
 - (a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9-digit MICR and 11-digit IFS Code), along with their Folio Number and original cancelled cheque leaf bearing the name of the first-named shareholder as account holder, to the Company's Registrar and Share Transfer Agent - Bigshare Services Pvt. Ltd.
 - (b) Members holding shares in electronic form are requested to provide the said details to their respective Depository Participants.
 - (c) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective Depository Participant of the Members.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

A. VOTING THROUGH ELECTRONIC MEANS

- (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to “e-voting Facility Provided by Listed Entities”, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- (ii) The remote e-voting period commences on Tuesday, August 2, 2022 (9:00 a.m. IST) and ends on Thursday, August 4, 2022 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, July 29, 2022 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility, either during the period commencing August 2, 2022 to August 4, 2022 or e-voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- (iii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution again.
- (iv) The Board of Directors has appointed Hemant Shetye (Membership No. FCS 2827) HSPN & Associates LLP, Company Secretaries as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (v) 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. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/ she can use his/her existing User ID and Password for casting the vote. In case of individual shareholders holding securities in dematerialized mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under **“Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in dematerialized mode.”**
- (vi) The details of the process and manner for remote e-voting are explained herein below: The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-voting system





Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

- I. Login method for remote e-voting and joining the virtual meeting and joining the virtual meeting for individual shareholders holding securities in dematerialized mode.

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-voting facility provided by Listed Companies”, e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ DPs to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (“ESP”) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility

Login method for individual shareholders holding securities in dematerialized mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL.	<p>a. NSDL IDeAS facility</p> <p>If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser and type the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. 4. Click on “Access to e-voting” appearing on the left-hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against Company name or e-voting service provider-NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. <p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> a. Option to register is available at https://eservices.nsd.com/. b. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp c. Please follow steps given in points 1-5. <p>b. e-voting website of NSDL</p> <ol style="list-style-type: none"> a. Open web browser and type the following URL: https://www.evoting.nsd.com/ either on a personal computer or on a mobile phone. b. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. c. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen d. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. <p>c. Shareholders/Members can also download NSDL mobile app “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System - Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in Demat mode) login through their depository participants	<ol style="list-style-type: none"> 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 login is complete, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
<p>Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at the above-mentioned website.</p> <p>Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.</p>	
Login type	Helpdesk details
Individual Shareholders holding securities in Demat Mode with NSDL	Members facing any technical issue to login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue to login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at +91 22 2305 8738 or +91 22 2305 8542-43

II. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

- Visit the e-voting website of NSDL. Open web browser by clicking the URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, Password/OTP and a verification code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can login at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you login to NSDL eservices after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 120403 then user ID is 116013001***

6. Password details for shareholders other than Individual shareholders are given below:
- a. If you are already registered for e-voting, then you can use your existing Password to login and cast your vote.
 - b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your Password.
 - c. **How to retrieve your 'initial password'?**
 - i. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains our 'User ID' and your 'initial password'.
 - ii. In case you have not registered your e-mail address with the Company/ Depository, please follow instructions mentioned in this Notice.
7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a. Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, PAN, name and registered address.
 - d. Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, home page of e-voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-voting system?

- i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and general meeting is in active status.
- ii. Select "EVEN" of Company, which is 120403 for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- iii. Now you are ready for e-voting as the voting page opens.
- iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify or modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- v. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number.

- vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for shareholders

1. 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 five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on <https://www.evoting.nsdl.com> to reset the Password.
2. In case of any queries related to e-voting, you may refer the Frequently Asked Questions (“FAQs”) for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com>. For any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, e-mail: evoting@nsdl.co.in, toll free no: 1800 1020 990/1800 224 430.
3. Members may send a request to evoting@nsdl.co.in for procuring User ID and Password for e-voting by providing demat account number/ folio number, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card). If you are an Individual shareholder holding securities in dematerialized mode, you are requested to refer to the login method explained above.
4. The instructions for members for e-voting on the day of the AGM are mentioned in point number 18(A).

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> following the steps mentioned above for login to NSDL e-voting system. After successful login, you can see VC/ OAVM link placed under Join meeting menu against company name. You are requested to click on VC/OAVM link placed under “Join Meeting” menu.
Members who 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 the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.
3. Members who need assistance before or during the meeting, can contact Amit Vishal, Assistant Vice President NSDL on evoting@nsdl.co.in/1800 1020 990 and 1800 224 430
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at investor.relations@fineotex.com from July 22, 2022 (9:00 a.m. IST) to July 29, 2022 (5:00 p.m. IST). 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.

Other instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer’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. The results will be announced within the time stipulated under the applicable laws.
2. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.fineotex.com and on the website of NSDL <https://www.evoting.nsdl.com>. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed

By Order of the Board
For Fineotex Chemical Limited

Surendrakumar Tibrewala
Chairman & Managing Director
DIN: 00218394

Place: Mumbai
Date: June 24, 2022

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Pursuant to Section 102 of the Companies Act, 2013 (“the Act”), the following Explanatory Statement sets out all material facts relating to the business, to be transacted at the 19th Annual General meeting to be held on 5th August, 2022, mentioned under Item Nos. 4 to 7 of the accompanying Notice dated June 24, 2022.

Item No. 4

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records for applicable products of the Company. On the recommendation of the Audit Committee, at its meeting held on April 28, 2022, the Board considered and approved the appointment of M/s. V.J. Talati & Co., Cost Accountants (Firm Registration No. R/00213) as the Cost Auditor for the fiscal year 2022-23 at a remuneration of Rs. 45,000/- per annum plus applicable taxes and reimbursement of out-of-pocket expenses.

Further the Company has received their eligibility and consent to act as cost auditors.

The Board of Directors recommends the Ordinary Resolution for the approval of the shareholders.

None of the Directors, Key Managerial Personnel (KMP), or their relatives are, in any way, concerned with or interested in, financially or otherwise, in the said resolution.

Items No. 5 & 6

Mr. Surendrakumar Deviprasad Tibrewala and Mr. Sanjay Tibrewala are the Directors of the Company since incorporation. As per the Articles of Association of the Company they are not liable to retire by rotation. After the Company became public, they have been Whole-time Directors of the Company and have been paid remuneration as per the applicable provisions of The Companies Acts (1956 and 2013), SEBI regulations and other statutory regulations.

The shareholders had approved a remuneration upto of Rs. 5 crores per annum to each of the above mentioned Directors at the 16th Annual General meeting held on 27th September 2019. This approval was for a period of three years from 1st October, 2019 to 31st September, 2022. The Board recommends your approval for their remuneration on the same terms for a further period of 3 years from 1st October, 2022 to 30th September, 2025 as a special resolution.

The actual payment is as approved by the Board on the basis of the recommendations of the Nomination and Remuneration Committee (NRC) of the Company. The NRC takes into account various factors, like position of the company, performance of the concerned Director, market trends in regard to managerial remuneration and other factors as per the policy of the Company in this regard.

Mr. Surendrakumar Deviprasad Tibrewala (DIN – 00218394) and Mr. Sanjay Tibrewala (DIN – 00218525) had been re-appointed as Managing Director and Whole Time Director of the Company respectively at the 16th Annual General Meeting held on 27th

September 2019 for a period of three years from 1st October, 2019 to 30th September, 2022. The term of office of Mr. Surendrakumar Tibrewala, Managing Director of the Company and Mr. Sanjay Tibrewala, Whole Time Director of the Company is due to expire on 30th September, 2022. The Board of Directors of the Company (the ‘Board’), at its meeting held on June 24, 2022, Re-appointed Mr. Surendrakumar Tibrewala as Managing Director of the Company and Mr. Sanjay Tibrewala, Whole Time Director for a further period of 3 years from 1st October, 2022 to 30th September, 2025 subject to ratification of appointment by shareholders in the ensuing Annual General Meeting. Shareholders’ approval is also to be received for payment of remuneration as is recommended by the Nomination and Remuneration committee in its meeting held on June 24, 2022. In addition Regulation 17 (6) of SEBI (Listing obligations Disclosures Requirements), 2015, states that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, where there is more than one such each director, if the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The Board of Directors are of the opinion that the revised remuneration of Mr. Surendrakumar Tibrewala, Managing Director, and Mr. Sanjay Tibrewala, Whole Time Director, is in the best interest of the Company and accordingly, recommend the resolution as set in Item No. 5 & 6 for approval of the members. Other than Mr. Surendrakumar Tibrewala holding 6,08,55,830 Equity Shares and Mr. Sanjay Tibrewala holding 33,83,990 and Mrs. Aarti Jhunjhunwala being relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 & 6.

Approval of the shareholders is, therefore, being sought for the revision of remuneration of Mr. Surendrakumar Tibrewala, Managing Director of the Company and Mr. Sanjay Tibrewala, Whole Time Director of the company as specified in the resolution and for payment of overall managerial remuneration in excess of 11% of net profits, including in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of the company computed in accordance with Schedule V of the Companies Act, 2013 which shall be approved for the remaining tenure of the appointment.

The terms of remuneration as set out in the Resolution are in accordance with the applicable provisions of Companies Act, 2013, Rules made there under read with Schedule V to the Companies Act, 2013.

The information as required under Schedule V of the Companies Act, 2013 is given below:

I. General Information:

- 1. Nature of industry:** Manufacturing and Sale of Chemicals and Chemical Products.
- 2. Date of commencement of commercial production:** Existing Company, commercial production commenced in 2007.
- 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :** N.A

4. Financial performance based on given indicators:

(Rs. in Lakhs)

Particulars	2021-2022	2020-2021
Revenue from Operations	25007.90	12947.77
Profit before Tax	5675.70	4500.25
Profit after Tax	4397.98	3598.72

5. Foreign investments or collaborations, if any.

Fineotex Malaysia Limited (FML), a Limited Company, was incorporated in a free trade zone in Labaun, Malaysia in 2011. FML in turn has controlling interest in 3 other companies in Malaysia that have established manufacturing and trading activities. FML has increased their stake in these subsidiaries. These Companies are BT Biotex Sdn Bhd, BT Chemicals Sdn Bhd and Rovatex Sdn Bhd. The synergy of the businesses has helped all the companies. BT Chemicals Sdn Bhd qualifies as a material subsidiary as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. On 10th November, 2020, FML incorporated a wholly owned subsidiary -BT Biotex Limited, UAE with an initial investment of US\$ 10,000.

Fineotex Specialties FZE was incorporated in the Region of UAE on 25th January 2015 and operates in a free zone in UAE. It is renamed as Fineotex Biotex Healthguard FZE during the year after the strategic arrangement with HealthGuard, Australia during the year.

II. Information about the appointee:

1. Background details:

Mr. Surendrakumar Tibrewala has over 4 decades of experience in Speciality Chemicals business for textile and related business. Your Company has taken over proprietary business from him which was converted into Company in 2007 and under his supervision, the turnover which was Rs.3061 Lakhs in FY 2010-2011 at the time of Initial Public Offer has grown to Rs. 25008 Lakhs in 2021-2022 a growth of 8.17 times. He has been a guiding force to this transformation.

Mr. Sanjay Tibrewala has over 22 years of experience in this business. His missionary zeal is the driving force for taking the company from national to international level to a state of art performer in this area.

2. Past Remuneration:

The remuneration paid to Mr. Surendrakumar Tibrewala for the financial year 2021-2022 and financial year 2020-2021 was as follows:-

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Salary & Perquisites	95,86,800	75,99,300
Others- PF	6,62,400	2,62,200
Total	1,02,49,200	78,61,500

The remuneration paid to Mr. Sanjay Tibrewala for the financial year 2021-2022 and financial year 2020-2021 was as follows:-

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Salary & Perquisites	95,86,800	75,99,300
Others- PF & Gratuity	7,75,771	3,75,571
Total	1,03,62,571	79,74,871

Note: The remuneration of FY 2020-21 is not comparable, since due to COVID there was a salary cut across the company at all levels.

3. Recognition or awards: N.A

4. Job Profile:

Mr. Surendrakumar Tibrewala:

He is looking after the administrative and general management of the company under the supervision and control of the Board of Directors. He is involved in policy planning and long term development activities of the Company. The Company has made enormous progress under the stewardship of Mr. Surendrakumar Tibrewala.

Mr. Sanjay Tibrewala:

He is driving force to lead the Company thereby in international market and take the Company to a renowned Indian multinational company. Development of new products, process, markets and growth are his forte and has been greatly responsible for faster growth of the company in recent years. In further growth of the Company in recent years. His visionary focus about future get converted to actuals over time.

5. Remuneration Proposed: The remuneration proposed is detailed in the resolution as well in the explanatory statement.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company and the individual profile of Mr. Surendrakumar Tibrewala & Mr. Sanjay Tibrewala and the industry benchmarks, the revised limits of maximum remuneration proposed commensurate with the remuneration packages paid to similar senior level positions in other Companies in the industry.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or the Director:

Name	Shareholding (as on June 24, 2022)
Mr. Surendrakumar Tibrewala	6,08,55,830
Mr. Sanjay Tibrewala	33,83,990
Mrs. Aarti Hjunjhunwala	55,050

*Mr. Surendrakumar Tibrewala, Managing Director of Company is Father of Mr. Sanjay Tibrewala, Executive Director and Mrs. Aarti Jhunjhnuwala, Executive Director of the Company.

III. Other information:

1. **Reasons of loss or inadequate profits:** N.A
2. **Steps taken or proposed to be taken for improvement:** N.A
3. **Expected increase in productivity and profits in measurable terms:** N.A

IV. Disclosures

The Nomination & Remuneration Committee and the Board of Directors of the Company recommend the passing of the resolution set out at Item No. 5 & 6 of this Notice as a Special Resolution, which is only an enabling resolution with a view to gaining flexibility in the emerging environment.

Except Mr. Surendrakumar Tibrewala, Mr. Sanjay Tibrewala and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 5 & 6 of this Notice, except to the extent of their respective shareholding, if any, in the Company.

This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

Item No. 7

The Company has been evaluating growth opportunities and has been continuing to evaluate avenues for organic and inorganic growth. The proceeds from the Issue will be utilized for augmenting long term cash resources, funding the organic or inorganic growth opportunities in the area of the Company's operations and adjacencies, funding incremental working capital requirements as a result of the organic and inorganic growth opportunities, making investments in companies including in subsidiaries or otherwise (either through debt or equity or any convertible securities), growing existing businesses or entering into new businesses in line with the strategy of the Company, optimizing the working capital cycle of the Company, or for any other general purposes as may be permissible under the applicable law and approved by the Board of directors of the Company or a duly constituted committee of the Board.

Therefore, the Company proposes to have an enabling approval for raising of funds for an amount up to ₹ 200 Crore in one or more tranches, on such terms and conditions as it may deem fit, by way of issuance of equity shares and/or any equity linked securities ("Securities") through any permissible mode or combination of, including but not limited to a preferential issue, qualified institutions placement, private placement, and/or follow-on public offering. The issue of Securities may be consummated in one or more tranches at such time or times at such price and to such classes of investors as the Board (including any duly authorized committee thereof) may in its absolute discretion decide, having due regard to the prevailing market conditions and any

other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed, subject, however, to the SEBI ICDR Regulations, the Depository Receipts Scheme, 2014, and other applicable guidelines, notifications, rules and regulations. The Board at its meeting held on 1st June, 2021, subject to the approval of the Members and such other approvals as may be required, approved the Issue.

The Board (including any duly authorized committee thereof) may in their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company (except in case of a preferential issue, where necessary corporate approvals shall be obtained). The proposed issue of capital is subject to the approvals of the Reserve Bank of India, if any and applicable regulations issued by the Securities and Exchange Board of India, each to the extent applicable, and any other government/statutory/regulatory approvals as may be required in this regard in India or abroad.

In case the Issue is made through a qualified institutions placement: (a) the allotment of the Securities shall be completed within a period of 365 days from passing this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time; and (b) the pricing of the Securities that may be issued to qualified institutional buyers pursuant to a qualified institutions placement shall be determined by the Board in accordance with the regulations on pricing of securities prescribed under the SEBI ICDR Regulations. The resolution enables the Board to offer such discount as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations. The Company may, in accordance with applicable law, offer a discount, of not more than 5% or such percentage as permitted under applicable law, on the floor price determined pursuant to the SEBI ICDR Regulations (not be less than the average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the two weeks preceding the 'Relevant Date', less a discount of not more than 5%). The 'Relevant Date' for this purpose would be the date when the Board or a duly authorized committee of the Board decides to open the qualified institutions placement for subscription, if Equity Shares are issued, or, in case of issuance of convertible securities, the date of the meeting in which the Board decides to open the issue of the convertible securities as provided under the SEBI ICDR Regulations.

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares to be allotted would be listed on one or more stock exchanges in India and in case of an ADR, internationally. The offer/issue/allotment would be subject to the availability of the regulatory approvals, if any. The conversion of Securities held by foreign

investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, Section 62(1)(a) of the Act provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further equity shares, such further equity shares shall be offered to the existing Members of such company in the manner laid down therein unless the Members by way of a special resolution decide otherwise. Since the Special Resolution proposed in the business of the Notice may result in the issue of Equity Shares of the Company to persons other than existing Members of the Company, approval of the Members is also being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board, therefore, recommends the special resolution, as set forth in this Notice, for approval by the Members of the Company.

The Directors and Key Managerial Personnel of the Company and relatives thereof may be deemed to be concerned or interested in the passing of resolution to the extent of securities issued/allotted to them or to the companies in which they are directors or members. Save as

aforesaid, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

This Notice does not constitute an offer or invitation or solicitation of an offer of securities to the public within or outside India. Nothing in this Notice constitutes an offer of securities for sale or solicitation in any jurisdiction in which such offer or solicitation is not authorized or where it is unlawful to do so.

This announcement is not an offer of securities for sale in the United States. Any securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any United States state securities laws, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable United States state securities laws. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

By Order of the Board
For Fineotex Chemical Limited

Surendrakumar Tibrewala
Chairman & Managing Director
DIN: 00218394

Place: Mumbai
Date: June 24, 2022

Details of Directors seeking appointment /reappointment at the 19th Annual General Meeting pursuant to Secretarial Standards on General Meetings (SS-II) and regulation 36 (3) of LODR

Sr. No.	Particulars	Reappointment of Mr. Surendrakumar Tibrewala	Reappointment of Mr. Sanjay Tibrewala	Reappointment of Mrs. Aarti Jhunjunwala
1	Name of the Director	Surendrakumar Tibrewala	Sanjay Tibrewala	Aarti Jhunjunwala
2	Director Identification Number	00218394	00218525	07759722
3	Date of Birth/ Age	10/6/1956-66 years	22/05/1981-41 years	24/01/1983-39 years
4	Date of First Appointment	30/01/2004	30/01/2004	14/08/2018
5	Expertise in General Specified Area	He has over four decades of experience in the Company's business. He was instrumental in growing the business from scratch to one of the leading companies in this sector. He continues to contribute strategically to guide the Company on its growth path.	Mr. Sanjay Tibrewala has been associated with the Company's business for the last 22 years. His missionary zeal has helped the Company to develop new products which have received acceptance in domestic as well as international markets. The Company's products have a growing acceptance internationally and has helped the Company achieve the Star Exporter credentials.	Rich and varied experience in International Business
6	Qualifications	B. Com and a Law Graduate and has four decades of experience in the Company's business	B. Com and has completed higher studies in Textile processing	Masters in Accounts and Taxation
7	Shareholding in the Company (as on June 24, 2022)	6,08,55,830	33,83,990	55,050
8	Relationship with Directors	Father of Mrs. Aarti Jhunjunwala and Mr. Sanjay Tibrewala	Son of Mr. Surendrakumar Tibrewala and brother of Mrs. Aarti Jhunjunwala	Daughter of Mr. Surendrakumar Tibrewala and sister of Mr. Sanjay Tibrewala
9	Total No of Board meeting attended during the year 2021-22	6/6	6/6	6/6
10	Directorship in other Public Limited Company as on June 24, 2022	Nil	Nil	Nil
11	Chairmanship/Membership of Committees of the Board of Directors of the Company	-Chairman of CSR Committee	-Member of CSR Committee -Member of Audit Committee -Member of Stakeholders Relationship Committee	Nil
12	Chairmanship/Membership of Committees of other Indian Public Limited Companies	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Shareholders,

We take pleasure in presenting the Nineteenth Annual Report, together with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2022.

1. HIGHLIGHTS

FY 2021-22 has been a milestone year for Fineotex Chemical. We saw the turnover doubling over FY2020-21 signifying the increase in our market share. This is the result of persistent policy pursued by the Company to provide customised business solutions to our customers and this has led to an increase in our product basket while simultaneously increasing our market share. This high growth category will result in higher margins. The performance reiterates the essence of our mission and our capabilities to be an effective customized solution provider along with traditional speciality chemicals.

Our strong performance also demonstrated our ability to adopt to any changes in the economy due to natural and geo-political causes.

2. FINANCIAL RESULTS

(Rs. in Lakhs)

	Standalone		Consolidated	
	Year ended 31-03-2022	Year ended 31-03-2021	Year ended 31-03-2022	Year ended 31-03-2021
Total Income	25,622	14,500	37,375	23,600
Less: Expenditure	19,946	10,000	30,046	18,014
Profits before Tax	5,676	4,500	7,329	5,586
Less: Income Tax Expense	1,278	902	1,640	1,131
Profit after Tax	4,398	3,598	5,689	4,456
Other Comprehensive Income (net of tax)	(5)	1	(5)	1
Total Comprehensive Income	4,393	3,599	5,684	4456

Attributable to

a. Owners of the Company	4,393	3,599	5,512	4,259
b. Non Controlling Interest	Nil	Nil	172	197

The above data has been extracted from the Audited Standalone and Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards (Ind AS), as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards Rules 2015) and the relevant provisions of the Act, as applicable.

3. DIVIDEND

The Board has proposed a dividend of Rs. 0.40 (Previous year Rs. 0.30) per equity share of Rs. 2/- each, at a total payout of Rs. 443 lakhs. The dividend, after approval by the shareholders and

ratification at the Annual General Meeting, will be paid to the eligible shareholders within the stipulated period. . The dividend will attract income tax. Members are requested to update the Permanent Account Numbers (PAN) and bank details with their depository participant or with the Company's Registrar and Transfer Agents. In case of non-availability of PAN, tax at higher rates will be deducted as prescribed in this regard.

Further, as per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the top 1000 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, your Company has formulated its Dividend Distribution Policy, which is available on the Company's website at <http://3.108.21.113/wp-content/uploads/2021/08/Dividend-Distribution-Policy.pdf>.

4. OPERATIONS

The turnover has shown a healthy rise during the year and we expect the trend to continue in future too. The Cleaning and Hygiene products have shown a steady growth and is expected to accelerate despite the steep decline of pandemic.

The Company's planned expansion of production facilities has gone on steam during the year from 9th November, 2021 in Ambarnath in Thane District of Maharashtra. It has started making a significant contribution to the Company's top line. State-of-the-art facility will ensure our commitment to environmental sustainability. It can contribute substantially to meet the requirements as they arise.

During the year, we have entered into a strategic alliance with HealthGuard®, a privately owned Australian company. It is a global leader in tailored non-invasive healthcare products such as Antimicrobial, Antiviral, Anti Insects Finishing and has a dedicated research and development facility to manufacture safe innovative biotech solutions for a wide range of products. . FCL Group has secured an exclusive global marketing and sales channel partnership. With this tie-up, Fineotex will add to its portfolio the much-required metal-free product range to its global customers with all the required global certifications.

It has also entered into an arrangement with Eurodye CTC, Belgium to commercialize speciality chemicals for pre-treatment and dyeing processes, for providing performance enhancing solutions for its customers. Their deep four-decade-long experience in research and development, has enabled us to bring their cutting-edge and specialised products to the Indian market. The association, will also benefit us from technology transfers apart from the channel partnership. Eurodye-CTC will also be benefitted by offering its existing customers our specialised technical solutions services.

The Company achieved a turnover of Rs. 25,008 lakhs (Previous Year (PY) Rs. 12,948 lakhs) on Standalone basis and Rs. 36,823 Lakhs (PY 21,851 lakhs) on Consolidated basis. This growth is expected to sustain itself and the coming year is also expected to show a healthy growth in the top line.

The Company believes in meeting the challenges head-on. Despite supply chain disruptions due to global geo-political changes, we have managed to ensure adequate availability of raw materials with sufficient inventories and thus, smooth production line. The high inventories will be back to normal in the first quarter. Our financial jurisprudence has ensured continuous production, free from any disruption and adequate control on the receivables despite tight market conditions.

5. SHARE CAPITAL

There has been no change in the paid up capital of the Company. The Share Capital of the Company, at the beginning of the year as well as at the close of the year on 31st March 2022 stands at Rs. 2,214.97 lakhs divided into 11,07,48,420 equity shares of Rs. 2/- each. There has been no change in the outstanding share capital during the year.

6. EMPLOYEES SHARE OPTION SCHEME 2020

The Company, at the 17th Annual General Meeting held on 29th September, 2020, had taken the approval of the shareholders for its Employees Stock Option Scheme FCL-ESOP-2020. The shareholders had also granted powers to the Board of the Company to determine and grant options to its own employees company as well as of its subsidiaries.

During the year the Company has granted options to various eligible employees across all levels depending on their grades, seniority and other factors on the recommendations of the Nomination and Remuneration Committee of the Company. The vesting period is two and half years and will vest on August 2024.

Disclosure pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the year ended March 31, 2022 is available at the website of the Company at <https://bit.ly/3PfwL9>.

During the year under review, “no stock options were exercised under the terms of the “FCL - Employees Stock Option Plan, 2020 (FCL-ESOP 2020)”.

The certificate from the Secretarial Auditors of the Company stating that the Schemes have been implemented in accordance with the SEBI Regulations would be placed at the ensuing Annual General Meeting for inspection by members.

7. SUBSIDIARIES

The details and performance of the subsidiary companies is provided below:

a. Foreign Subsidiaries:

Fineotex Malaysia Limited (FML), a Limited Company, was incorporated in a free trade zone in Labaun, Malaysia in 2011. FML in turn has controlling interest in 3 other companies in Malaysia that have established manufacturing and trading activities. FML has increased their stake in these subsidiaries. These Companies are BT Biotex Sdn Bhd, BT Chemicals Sdn Bhd and Rovatex Sdn Bhd. The synergy of the businesses has helped all the companies. BT Chemicals Sdn Bhd qualifies as a material subsidiary as per

the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Also refer the para 20 on Material Subsidiary in Corporate Governance Report which forms part of this report.

On 10th November, 2020, FML incorporated a wholly owned subsidiary -BT Biotex Limited, UAE with an initial investment of US\$ 10,000.

Fineotex Specialties FZE was incorporated in the Region of UAE on 25th January 2015 and operates in a free zone in UAE. It is renamed as Fineotex Biotex Healthguard FZE during the year after the strategic arrangement with HealthGuard during the year.

b. Indian Subsidiaries:

The Company incorporated a wholly owned subsidiary named Fineotex Specialities Private Limited on 5th September, 2020 with an investment of Rs. 100 lakhs to the Equity Capital.

Manya Manufacturing India Private Limited is the Indian subsidiary. It is not a material subsidiary as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013.

A statement containing the salient features of the financial statements of subsidiary companies in Form AOC-1 is attached to the Accounts.

The separate audited financial statements in respect of each of the subsidiary companies shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting.

8. FINANCE AND CAPITAL EXPENDITURE

The Company’s finance position continues to be robust. During the year under review, the cash generation from operations reflect a positive contribution. This has been the Company’s philosophy throughout and can be vouched over the years. The Company is a zero debt company. The borrowings are taken for short term requirements so that the investment portfolio is not abruptly disturbed. The Company has made substantial investment of Rs. 1500.18 lakhs to increase its manufacturing activities and the same are financed from internal resources which were held as investments which is reflected in the Cash Generated from investing activities of the Cash Flow statement for the year ended 31st March, 2022.

9. MAJOR CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION AFTER THE YEAR END AND TILL THE DATE OF THIS REPORT

There have been no significant changes / significant orders passed by the regulators or appellate authorities or commitments affecting the financial position of the Company which has occurred after the Balance Sheet date and the date of adoption of

the Board Report that may affect the going concern status of the Company's future operations.

10. INTERNAL FINANCIAL CONTROLS

The Internal Control System is reviewed on a continuous basis in light of the changed circumstances and way of doing business due to the changing systems and procedures. Based on the recommendatory and statutory directions of the Government, the Company had to revisit the controls time and again as business necessity. Consequent to the amendment to the Schedule III of the Companies Act 2013 and reporting requirements of CARO 2020 the Board has looked into the controls and brought in line to comply with the Act. The management is also in touch with stakeholders, experts and auditors. Necessary provision has been made on the basis of such interaction.

11. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company along with its subsidiaries – both foreign and Indian - for the year ended 31st March, 2022 form part of this Annual Report. The same are prepared as per the applicable Indian Accounting Standards (Ind AS) as well as the revised Schedule III of the Companies Act, 2013 as notified under section 133 of that Act, read with Companies (Indian Accounting Standards Rules) 2015 and the relevant provisions of the Act, as applicable.

12. PUBLIC DEPOSITS, LOANS AND ADVANCES

The Company has not accepted any deposits from the public or shareholders during the year or in the previous year. Security Deposits have been taken from customers as security against dues for goods sold to them and are not in the opinion of the Board in the nature of Public Deposits. Rent Deposit given to Subsidiary Company is disclosed in the financial statements as required under the Indian Accounting Standards (Ind AS) and Listing Agreements.

13. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS.

The Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 as at the end of the Financial Year 2021-22 are provided in the Standalone financial statements and the same are also given in **Annexure '1'** forming part of this report.

14. RELATED PARTY TRANSACTIONS / CONTRACTS

During the year, the Securities and Exchange Board of India (SEBI) has widened the definition and the scope of Related Party Transactions. The procedure of approval of the Audit Committee and the shareholders have undergone changes. All Related Party transactions entered into during the year were mostly on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are approved by the Audit Committee. Prior omnibus approval is obtained from the Audit Committee in respect of transactions which are repetitive in nature.

The shareholders have also given approval to these contracts and transactions at the 16th Annual General Meeting of the Company. Subsequently some of these were amended in the 17th and 18th Annual General meetings as explained therein. Though these are for transactions upto 2024, as per the new requirement, fresh approval of the shareholders will be required from the shareholders for next year's transactions.

Details of related party transactions are given in **Annexure '2'** giving the details as per AOC-2.

The policy on Related Party Transactions as approved by the Board is available on the website of the Company www.fineotex.com and may be accessed through the web link <http://fineotex.com/Investor-Relation.aspx>.

15. DIRECTORS

Mrs. Aarti Jhunjhunwala is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, she offers herself for re-appointment. She is related to the Whole-time Directors of the Company and therefore a Non-Independent Director liable to retire by rotation and being eligible, she offers herself for reappointment. The details about her are attached separately.

As per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended, your Company is required to appoint its Independent Director on the Board of the material subsidiary. As per the said regulation, BT Chemicals Sdn Bhd is a material subsidiary, as it contributed more than 10% to the Consolidated Income of the Group in 2018-19. The status of this subsidiary is 'Private Limited' Company under Malaysian Law. The law requires the Director to obtain a work permit from the Malaysian Government and there is also the reluctance of minority shareholders for such an appointment. The Company has appointed Mr. Alok Dhanuka as an Independent Director on the Board of FML which is the holding Company of BT Chemicals Sdn Bhd. FML is incorporated in the 'Export Zone' in Malaysia where the restrictions for Non-Malaysians is lesser (Also refer Annexure 5 and Corporate Governance Certificate issued by Statutory Auditor of the Company).

Dr. Sunil Waghmare and Dr. Anand Patwardhan are Independent Directors for a period of 5 years at the Board Meeting held on 31st October 2020. The Shareholders at the 18th Annual General Meeting held on 16th July, 2021 confirmed their appointment.

Dr. Anand Patwardhan resigned as an Independent Director with effect from 16th May, 2022 due to his pre-occupation and relocation to Bhubhaneswar as in-charge of the Bhubhaneswar Division of the Institute of Chemical Technology. The Board records its deep gratitude and appreciation for the services rendered to the Company and Board.

16. BOARD MEETINGS

The Board of Directors of the Company met six times during the financial year. The details of various Board Meetings and meetings of the Committees are provided in the Corporate Governance Report given in **Annexure ‘C’**. The details about the remuneration paid to Directors and other particulars as required by the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are in **Annexure ‘3’**.

17. EMPLOYEES

Key Managerial Personnel (KMP)

The following have been designated as the Key Managerial Personnel of the Company as per the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Mr. Surendrakumar Tibrewala – Chairman & Managing Director
- b) Mr. Sanjay Tibrewala – Whole-Time Director & Chief Financial Officer
- c) Mr. Hemant Auti – Company Secretary
- d) Particulars of Employees and related disclosures

Mr. Surendrakumar Tibrewala, Chairman and Managing Director and Mr. Sanjay Tibrewala Executive Director and CFO who were employed throughout the year and was received a gross remuneration of over Rs. 102 Lakhs.

None of the other employees who were employed throughout the financial year were in receipt of remuneration of more than Rs. 102 Lakhs during the year ended 31st March, 2022, nor was their remuneration in excess of that drawn by the Managing Director or Whole-time Director.

There were no employees employed for any part of the financial year 31st March 2022 in receipt of remuneration more than Rs.8,50,000 per month. No employee drew remuneration in excess of that of Managing Director and Executive Director.

Disclosure with respect to the remuneration of Directors, KMPs and employees as required under section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure ‘3’** to this Report.

18. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(7) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

a. POLICY RELATING TO DIRECTORS, KMP AND OTHER EMPLOYEES

Your Company has adopted the Nomination and Remuneration Policy on the principles of consistency and transparency. It includes criteria for determining

qualifications, positive attributes and independence of a Director. The Remuneration Policy is set out in **Annexure ‘4’** to the Director’s Report and is also available on the Company’s website.

b. FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company circulates certain notes to familiarise the Independent Directors and also the operations and developments within the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, entitlement of sitting fees to Independent Directors etc. <https://fineotex.com/fcl-familiarisation-programme.aspx>. The Company also circulates explanatory notes on amendments made to various applicable laws and regulations (Web Link- <https://fineotex.com/fcl-familiarisation-programme.aspx>)

c. BOARD EVALUATION

Pursuant to the provision of the Companies Act 2013 and Regulations 17 (10) and 25(4)(a) of the Listing Regulations, the Nomination and Remuneration Committee formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of Directors of the Company, including Independent Directors. The performance evaluation of the Audit Committee was also carried out.

The Evaluation of Board and its findings were shared by the Chairman individually with Board Members. The Directors expressed their satisfaction with the evaluation process.

19. AUDITORS AND AUDIT REPORT

M/s. ASL & Co., Chartered Accountants (Firm Registration No. 101921W), were appointed as statutory auditors of the Company, at the 16th Annual General Meeting for a period of 5 years – i.e. till the conclusion of 21st Annual General Meeting to be held in 2024.

The Audit Committee and the Board of Directors have recommended a remuneration of Rs. 4,50,000/- p.a. excluding taxes and out of pocket expenses fixed by the Audit Committee and Board of Directors of the Company. This is the same as last year.

Further, the Auditors’ Report for the financial year ended 31st March, 2022 on the financial statements of the Company is a part of this Annual Report. The Auditors’ Report for the financial year ended 31st March, 2022 does not contain any qualification, reservation or adverse remark.

20. COST ACCOUNTING RECORDS AND COST AUDIT

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, your Company, as specified in item (B) of Rule 3, had to get its cost records audited for the financial year 2022-23 in accordance

with these rules as the annual turnover of the Company from all its products and services during 2021-22 had exceeded rupees one hundred crore or more and the aggregate turnover of the individual product or products or service or services for which cost records are required to be maintained under rule 3 is rupees thirty five crore or more.

The Board had appointed M/s V J Talati & Co., Cost Accountants, for the conduct of the Cost Audit of the Company's manufacturing units. The shareholders have approved their appointment at the last Annual General Meeting and fixed their remuneration. They will submit the report in due course. This year too, Cost Audit is mandatory and hence M/s V J Talati & Co. are proposed to be appointed as mentioned in the Notice to the 19th Annual General Meeting.

21. SECRETARIAL AUDIT

As per Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 it is mandatory for the Listed Company, like yours, to have secretarial records audited. The Board of Directors had appointed HSPN & Associates LLP, Company Secretaries as Secretarial Auditors for 2022-23.

The Secretarial Audit Report is annexed herewith as **Annexure '5'**.

The Secretarial Audit Report for 2021-22 does not contain any qualification, reservation or adverse remark.

22. CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Section 135 of the Companies Act 2013, your Company has to spend 2% of its profits as computed under the Companies (Corporate Social Responsibility) Rules 2014 towards the activities specified by the Government of India. The provisions in this regard have been amended and are applicable since the current year. The Company was discharging this obligation by donating the amounts to the trusts which carry on these specified activities. As per the amendments, these trusts should also register with the Ministry of Corporate Affairs, Government of India. The Company had to spend Rs. 55.53 lakhs. The Company has fulfilled its obligation by spending Rs. 50.00 lakhs and adjusting the balance liability against the excess of Rs. 7.79 lakhs last year. Details of CSR is annexed herewith as **Annexure '6'**.

23. RISK MANAGEMENT COMMITTEE

As per Regulation 21 of (Listing Obligation and Disclosure Requirements) Regulation, 2015, the provisions regarding Risk Management Committee. The management of the Company determines various aspects so as to be able to minimize the risk in all spheres of the Company's business from finance, human resources to business strategy, growth and stability. The Board has formed the Committee during the year. The Committee met twice in a year i.e. on 30th October, 2021 and 17th January, 2022.

24. AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee

are included in the Corporate Governance Report which forms a part of this Report. The Committee met 4 times during the year i.e. on 22nd April, 2021; 23rd July, 2021; 30th October, 2021; 17th January, 2022.

25. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report. The copy of the Policy is available on the website of the Company and may be accessed through the web link <http://fineotex.com/InvestorRelation.aspx#InvestorRelation>.

No complaints/suggestions were received during the year

26. HUMAN RESOURCES

The Company has total 247 employees out of which 186 are permanent employees and 61 are contract worker at the year end. From the total permanent employees, over 17% are women. We consider our employees as our most valuable asset and have been working towards keeping them engaged and inspired. ESOP have been granted during the year to employees across the grades. The current workforce structure has a good mix of employees at all levels and many qualified and trained employees have joined during the year. The Company is aware that the success of its business depends upon its technical experts coordinating with research and development staff on one hand and marketing on the other. Necessary training and orientation are provided to our employees to equip them in providing productive and committed results.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given to the extent applicable in **Annexure 'A'** forming part of this Report.

28. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary & trainees) are covered under the policy.

The following is a summary of sexual harassment complaints and disposed of during the year 2021-22.

No. of Complains received: NIL

No. of Complaints disposed off: NIL

29. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (3) of the SEBI (LODR) Regulations, 2015, on the operations of the Company as prescribed under Schedule V, is presented in a separate section forming part of the Annual Report Annexed as **Annexure ‘B’**.

30. CORPORATE GOVERNANCE

Your Company would strive to set and achieve appropriate Corporate Governance practices. In accordance with the requirements of Schedule V read with Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, a report on the status of compliance of Corporate Governance norms is also attached as **Annexure ‘C’**. A certificate from the Statutory Auditors of the Company, confirming compliance with the conditions of Corporate Governance, as stipulated in the Listing Regulations forms part of the Annual Report.

31. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Your Company stands at 828th position at 31st March, 2021 based on market capitalization amongst the companies listed on the National Stock Exchange of India. It has advanced to 703th position as on 31st March, 2022. Your Company has the option to continue with the earlier form for the current year, as a part of this Report. The same is attached as **Annexure ‘D’** and forms part of this Report.

32. DIRECTORS’ RESPONSIBILITY STATEMENT

To the best of their knowledge, belief, explanation and information obtained by them and as required under Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure, if any;
- (ii) they have selected such accounting policies as mentioned in Note 2 to the Notes to Financial Statements 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 at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the Annual Accounts on a going concern basis;

- (v) the proper internal controls were in place and that the financial controls were adequate and were operating effectively and the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively and
- (vi) the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

33. EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return as on 31st March, 2022 can be viewed on the website as per following link. at www.fineotex.com.

34. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

35. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is in compliance with the Secretarial Standard issued by ICSI during the current financial year.

36. Credit Ratings

During the year rating assigned by CRISIL:

CRISIL Rating	
Long Term Rating: A-/ Stable	Short Term Rating: A2+

37. ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation to the Central Government, the State Governments, BMC, all its investors, stakeholders & bankers, all the business associates for their co- operation and support extended to the Company. Your Directors also wish to place on record their deep appreciation to the employees for their hard work, dedication and commitment throughout the year especially.

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director)
DIN: 00218525

Place : Mumbai
Dated: June 24, 2022

Annexure A

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken – Energy consumption is not very high for the Company’s business. However, efforts are being continuously made to monitor the consumption and reduce energy costs.
- (b) Total standalone energy consumption and energy consumption per unit of production as per Form ‘A’

Form ‘A’

	Power & Fuel Consumption	2021-2022	2020-2021
1. Electricity			
	Purchased Units (Nos)	4,17,000.00	3,21,230.00
	Total Cost (Rs. In Lakhs)	42.23	29.37
	Rate / Unit (Rs.)	10.13	9.14
2. Diesel Oil			
	Quantity (K.Ltrs)	3891.85	1,121.60
	Total Cost (Rs. In Lakhs)	3.59	0.90
	Average rate per K Ltr. (Rs.)	92.12	80.36

B. TECHNOLOGY ABSORPTION

- (a) Efforts made in technology absorption – as per Form B given below

Form ‘B’

Research and Development (R & D)

There has been a significant approach and focus on the sustainable solutions and products in the development. The company has spent Rs. 287.06 Lakh towards the R&D. The company has recently collaborated with The Synthetic & Art Silk Mills’ Research Association (SASMIRA) Institute located in Worli, Mumbai to develop a Research & Development Center for developing innovative products for sustainability i.e. process and products for water & energy conservation and other effective solutions.

Technology absorption, adoption and innovation

The said R & D activity and collaboration with Sasmira Institute is to focus on new sustainable solutions / chemicals to reduce water, time and energy consumption for the textile wet processing industry, substantial reduction of negative impact of chemicals on mother earth through alternative user friendly chemicals options & new process optimisation as a long term sustainable approach.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Standalone activities relating to export initiatives to increase exports developments of new export markets for products.

(Rs. In Lakhs)

Sr. No	Particulars	2021-2022	2020-2021
(a)	Total Foreign exchange earned	6,574.99	3,382.51
	i. Sales – Export	6,567.17	3,381.18
	ii. Commission Received	7.82	1.33
(b)	Total Foreign exchange used	6,038.42	2,011.09
	i. Commission	62.63	41.65
	ii. Travelling & Exhibition	28.16	1.54
	iii. Import	5,838.00	1,885.57
	iv. Professional Fees	37.75	35.60
	v. Freight Charges	46.10	43.13
	vi. Membership Fees	15.10	3.60
	Vii. Advertisement Expenses	10.68	-

Annexure 'B' to the Directors Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT INDUSTRY STRUCTURE AND DEVELOPMENTS

INDIAN ECONOMY

India had a far greater success in managing the COVID and was fast on a recovery path. The economy, having swiftly recovered in 2021-22, after the pandemic induced contraction, proved resilient owing to government's thrust on capital expenditure and improved corporate finances. India registered an FDI of USD 69.7 billion in first 9 months of FY22 and a growth of 29.7% in its External Commercial Borrowings. India's forex reserve at an all-time high of 12 months of import cover. Further, India showed continued growth momentum in the agriculture sector with an increase in area sown over FY21; 5.8% YoY growth in Feb.22 in combined Index of Eight Core Industries; expansion in PMI services resulting in record GST collection of Rs.1.4 lakh Cr in Mar.22; UPI transactions both value and volume doubling in FY22 crossing 5 billion in Mar.22; record US merchandise annual export of USD 418 billion.

Meanwhile, the GoI has come up with a 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector.

- 100% FDI in the chemical sector under automatic route with exception to few hazardous chemicals
- Speedy industrial licensing in most sectors, except for few hazardous chemicals
- Lower basic customs duty on multiple products and offers support through the 'Make in India' campaign to support R&D activities
- A production-linked incentive (PLI) scheme is being planned for the chemical sector to boost domestic manufacturing and exports

EFFECT ON MANUFACTURING SECTOR

Despite the supply chain disruptions, shortage of industrial supplies and surging crude prices, our performance in manufacturing sector is a success story. India is able to successfully counter the challenges thrown in by the recent COVID resurgence in China and its impact on its manufacturing sector. The industry sector has been able to manage the supply chain constraints with great success with proactive plans to manage its inventory and logistics.

Within India, there is a positive outlook in the investment climate with many corporates planning for new projects, capacity expansions and diversifications, in the short to mid-term. Record FDI inflows; merchandise exports to US; GST collection and UPI transactions etc are testimony to India's economic resilience to face global economic upheavals. These reflect our true strengths in domestic industrial sector.

Further, supply disruption in China has caused the global end-user industries to diversify their vendor base mainly towards Indian players. Closure of plants in the EU and China due to increasing environmental concerns have favoured Indian manufacturers to invest further in specialty chemicals.

INDUSTRY BACKGROUND - SPECIALTY PERFORMANCE CHEMICALS AND SOLUTIONS

India's chemical sector ranks 14th position in exports and 8th position in imports at global level. Covering more than 80,000 commercial products with a market size of US\$ 178 billion in FY 2018-19, and is expected to grow at 9.3% by FY 2025. The specialty chemicals sector alone is expected to reach US\$ 40 billion by 2025.

Specialty chemical companies in India have started accelerating their capex plan on the back of strong growth visibility and emerging opportunities. The sector constitutes 22% of the total chemicals and petrochemicals market in India. The demand for specialty chemicals is expected to rise at a 12% CAGR in FY 2019-22, from a CAGR of 11% between FY 2015-21, thus raising India's share in the global specialty chemicals market to 4% from 3%.

A revival in domestic demand and robust exports owing to higher realisations and rising crude oil prices will spur a 50% YoY increase in the capex of this sector in FY22 to Rs. 6,000 - 6,200 crore. Rise in demand from end-user industries such as food processing, personal care and home care will drive different segments of specialty chemicals market.

Many specialty chemicals companies are expanding their capacities to cater to these rising demands and with global companies seeking to de-risk their supply chains, which are dependent on China, the domestic sector has the opportunity for a significant growth. The recent COVID incidences in China and the measures undertaken to control it, has affected the supply chain.

Considering this, many corporates in India have started to strategize for plan Bs

- Sourcing strategy: Dependable supply chain in lieu of low-cost countries
- Prudent financial management:
- Product range rationalization: Basis the future outlook, margin optimization, SKUs, pricing, etc of each product.
- Build supply chain agility: To avoid supply chain disruptions and make it more response and resilient to the sudden changes in the environment
- Emergency response plans (ERPs): to proactively and positively respond to any crisis
- Optimization of distribution networks: to explore new channels of distribution like omni and online channels
- Safety & Security and Environmental Sustainability: Building strong policy and employee awareness.

FINEOTEX GROUP AND THE WAY AHEAD

Fineotex has emerged strongly in the second half of FY22 owing to opening up of the market on fairly successful control on COVID. During the pandemic, the company exhibited fine mettle in its investments, expansion and diversification plans and also, able to demonstrate resiliency in its operations while faced with supply chain disruptions. The policy initiatives by Government of India will support the Company's plan of actions like capacity expansion, global alliances,

portfolio diversification, rationalization of channels, improving operational efficiency, etc. Our new vertical, Health & Hygiene, has seen excellent growth prospects with better than industry revenue growth. The Company recorded its highest profits and proposed highest ever dividend this year. Its overseas company - Biotex, has successfully provided the quality assurance for our customers. The overall healthy performance of the group has created a strong goodwill among the stakeholders, and we expect to grow at the same pace in future too.

Various efforts taken by the Fineotex Group in India and overseas were:

1. Spearheading new high-value products and solutions with its subsidiaries in Malaysia, concentrating on super specialty products in the finishing textile processes
2. Successfully diversified into Cleaning and Hygiene and Drilling Specialties while continuing to focus on the core Specialty Chemicals & Solutions business
3. Fineotex Chemical launched its new facility in Ambernath, on the outskirts of Mumbai, in November 2021. This facility is one of the several new investments FCL has made in recent months with a CAPEX investment of Rs.270 million. It is a logical and necessary step in strengthening the company's competitive position at a local and global level. This state-of-the-art automated unit complies with the highest standards of sustainability.
4. The Company's strategic collaboration with HealthGuard, Australia has resulted in development of cutting-edge solutions. FCL being the exclusive channel partner for the entire range of products, has been able to capture the global market, across several industries like textile, detergent, leather, and allied industries
5. The Company also has an exclusive tie-up with Eurodye-CTC, Belgium, to market its products to the Indian textile market. The tie-up also covers technology transfer
6. Invested Rs. 28.71 million in R&D activities on a consolidated basis
7. FCL has received the prestigious ECO PASSPORT by OEKO-TEX® accreditation, which is the highest rating in the globally recognised audit that measures sustainability requirements. The green rating was awarded by Hohenstein, an impartial and neutrally acclaimed testing system with a global reputation
8. Environmental, Social and Governance factors is the focal point for FCL in its efforts to respect, protect and restore the environment. FCL considers its employees as its most valuable asset and have been working toward keeping them engaged and inspired. The Company's philosophy on Corporate Governance is a step in creating an organization intended to maximize shareholder's wealth, thereby establishing productive and lasting relationships with them.

FINEOTEX AND SPECIALITY CHEMICALS

Fineotex is always on proactive mode to explore new domestic and international markets for expanding and diversifying its portfolio. In the last few years, the company has been building its brand through alliances with reputed brands. There is a rising demand for super

specialty finishing products, post-COVID and the Company is fully capable to meet this surge in demand. Further, the latent global demand and Health & Hygiene segment will further boost our revenue and is responding to the rising demand by expanding its capacity, and developing new super specialty chemicals.

The textile industry is the largest consumer of our specialty chemicals. We have major textile brands as our trusted customers and product quality have a good brand recall. Our products are well-accepted by both domestic and international major textile companies, both for manufacturing and processing. Our export portfolio includes more than 60 nations.

THE SWOT ANALYSIS

Strength

Fineotex is the Specialty chemicals producer having experience of 4+ decades with a market leading position in the industry. It has an attractive industry dynamics with technical barriers to entry and high levels of development and product customization. The Company has been recognised for quality and innovation across industries globally and has international acceptance by high profile customers. The Company has the ability to cater to demanding customer requirements and customization

Weakness

The specialty chemical industry is ever changing and Fineotex will need to constantly adapt. Ability to cater to demanding customer requirements and customization is what sets companies apart. This could affect the pace at which the Company can cater to the requirements of the industry. However, the inherent strength of Fineotex based on its track record, has demonstrated that such threats, including the pandemic, and has not brought the company to a standstill. This has helped the Company to grow at a faster rate and achieve new milestones.

Opportunities

The rise in demand from end-user industries such as food processing, personal care and home care is driving development of different segments in India's specialty chemicals market. The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals. The Government of India's a production-linked incentive (PLI) scheme in the chemical sector will boost domestic manufacturing and exports

Threats

Barring unavoidable scenarios, like the geo-political situation which may disrupt the global supply chain, the Company does not foresee any threats.

OUTLOOK

The World economy was on a downward trend for the last couple of years and Indian economy was no different. The growth rate in India was 4% in 2019-20 and plummeted to 7.7% in 2020-21. The pandemic over the last two years, has seen the global economy slowing down, drastically and India being no exception. Fineotex registered growth rates of 4% and 7.7% in FY20 and FY21 but is expected to grow at between 8% - 9% in FY22.

Production:

During the year the Production and sales have achieved paradigm change. Sales have shown a volume growth of 47.58%. In Rupee terms the income from operation has increased 93.45%. This shows that in addition to the volume growth there is a growth in high value products.

Particulars	2021-2022	2020-2021	Increase
Production MT	21,387	14,206	50.55%
Sales MT	20,906	14,166	47.58%
Income from Operation (Rs. In Lakhs)	25,008	12,948	93.45%

Our well planned diversification into a related segment, Home care & Hygiene, with similar chemistries has been successful. The segment is registering consistent healthy growth and is all set to poise to emerge as a prospective vertical in future. Our new capacity facility at Ambernath is well aligned to meet any spurt in demand from this segment. The plant has been approved and certified by the Food & Drugs Administration (Maharashtra State) department. The license has been granted for production of disinfectant/ antimicrobial hygiene and cleaning products ensuring safety and effectiveness.

The Company has also diversified into the Oil Drilling industry and will create additional facilities at Ambernath, The Company intends to introduce new products in this category in the coming years.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

The consolidated Profit after tax (PAT) of the Company has increased to Rs. 569 million from Rs. 446 million, registering a growth of 28% approx.

This was largely due to superior quality and efficient products and strict control over costs. The increase in profit margin is on account of super specialty product required due to the pandemic. The salient indicators are as under:-

1. Standalone Operations:

Particulars	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)	Increase %
Income from Operations	25,008	12,948	93
Profit before Tax	5,676	4,500	26
Profit after Tax	4,398	3,599	22
EPS (FV Rs. 2/ Share) (Rs)	3.97	3.25	23

Increase due to expansion and diversification.

Cash/ Fund management:

Particulars	2021-2022	2020-2021	Increase	Comments
Cash from Operating activities	1,347	-83	1,430	Better Working Management
Cash from Investing activities	710	-619	1329	Profit earned saved for future growth

Particulars	2021-2022	2020-2021	Increase	Comments
Cash from Financing activities	-384	-272	-112	Dividend paid during the year
Net Cash Flow for the Year	1,674	-974		

2. Consolidated

The Income from Operations constitutes as under on Individual Standalone Results as under:

Company	2021-2022	2020-2021	Increase %	Comments
Fineotex Chemical Limited	25,008	12,948	93	Expansion & Diversification
Fineotex Malaysia Limited	11,777	10,799	9	
Fineotex Biotex HealthGuard FZE	97	26	273	
Fineotex Specialities Private Limited	3,358	-	-	
Manya Manufacturing India Private Limited	-	-	-	
Elimination and adjustments	-3,417	-1,922		
Total Group Turnover	36,823	21,851		

Operations:

Particulars	2021-2022 (Rs. In lakhs)	2020-2021 (Rs. In lakhs)	Increase %
Income from Operations	36,823	21,851	69
Profit before Tax	7,329	5,586	31
Profit after Tax	5,689	4,456	28
EPS (FV Rs. 2/ Share) (Rs)	4.97	3.83	30

Increase due to expansion and diversification which will impact global operations during the year

Cash/ Fund management:

Particulars	2021-2022	2020-2021	Increase	Comments
Cash from Operating activities	1,338	920	418	
Cash from Investing activities	-74	-653	579	
Cash from Financing activities	-566	-444	-122	
Effect of Foreign Exchange differences	141	-71	212	
Net Cash Flow for the Year	839	-249	1,088	

Financial Ratios and Analysis

Most of the parameter indicators of financial performance show the improvement in this area:

Working Capital Management

The working capital ratios are given below:

	2021-2022	2020-2021	Variance
Current Ratio	3.44	3.37	2.11%
Inventory Turnover Ratio	7.09	7.41	-4.35%
Debtors Turnover Ratio	3.74	2.66	40.39%
Creditors Turnover Ratio	5.59	4.15	34.43%

The above shows an improved working capital management with faster collections matched by faster settlement of dues to suppliers.

Profitability performance

	2021-2022	2020-2021	Variance
Return on Equity	21.83	21.90	-0.31%
Net Profit Ratio	17.59	27.79	-36.73%
Return on Capital Employed	25.49	24.47	4.16%

The return on capital has increased marginally. However the net profit ratio has come down of the teething costs of the new project that started production during the year. This will temper off in FY 2022-23

Long Term Financing	2021-2022	2020-2021	Variance
Debt Equity Ratio	0.01	0.02	-55.13%
Debt Service Coverage Ratio	91.09	119.03	-23.47

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Fineotex lays great emphasis and strict compliance on the policies related to critical functions like production, project, finance, supply chain, human resources, etc. These policies are periodically reviewed to ensure the same are aligned to prevailing policies of the government and regulatory authorities. The internal checks and balances help the

Company to assure the safety and security of all the infrastructure and assets and its authorized use through control documents. Fineotex has tight Internal Control Systems which are monitored on a regular basis by the management. On the external front, the Company monitors the conformity to all environmental regulations prevailing as on date. The Audit Committee is empowered to evaluate policy adequacy and to initiate measures to strengthen them.

HUMAN RESOURCE

The Company has total 247 employees out of which 186 are permanent employees and 61 are contract worker at the year end. From the total permanent employees, over 17% are women.

We consider the employees as our most valuable asset and helping them realize their full potential through our strong HR policy. The Company's robust performance and goals management system is crafted to ensure our employees' performance is assessed and appraised annually based on agreed upon goals aligned with the Company's overall business targets. The performance driven culture and Risk & Reward HR policy will help to inculcate a sense of ownership and accountability amongst our employees.

The HR function is tightly integrated and takes care of recruitment, training, performance management, compensation and overall well-being of all our employees. The Company's strong belief in employee empowerment and thus the efforts are focused on creating a employee-friendly environment. The testimony to this is our recent certification of 'Great Place to Work'.

SAFETY AND HEALTH

Fineotex is firmly committed to the policy of utmost safety at workplaces. The Company has all the required safety systems in place at all our facilities to ensure high standard of safety and health of employees as well as the factory infrastructure. We have established all possible measures to remove/reduce risks to the health, safety and welfare of all the personnel at our facilities. The Company ensures all the safety equipment are in working condition, installed at appropriate locations and along with its user manual. All the employees are also being periodically trained on health and safety initiatives. Our workplace culture promotes the use of personal protection equipment and apparel, as well as strict adherence to management's health and safety directives.

Annexure ‘C’ to the Directors Report

CORPORATE GOVERNANCE REPORT

In compliance with regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ‘SEBI (LODR) Regulations’, the Company submits the report for the year ended 31st March, 2022 on the matters mentioned in the said regulation and lists the practices followed by the Company in compliance with the SEBI (LODR) Regulations.

1. Company’s Philosophy on Corporate Governance

The Company’s philosophy on Corporate Governance relates to creating an organization intended to maximize the wealth of shareholders, establish productive and lasting relationships with all shareholders with the emphasis laid on fulfilling the responsibility towards the entire community and society. The Company’s products are marketed not only in India but also across the globe. The Company is, therefore, conscious of the fact that the management and the employees need to work ethically to achieve success.

2. Board of Directors

The composition of the Board of Directors and other details as on 31st March, 2022 are given below:

Name of the Director	Composition & Category	+No of outside directorship in other Public Companies	++No of other Committee Chairman/ Members	Inter-se Relationship between Directors
Mr. Surendrakumar Tibrewala (DIN 00218394)	Chairman & Managing Director	Nil	Nil	Father of Mr. Sanjay Tibrewala and Mrs. Aarti Jhunjunwala
Mr. Sanjay Tibrewala (DIN 00218525)	Executive Director	Nil	2 Member in Audit and SRC	Son of Mr. Surendrakumar Tibrewala and Brother of Mrs. Aarti Jhunjunwala
Mrs. Aarti Jhunjunwala (DIN 07759722)	Executive Director	Nil	Nil	Daughter of Mr. Surendrakumar Tibrewala and Sister of Mrs. Sanjay Tibrewala
Mr. Alok Dhanuka (DIN 06491610)	Non – Executive Independent Director	Nil	2 Member – Audit Chairman – SRC	-
Mr. Navin Mittal (DIN 03555295)	Non – Executive Independent Director	Nil	Nil	-
CS (Mrs.) Bindu Darshan* (DIN 07131459)	Non – Executive Independent Director	Kamadgiri Fashion Limited (KFL)	Member – Audit Committee of KFL Chairman – SRC Member – Relationship Committee of KFL	-
Mr. Sunil Waghmare (DIN 08906042)	Non - Executive Independent Director	Nil	Nil	-
Mr. Anand Patwardhan** (DIN 08908877)	Non - Executive Independent Director	Nil	Nil	-

*Woman Independent Director

**Resigned as Independent Director with effect from 16th May, 2022

+ Directorships held by the Directors as mentioned above, exclude directorships held in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

++ In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of two Committees viz. Audit Committee and Stakeholders’ Relationship Committee of all Public Limited Companies is to be considered.

The Board consists of 8 members – 2 Non retiring Directors as per the Articles of Association of the Company, 1 Promoter Whole time Director liable to retire by rotation and 5 Independent Directors as per Section 149 of the Companies Act, 2013 constituting more than one third of the Board’s strength as on 31st March, 2022. Dr. Anand Patwardhan Resigned as Independent Director with effect from 16th May, 2022. The Board has two Woman Directors including one Independent Woman Director as required under section of the Companies Act, 2013 and SEBI

(LODR) Regulations 2015 as amended. During the year under review, 6 meetings of the Board of Directors were held and the Directors attending the same as well as the Annual General Meeting are as under:

Type of Meeting	Board	Board	Board	Board	Board	Board	AGM
Director's Name / Date of Meeting	22/04/2021	01/06/2021	17/06/2021	23/07/2021	30/10/2021	17/01/2022	16/07/2021
Mr. Surendrakumar Tibrewala	P	P	P	P	P	P	P
Mr. Sanjay Tibrewala	P	P	P	P	P	P	P
Mr. Navin Mittal	P	P	P	P	P	P	P
Mr. Alok Dhanuka	P	P	P	P	P	P	P
Mrs. Aarti Jhunjhunwala	P	P	P	P	P	P	p
CS (Mrs) Bindu Darshan Shah	P	P	P	P	P	P	P
Dr. Sunil Vasant Waghmare	P	P	P	P	P	P	P
Dr. Anand Vinayak Patwardhan	P	A	P	A	A	A	P

P = Present A= Absent, NA Not Applicable

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

The details of familiarization programs imparted to the Independent Directors are available on the website of the Company.

Profile of the Directors

Mr. Surendrakumar Tibrewala is the Chairman and Managing Director of the Company. He is a B. Com and a Law Graduate and has over four decades of experience in the Company's business. He was instrumental in growing the business from scratch to one of the leading companies in this sector. He continues to contribute strategically to guide the Company on its growth path.

Mr. Sanjay Tibrewala has been associated with the Company's business for the last 22 years. He is a B.Com and has completed higher studies in Textile processing from SASMIRA. His missionary zeal has helped the Company to develop new products which have received acceptance in domestic as well as international markets. The Company's products have a growing acceptance internationally and has helped the Company achieve the Star Exporter credentials.

Mr. Navin Mittal is a graduate with experience in steel business which the Company has benefitted in the expansion activity. He was appointed as a Director on 2nd September, 2011. At the 11th Annual General Meeting held on 28th September, 2015 he was appointed as an Independent Director within the provisions of section 149(4) of the Companies Act, 2013 for a period of five years. At the 17th Annual General Meeting held on 29th September, 2020 he was re-appointed for the second term of 5 years and will hold office till September 2025. He is a member on Nomination and Remuneration Committee of the Board. His skill is in management of business especially with relation to steel and its uses in various sectors.

Mr. Alok Dhanuka was appointed as a Director of the Company on 11th February, 2013 as Independent Director as per the Listing Agreement with Bombay Stock Exchange Limited. He was re-appointed as Independent Director as per the provisions of Section 149(4) of the Companies Act, 2013 for a period of 5 (Five) years at the 11th Annual General Meeting. Further his term of office as an Independent Director

is liable to expire on 22nd September 2019. At the 16th Annual General Meeting held on 27th September, 2019 he was re-appointed for the second term of 5 years and will hold office till September 2024. Mr. Alok Dhanuka is an MBA Finance with experience of exports business. He is a member of various Committees of the Board including Chairman in few cases.

Mrs. Aarti Jhunjhunwala was appointed as an Additional Director w.e.f. from 14th August, 2018. The Shareholders at the 15th Annual General Meeting held on 28th September, 2018 approved the appointment of Mrs. Aarti Jhunjhunwala as an Executive Director. She was re-appointed as Executive Director for a period of three years with effect from 14th August, 2021 at the 18th Annual General Meeting. She is an Executive and Promoter Director liable to retire by rotation and shall hold office as Executive Director for a period of 3 years subject to her re-appointment. Her appointment as Director would be of tremendous value to the Company being aware of the operations of the Company. Her appointment also meets the obligation of the Company under section 149(1) of the Companies Act, 2013.

CS (Mrs.) Bindu Darshan Shah was appointed as an Independent Director at the Board Meeting held on 14th July, 2020. She is a Practicing Company Secretary for the last several years. Earlier she worked with an International Bank and has experience in banking and Finance. Her appointment was confirmed by the shareholders at the 17th AGM held on 29th September, 2020. Her appointment is also as per the requirements of the law as an Independent Woman Director on the Board of our Company.

Dr. Sunil Vasant Waghmare was appointed as an Independent Director by the Board on 31st October, 2020. He has done Ph.D from university of Pune & Post-Doctoral Researcher at institution & universities of repute. He has profound knowledge of QA/QC, Analytical Development, safety, legal, and quality compliances. He is a member of various societies connected with Chemistry. His experience and knowledge would be of great value to the Company.

Dr. Anand Vinayak Patwardhan was appointed as an Independent Director by the Board on 31st October, 2020. He has done Ph.D (Technology) in Chemical Engineering from ICT Mumbai University. He has been member of various expert panels and guide to several students at Doctoral Level. However due to additional responsibilities from another state for the post of Deputy Director Bhubaneswar campus (Odisha state) resign from the position of independent director with effect from 16th May, 2022.

The profile of Director to be reappointed is given separately in this notice.

3. Code of Conduct

The Board of Directors has laid down a code of conduct for all the Board members and senior management of the Company in compliance with the requirements of the listing Agreement and Regulation 17(5) of the SEBI (LODR) Regulations. All the Board of Directors and senior management have affirmed with the code of conduct as approved and adopted by the Board of Directors and a declaration to this effect signed by the Chairman & Managing Director has been annexed to the Corporate Governance Report. The code of conduct may be accessed through the web link <https://fineotex.com/investor-relation/>.

4. Certification from Company Secretary in Practice

M/s. HSPN & Associates LLP, Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as a Director of Companies by the SEBI/ Ministry of Corporate Affairs or any such Statutory Authority was placed before the Board of Directors at their meeting held on June 24, 2022

5. Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR-3 and is required to be submitted to Stock Exchange within 60 days of the end of the financial year.

6. Recommendations of Committees of the Board

There were no instances during the financial year 2021-2022, wherein the Board had not accepted the recommendations made by any committee of the board.

7. Total Fees paid to Statutory Auditor of the Company

The total fees of Rs. 4.00 lakhs for financial year 2021-2022, for Statutory Audit and Rs. 4.47 lakhs for all the services, was paid by the Company and its subsidiaries, on a Consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.

8. Key Board qualifications, expertise and attributes

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board members are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance.

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company’s aforesaid business(es) for it to function effectively and those available with the Board as a whole.

- i) Sales & Marketing: Understanding of the products and the markets in order to guide the sales & marketing team to approach the right audience.
- ii) Production: Knowledge of chemical components to produce tailor made products to meet the needs of varied customers for the entire value chain of the production process.
- iii) International Business understanding: In-depth knowledge of the product requirements of different geographies / markets around the world.
- iv) Financial Analysis: Sound understanding and ability to read and understand the financial statements and financial controls.
- v) General Management: Strategic thinking & decision making protect the interest of all stakeholders.
- vi) Technical & professional skills including legal & regulatory aspects.

In the table below, the/ specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member’s name does not necessarily mean the member does not possess the corresponding qualification or skill

Name of Director	Sales & Marketing	Production	International Business Understanding	Financial Analysis	General Management	Tech & Professional Skill including legal and regulatory
Surendrakumar Tibrewala	√	√	×	√	√	√
Sanjay Tibrewala	√	√	√	√	√	√
Alok Dhanuka	√	×	√	√	×	×
Manmohan Mehta	×	×	√	√	×	√
Navin Mittal	√	×	×	√	√	√
Aarti Jhunjhunwala	√	×	√	×	√	√
Dr. Sunil Waghmare	×	×	×	×	√	√
Dr. Anand Patwardhan*	×	×	×	×	√	√
Mrs. Bindu Shah	×	×	×	√	√	√

* Dr. Anand Patwardhan resigned from the designation of Independent-Non Executive Director with effect from 16th May, 2022.

9. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons:

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. SEBI has notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from 1st April, 2019. In accordance with the said amendments to the SEBI Insider Trading Regulations, it was, inter alia, required to amend/formulate the following: i) Code of Conduct to Regulate, Monitor and Report trading by Designated Persons ii) Formulate a Policy for determination of 'legitimate purposes' as a part of 'Code of Fair Disclosure and Conduct' The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and the Code of Fair Disclosure and Conduct have been intimated to the Stock exchanges and have been uploaded on website of the Company.

10. Audit Committee

The Company has a qualified Audit Committee. The terms of reference of the Committee were in accordance with the provisions of the Companies Act, 1956 and Listing Agreement. The same are being reviewed and enlarged in terms of the Companies Act, 2013 and the new Listing Regulation which became effective from 1st December 2015. The terms of reference have been approved by the Board. The terms have been enlarged to have a better review of the internal control systems as well as the Risk Management process.

The Audit Committee reconstitutes itself at its meeting held on 17th January, 2022 i.e. present Composition of the Audit Committee are Mrs. Bindu Shah is the Chairman of the Committee. Mr. Sanjay Tibrewala and Mr. Alok Dhanuka are the members of the Company. Company Secretary of the Company is the secretary of the Audit Committee. Earlier Mr. Alok Dhanuka was Chairman of the Audit Committee but due to preoccupied in other works he won't able to devote his time to the role of Chairman of the Audit Committee, therefore with effect i.e. from 17th January, 2022 Mrs. Bindu Shah has been appointed as Chairman of the Audit Committee and Mr. Alok Dhanuka is appointed as member of the Audit Committee.

The Committee met 4 times during the year and the attendance is given below.

Name of Director	22/04/2021	23/07/2021	30/10/2021	17/01/2022
Mrs. Bindu Shah*	P	P	P	P
Mr. Alok Dhanuka**	P	P	P	P
Mr. Sanjay Tibrewala	P	P	P	P

P = Present A= Absent, NA Not Applicable

*Mrs. Bindu Shah appointed as chairman in Audit Committee with effect from 17/01/2022.

** Mr. Alok Dhanuka resigned as chairman from Audit Committee with effect from 17/01/2022.

11. Nomination & Remuneration Committee

The Company has a Nomination and Remuneration Committee (NRC) to recommend/review the remuneration package of the Managing Director and the Executive Directors as well as to the other members of the Board and Senior Management executives.

Earlier Mr. Alok Dhanuka was Chairman of the Audit Committee but due to preoccupied in other works he won't able to devote his time to the role of Chairman of the Nomination and Remuneration Committee, therefore with effect from 17th January, 2022 Mrs. Bindu Shah has been appointed as Chairman of the Audit Committee and Mr. Alok Dhanuka is appointed as member of the Nomination and Remuneration Committee. All members are Independent and Non-Executive Directors.

The Committee met 4 times during the year and the attendance is given below.

Name of Director	22/04/2021	17/06/2021	30/10/2021	17/01/2022
*Mrs. Bindu Shah	P	P	P	P
**Mr. Alok Dhanuka	P	P	P	P
Mr. Navin Mittal	P	P	P	P

P = Present A= Absent NA= Not Applicable.

*Mrs. Bindu Shah appointed as chairman in Nomination and Remuneration Committee with effect from 17/01/2022.

** Mr. Alok Dhanuka resigned as chairman from Nomination and Remuneration Committee with effect from 17/01/2022.

12. Stakeholders Grievances Committee

The Company has a Stakeholders Grievances Committee of the Board of Directors under the Chairmanship of Mr. Alok Dhanuka, Non-Executive Independent Director, to look into the redressal of investors' grievances with Mr. Sanjay Tibrewala and Mrs. Bindu Shah. The Company Secretary is the Secretary to Stakeholders Grievances Committee.

The Board of Directors has delegated power of approving transfer/transmission of shares to senior executives of the Company.

During the year 2021-22 no complaints were received by the Registrar and Transfer agents. There were no complaints on the 'SCORES' hosted on the website of Securities and Exchange Board of India (SEBI). Certain grievances regarding re-validation of dividend warrants were received and were attended accordingly and no grievance was outstanding as on 31st March, 2022.

No share transfers/transmissions/issue of duplicate share certificates was pending as on 31st March, 2022.

Mr. Hemant Auti. is the Company Secretary and the Compliance Officer of the Company The Committee met 2 times during the year and the attendance is given below.

Name of Director	22/04/2021	17/01/2022
Mr. Alok Dhanuka	P	P
Mrs. Bindu Shah	P	P
Mr. Sanjay Tibrewala	P	P

P = Present A= Absent NA= Not Applicable.

13. Corporate Social Responsibility Committee

Our Company being a listed company is required to have a Corporate Social Responsibility Committee (CSR) as per Section 135 of the Companies Act, 2013. Accordingly a Committee has been constituted consisting of Mr Surendrakumar Tibrewala, Chairman, Mr Sanjay Tibrewala and Mrs. Bindu Shah as members. The Company Secretary is the secretary to the CSR Committee.

The Committee met Thrice during the year and the attendance is given below.

Name of Director	22/04/2021	17/01/2022	01/02/2022
Mr. Surendrakumar Tibrewala	P	P	P
Mrs. Bindu Shah	P	P	P
Mr. Sanjay Tibrewala	P	P	P

P = Present A= Absent NA= Not Applicable.

Your Company contributes to eligible trust established in the field of CSR. The Company had to spend Rs. 55.53 Lakhs during the current year. the company had spent Excess amount for the financial year 2020-2021 is Rs. 7.53 Lakhs which will be available for set off in immediate succeeding three financial years subject to the conditions provided in Rule 7 (3) of CSR Amendment Rules, 2021, So after set off Company required to contribute Rs. 49.74 Lakhs for CSR for the financial year 2021-2022. It has spend Rs 50.00 Lakhs for the financial year in review, leaving a surplus of Rs. 2.01 Lakhs for the next financial year.

These trust are pursuing various activities namely upliftment of Socio –economic Backward Society by Providing Health, Education and Self Employment. The Committee will also monitor the usage of the funds in the desired activities on a regular basis.

The other details about the Corporate Social Responsibility are given in **Annexure ‘6’**.

14. Risk Management Committee

Through an Enterprise Risk Management programme, our business units and corporate functions address risks through an institutionalized approach aligned to our objectives. This is facilitated by corporate finance. The Business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are presented to the senior management.

Our Company’s business is in a way very specialized with no standard product. The products are in the nature of specialties which enhance the processing performance which in the end

increases the final utility of the products of the customers. The risks are therefore a bit higher than the standard business risks. But the strength of the Company is based on the ability to continuously innovate as per customers’ needs and grow.

As per the requirement of the Revised Listing Regulation, Regulation 21 of the (Listing Obligation and Disclosure Requirements), Regulation, 2015 with the Stock Exchanges, the Risk Management Committee is constituted to frame, implement and monitor the risk management plan of the Company. Accordingly a Committee has been constituted consisting of Mr Surendrakumar Tibrewala, Chairman, Mr Sanjay Tibrewala and Mrs. Bindu Shah as members. The Board takes responsibility for the overall process of risk management throughout the organisation.

The Committee met Twice during the year and the attendance is given below.

Name of Director	30/10/2021	17/01/2022
Mr. Surendrakumar Tibrewala	P	P
Mrs. Bindu Shah	P	P
Mr. Sanjay Tibrewala	P	P

15. Meeting of Independent Directors

The Independent Directors met once during the year on the 17th January, 2022 to review the working of the Company, its Board and Committees. The meeting decided on the evaluation of the Audit Committee. The evaluation of the Board and of the Audit committee by Independent Directors was completed. The same was compiled by Independent authority and informed to the members.

16. Committee for Prevention of Sexual Harassment at workplace

The Company has constituted a Committee of Mr. Surendrakumar Tibrewala, Mrs. Aarti Jhunjhunwala and two lady employees of the local workplace on the Committee. The Company endeavors safety of all its employees and to provide equal opportunity on merit basis irrespective of gender.

No complaint was received.

17. Remuneration of Directors

Payment of remuneration to the Managing Director and Executive Director is governed by the terms and conditions approved by the shareholders as contained in the Agreement entered into with them which incorporated remuneration within the limit stipulated by the provisions of the Companies Act, 2013. The remuneration structure comprises of salary, Consolidated allowance and other perquisites such as house rent allowance, medical benefits, leave travel concession, club subscription, contribution to provident, superannuation and gratuity funds and provision of car and telephone. The other provisions are as per the agreement. At the 16th Annual General Meeting held on 27th September, 2019, the shareholders approved, by a Special Resolution, remuneration within the limits prescribed under the Schedule V of the Companies Act, 2013 with the provision to increase the same if

the limits are increased either by the Central Government and any other enactment. The approval is for a period of 3 years from 1st October, 2019.

There is no provision for performance-based incentives or stock options.

The agreements can be severed by either party by giving six months' notice to the other party. The Company has an option to terminate the contract by payment of six months' remuneration in lieu of notice.

Evaluation of Performance of the Board and Committees

In compliance with provision of Companies Act, 2013 the directors evaluated the performance of the Board of Directors and the Audit committee. An objective questionnaire was given and the ratings in the grade of 1 to 5 were sought. They were compiled by an Independent person and the consolidated rating was informed to the Board / Committee

18. Whistle Blower Policy

As required by the Listing Agreement, the Company has a whistle blower policy. The same is being informed to all the employees. The Contact persons are the Chairman of the Audit committee and/or General Manager at the Registered Office of the Company.

19. Material Subsidiary Companies

The Company has one foreign material tier -2 subsidiary – BT Chemical Sdn. Bhd - incorporated in Malaysia in terms of Regulation 16 of the Listing Regulations. The Company could not appoint one of its Independent Directors on the Board of BT Chemicals Sdn. Bhd which is incorporated as a Private Limited Company in Malaysia. The Malaysian Companies Act, 2016 restricts Non-Malaysian's appointment as Director without residence or work permit in Malaysia. The Company has appointed one of its Independent Directors on its Board of its holding company – Fineotex Malaysia Limited which is a wholly owned subsidiary in free zone in Malaysia and has

lesser restrictions on appointment of Non Malaysian Directors as explained in the Board Report last year. The minutes of the Board meetings of the subsidiary companies are placed at the Board meeting of the Company on a periodical basis. The Audit Committee reviews the financial statements including investments by the unlisted subsidiaries of the Company. The Management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by unlisted subsidiary, if any. During the year under review, the Policy for determining material subsidiaries was suitably modified to bring it in line with the recent amendments to Listing Regulations. The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website at the following link: [https:// fineotex.com/assets/investor-relation/other/policy/Policy-forDetermining-Material-Subsidiary.pdf](https://fineotex.com/assets/investor-relation/other/policy/Policy-forDetermining-Material-Subsidiary.pdf)

20. Disclosures

- (a) The Company did not enter into any materially significant related party transactions with its Promoters, Directors or the management, their subsidiaries, relatives etc., during the year that may have a potential conflict with the interest of the Company at large except that are disclosed in the accounts. The Company got some processing done from an entity where the Executive Director is a significant shareholder and taken premises and production facilities on rent from a relative of the Directors. Some sales have been made to the proprietary concern of the Executive Director. These have been disclosed in the accounts and other public documents. Wherever required, the approval of the Central Government is also obtained.
- (b) There was no pecuniary relationship or transactions with Non- Executive Directors.
- (c) The details of related party policy are available on the website of the Company and can be accessed through the web link <https://fineotex.com/investor-relation/>.

21. Details of General Body Meetings

The last three Annual General Meetings were held as under:

Year	Date	Time	Venue	Particulars of Special Resolution(s) passed
2018-19	September 27, 2019	5.00 P.M	Rajpuria Bagh, Navinbhai Thakkar Road, Vile Parle E, Mumbai 400057.	<ol style="list-style-type: none"> 1. Reappointment of Mr. Manmohan Mehta and Mr Alok Dhanuka as Independent Directors for 2nd Term 2. Reappointment and revision in remuneration of Managing Director and Executive Directors 3. Raising of Funds through Issue of Securities. 4. Increase in Authorised capital to Rs. 28. Crs 5. Alteration to Capital Clause in Memorandum of Association 6. Alteration of Capital Clause inf the Articles of Association of the Company. 7. Contracts with related Parties

Year	Date	Time	Venue	Particulars of Special Resolution(s) passed
2019-20	September 29, 2020	5.00 P.M.	Through Video Conference (VC) & Other Audio Video Means (OAVM)	<ol style="list-style-type: none"> 1. Remuneration of cost auditors 2. Re-appointment of mr. Navin mittal as an independent director of the company 3. Appointment of mrs. Bindu shah as an independent director of the company 4. Approval of fineotex chemical limited employees' stock option scheme 2020' ("fcl-esop 2020") – 5. Approval of grant of stock options to the employees/directors of subsidiary company(ies) (present & future) under fineotex chemical limited employees' stock option scheme 2020' ("fcl-esop 2020") fineotex chemical limited employees' stock option scheme 2020' ("fclesop 2020") 6. Approval for grant of stock options to the identified employees during any one year, equal to or exceeding one percent of the issued capital of the company at the time of grant of employee stock options under fineotex chemical limited employees' stock option scheme 2020' ("fclesop2020") 7. Contracts with related parties. It was approved by Ordinary Resolution only. The actual turnover in 2020-21 is however less than 10% of the Group turnover as mentioned in the SEBI (LODR) Regulations 2015.
2020-21	July 16, 2021	5.00 P.M.	Through Video Conference (VC) & Other Audio Video Means (OAVM)	<ol style="list-style-type: none"> 1. Remuneration of Cost Auditors 2. Appointment of Dr. Sunil Waghmare as an Independent Director of the Company 3. Appointment of Dr. Anand Patwardhan as an Independent Director of the Company 4. Re-appointment and Revision in the remuneration payable to Mrs. Aarti Jhunjhunwala, Executive Director of the Company with effect from 14th August, 2021 5. Raising of funds through issue of securities 6. Contracts with Related Parties 7. Consent of Members for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate 8. Increasing the Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013 up to 300 Crores

Extra-ordinary General Meeting

During the Financial Year 2021-2022, no Extra-ordinary General Meeting was held.

22. Postal Ballot

There was no Special Resolution passed through Postal Ballot during the financial year 2021-2022. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

23. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), dividends, if not claimed 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').

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, vide its Notification dated 13th October 2017 read with the circular dated 16th October 2017, wherein it was provided that where the period of 7 consecutive years, as above, was completed or being completed during the period from 7th September 2016 to 31st October 2017, the due date of transfer for such shares was 31st October 2017.

In the interest of shareholders, the Company sends periodical reminders to shareholders to claim their dividends in order to

avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <https://fineotex.com/unpaid-unclaimed-dividend/>.

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF from financial year 2018-2019 to 2021-2022 are as follows:

Year	Amount of Unclaimed Dividend transferred (Rs)	Number of Shares Transferred
2018-2019	613	449
2019-2020	5,206	210
2020-2021	13,305	1,350
2021-2022	4618.5	(100)#
Total till 31/03/2022	23742.5	1909

#During the year 2021-22, We have received request from the shareholder for transfer of such 100 shares from IEPF account to the Claimant Demat account. Based on the e-verification report of the company and RTA have transferred such shares to the claimant demat account as per the IEPF Rules.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed, to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

24. Payment of Listing and Depository Fees

Annual listing fee for the financial year 2021-2022 has been paid by the Company to BSE on 26/04/2021 and NSE on 22/04/2021. Annual Custody / Issuer fee is being paid by the Company within the due date based on invoices received from the Depositories.- NSDL & CDSL.

25. Means of Communication

The Company has a website www.fineotex.com. The Company's Email Id is investor.relations@fineotex.com Individual communication of the half yearly results is not made to the shareholders.

The Company has 64,851 shareholders as on 31st March, 2022 and the total holding is in dematerialized form except for 11

shareholders holding physical shares.

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

The quarterly unaudited financial results would be published in Financial Express (English) and Mumbai Lakshdeep (Marathi) as per the requirements of the listing agreement.

The presentations made to institutional investors or to the analysts are uploaded on the website and can be viewed on the web link <https://fineotex.com/investor-relation/>.

General Shareholder Information

a. Annual General Meeting :

Day and Date : August 5, 2022
Time : 5.00 p.m.
Venue : Through. Video Conference (VC) & Other Audio Video Means (OAVM)

b. Financial Calendar for 2021-22

Period : Dates for Unaudited/ Audited Results.
April-June 2022 : 1st Fortnight of August, 2021
July-Sept 2022 : 1st Fortnight of November, 2021
Oct-Dec 2022 : 1st Fortnight of February, 2022
Jan-Mar -2022 : before 30th May, 2022

- c. Book Closure : July 30, 2022 to August 5, 2022
d. Dividend : Re. 0.40 per equity share of Rs. 2/- each
e. Dividend payment date : within 30 days of the declaration
f. Listing Details:

The Equity Shares of the Company are listed on the following Stock Exchanges

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	Exchange Plaza, Bandra-Kurla Complex , Bandra (East), Mumbai-400051

g. Stock Code & Scrip Id::

Bombay Stock Exchange Ltd, Mumbai **Code** 533333
National Stock Exchange of India Limited **Id** FCL
International Securities Identification Number **(ISIN)** INE045J01026

h. Stock Price Data:

The shares of the Company were traded as under during 2021-22.

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Turnover (Rs.in Lakh)	High (Rs.)	Low (Rs.)	Turnover (Rs.in Lakh)
April 2021	74.60	60.20	1,069.69	74.70	61.25	7,737.68
May 2021	93.20	68.00	2,136.01	92.70	67.20	16,503.60
June 2021	95.90	84.20	2,357.06	96.00	84.00	12,932.88
July 2021	113.90	84.85	4,585.24	114.00	84.60	36,064.19
August 2021	120.00	93.30	8,651.41	120.00	93.10	29,422.95
September 2021	146.10	100.85	6,910.23	146.00	100.65	46,131.79
October 2021	138.00	110.50	3,309.13	138.20	110.45	17,042.57
November 2021	133.40	103.00	2,134.27	133.40	104.00	15,607.45
December 2021	147.40	105.55	4,290.85	147.65	105.50	36,868.08
January 2022	167.55	132.30	7,677.50	167.55	132.25	58,140.24
February 2022	180.30	139.45	9,456.58	180.40	140.10	56,525.91
March 2022	184.70	145.00	3,226.69	184.50	145.30	33,975.73

Source: BSE and NSE Website

i. Market Price variation in relation to BSE Sensex during 2021-2022.

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

Month	High (Rs.)	Low (Rs.)	BSE Sensex (High)	BSE Sensex (Low)
April 2021	74.60	60.20	50,375.77	47,204.50
May 2021	93.20	68.00	52,013.22	48,028.07
June 2021	95.90	84.20	53,126.73	51,450.58
July 2021	113.90	84.85	53,290.81	51,802.73
August 2021	120.00	93.30	57,625.26	52,804.08
September 2021	146.10	100.85	60,412.32	57,263.90
October 2021	138.00	110.50	62,245.43	58,551.14
November 2021	133.40	103.00	61,036.56	56,382.93
December 2021	147.40	105.55	59,203.37	55,132.68
January 2022	167.55	132.30	61,475.15	56,409.63
February 2022	180.30	139.45	59,618.51	54,383.20
March 2022	184.70	145.00	58,890.92	52,260.82

j. Market Price variation in relation to NSE Nifty during 2021-2022

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

Month	High (Rs.)	Low (Rs.)	NSE Nifty (High)	NSE Nifty (Low)
April 2021	74.70	61.25	15,044.35	14,151.40
May 2021	92.70	67.20	15,606.35	14,416.25
June 2021	96.00	84.00	15,915.65	15,450.90
July 2021	114.00	84.60	15,962.25	15,513.45
August 2021	120.00	93.10	17,153.50	15,834.65
September 2021	146.00	100.65	17,947.65	17,055.05
October 2021	138.20	110.45	18,604.45	17,452.90
November 2021	133.40	104.00	18,210.15	16,782.40
December 2021	147.65	105.50	17,639.50	16,410.20
January 2022	167.55	132.25	18,350.95	16,836.80
February 2022	180.40	140.10	17,794.60	16,203.25
March 2022	184.50	145.30	17,559.80	15,671.45

k. Share Transfer System

99.99% shares are held in dematerialized form and hence the transfer is done through the depository participants.

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

l. Dematerialisation of shares

99.99 % of total Equity Share Capital is held in dematerialized form with NSDL and CDSL as at 31st March 2022. Members can hold shares in electronic form and trade the same in Depository system. However, they may hold the same in physical form also. However with effect from 5th December, 2018 no transfer of shares in physical form will be permitted as stipulated by SEBI.

m. Shareholding Pattern

The Shareholding Pattern of the Company as on 31st March, 2022 is as follows:

Category	No. of shareholders	No. of Equity Shares held	% of Shareholding
Promoters (Non Corporate)	8	6,78,05,071	61.22
Promoters (Corporate)	2	39,83,000	3.60
Domestic Bodies Corporate	162	23,57,015	2.13
Foreign Portfolio Investor	2	2,74,673	0.25
Clearing Members	104	3,64,990	0.33
Non Resident Indians	867	10,95,563	0.99
Mutual Funds	1	68,08,595	6.15
IEPF	1	1,909	0.00
Trust	1	1,600	0.00
Public	63,703	2,80,56,004	25.33
Total	64,851	11,07,48,420	100

n. Distribution of shareholding

The Distribution of shareholding as on 31st March, 2022 is as follows:

Category (no. of shares)	No of shareholders	Shares held	% of share holding
1-5000	64,413	1,24,51,657	11.243
5001-10000	802	29,50,004	2.66
10001-20000	373	28,89,149	2.61
20001-30000	120	15,38,023	1.39
30001-40000	41	7,47,497	0.67
40001-50000	35	7,89,319	0.71
50001-100000	39	13,94,389	1.26
100001- 100000000	49	8,79,88,382	79.45
Total	65,872	11,07,48,420	100.0000

Distribution of shares held in physical form and with depositories as on 31st March, 2022:

Held with	No of shareholders (folios)	No of shares
Physical	11	180
National Securities Depository Limited	19,899	9,58,73,300
Central Depository Services (I) Ltd	45,962	1,48,74,940
Total	65,872	11,07,48,420

FINEOTEX CHEMICAL LIMITED

- o. Company Registration number with ROC/Ministry of Corporate Affairs** : L24100MH2004PLC144295
- p. Plant location** : A 699 & 700, 684 & 685, 687, 665, 669 TTC Industrial Area, MIDC, Mahape, New Mumbai-400705;
B 24 Additional Ambernath Industrial Area, Ambernath 421506
- q. Address for correspondence**
- i. Registrars and Share Transfer Agents** : (For shares and dividend related queries)
Bigshare Services Pvt. Ltd,
E-2/3, Ansa Industrial Estate,
Saki Vihar Road,
Saki Naka, Andheri (E),
Mumbai – 400 072.
Phone : (022) 62638200
- ii) Company** : (For any other matter, unresolved complaints)
Company Secretary
Fineotex Chemical Limited
42/43, Manorama Chambers,
S V Road, Bandra West,
Mumbai 400050
- r. E-mail** : investor.relations@fineotex.com
- s. Investors Grievances** : investor.relations@fineotex.com
- t. Phone No** : 022-26559174-75
- u. Fax No** : 022-26559178
- v. Website** : www.fineotex.com

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director)
DIN: 00218525

Place: Mumbai
Date: June 24, 2022

Annexure 'D' to the Directors Report

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24100MH2004PLC144295
2.	Name of the Listed Entity	Fineotex Chemical Limited
3.	Year of incorporation	2004
4.	Registered office address	42/43 Manorama Chambers 4th Floor S V ROAD , Bandra (W), Mumbai, Maharashtra India – 400050
5.	Corporate address	42/43 Manorama Chambers 4th Floor S V ROAD , Bandra (W), Mumbai, Maharashtra India – 400050
6.	E-mail	investor.relations@fineotex.com
7.	Telephone	2226559174
8.	Website	www.fineotex.com
9.	Financial year for which reporting is being done	2021-2022
10.	Name of the Stock Exchange(s) where shares are listed	BSE and National Stock Exchange of India
11.	Paid-up Capital	Rs. 22,14,96,840
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: Mr. Sanjay Tibrewala DIN Number: 00218525 Designation: Executive Director & CFO Telephone Number: 022-26559175 E- mail ID: sanjay@fineotex.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).	This report made on a Consolidated basis.

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Chemical and chemical products, Pharmaceuticals, medicinal chemical and botanical products	90

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Sppeciality Chemicals for Textiles Processing	20297	90

III. Operations

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

Location	Number of plants	Number of offices	Total
National	6	01	7
International	1	2	3

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	8
International (No. of Countries)	69

b. What is the contribution of exports as a percentage of the total turnover of the entity- 25%

c. A brief on types of customers: B2B, B2C- Corporates/Non Corporate users, International users, Dealers and Traders

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<u>EMPLOYEES</u>						
1.	Permanent (D)	105	83	79	22	21
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	105	83	79	22	21
<u>WORKERS</u>						
4.	Permanent (F)	81	72	89	9	11
5.	Other than Permanent (G)	61	61	100	0	0
6.	Total workers (F + G)	142	133	93.66	9	11

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<u>DIFFERENTLY ABLED EMPLOYEES</u>						
1.	Permanent (D)		NIL			
2.	Other than Permanent (E)					
3.	Total differently abled employees (D + E)					
<u>DIFFERENTLY ABLED WORKERS</u>						
4.	Permanent (F)		NIL			
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	2	28.57
Key Management Personnel	3	0	0

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022 (Turnover rate)			FY 2021 (Turnover rate)		
	Male	Female	Total	Male	Female	Total
Permanent Employees	83	22	105	60	18	78
Permanent Workers	72	9	81	36	6	42

V. Holding, Subsidiary and Associate Companies (including joint ventures)

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Fineotex Specialities Pvt.Ltd.	Subsidiary	100	N.A.
2.	Manya Manufacturing India Private Limited	Subsidiary	100	N.A.
3.	Fineotex Malaysia Limited	Subsidiary	100	N.A.
4.	Fineotex Biotex HealthGuard FZE	Subsidiary	100	N.A.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Rs.): 2,50,07,89,613/-

(iii) Net worth (in Rs.): 2,21,75,77,661/-

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	FY 2022			FY 2021		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Nil	Nil	Nil	N.A.	Nil	Nil	N.A.
Investors (other than shareholders)	Nil	Nil	Nil	N.A.	Nil	Nil	N.A.
Shareholders	Nil	Nil	Nil	N.A.	Nil	Nil	N.A.
Employees and workers	Nil	Nil	Nil	N.A.	Nil	Nil	N.A.
Customers	Nil	Nil	Nil	N.A.	Nil	Nil	N.A.
Value Chain Partners	Nil	Nil	Nil	N.A.	Nil	Nil	N.A.
Other (please specify)	Nil	Nil	Nil	N.A.	Nil	Nil	N.A.

24. 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, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S No.	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)
1.	Non Hazardous	Opportunity	GHS classification as per GHS Symbol	N.A.	Nil

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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	www.fineotex.com								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
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"> a. Section 135 of the Companies Act, 2013 and CSR Rules thereof. b. Health, Safety and Environmental Policy c. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 d. ISO14001 Environmental Management System e. ISO 9001 for quality / ISO45001 f. SA 8001 for Occupational Health and Safety g. OHSAS 18001 h. ISO 14505 and ISO 20000 (obtained in 2020-21) i. Bhive certified j. BlueSign certified k. Global Organic Textile Standard(GOTS)certified l. Hazard Analysis Critical Control Point (HACCP)Certification m. Indian Green Building Council n. REACH certified o. SA8000-Social Accountability Certification p. Star Export House q. WHO Good Manufacturing Practice certified r. Zero Discharge Hazardous Chemicals (ZDHC) Gateway certified 								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (<i>listed entity has flexibility regarding the placement of this disclosure</i>)									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Administrative Committee looking all Business Reasonability and Sustainable related matters.								
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.	Administrative Committee								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Half yearly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	To be Implemented in the next year																	

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Not Applicable

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

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 categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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 number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	All	100%
Key Managerial Personnel	1	All	100%
Employees other than BoD and KMPs	1	All	100%
Workers	1	All	100%

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 Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been agencies/ judicial institutions
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil
Non- Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	Nil	Nil	Nil	Nil	
Punishment	Nil	Nil	Nil	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.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

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- Yes. Web link is under process.
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 2022	FY 2021
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 2022		FY 2021	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year: To be Implemented in the next year

Total Number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes

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

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. 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 2022 (Amount in Lakh)	FY 2021 (Amount in Lakh)
R&D	287.06	184.80
Capex	83.62	31.24

2. a. Does the entity have procedures in place for sustainable sourcing - Yes
 b. If yes, what percentage of inputs were sourced sustainably – 100%
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
 a. Plastics (including packaging)- Disposed off through authorised dealer
 b. E-waste- Not Applicable
 c. Hazardous waste- Not Applicable
 d. other waste- No other waste
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- No other waste

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?- Not Applicable

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same- Not Applicable

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)- There are no recycle material

Indicate input material	Recycled or re-used input material to total material	
	FY 2022	FY 2021
	Nil	Nil
	Nil	Nil

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022			FY 2021		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	15 MT	Nil	Nil	13 MT
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category- Not Applicable

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

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:

Category	% of employees covered by										
	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	83	83	100	83	100	Nil	Nil	Nil	Nil	Nil	Nil
Female	22	22	100	22	100	Nil	Nil	Nil	Nil	Nil	Nil
Total	105	105	100	105	100	Nil	Nil	Nil	Nil	Nil	Nil
Other than Permanent employees											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

Category	% of workers covered by										
	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 workers											
Male	72	72	100	72	100	Nil	Nil	Nil	Nil	Nil	Nil
Female	9	9	100	9	100	Nil	Nil	Nil	Nil	Nil	Nil
Total	81	81	100	81	100	Nil	Nil	Nil	Nil	Nil	Nil

Category	% of workers covered by										
	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 workers											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2. Details of retirement benefits, for Current FY and Previous Financial Year.

	FY 2022			FY 2021		
	No. of employees covered as % 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 % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	52	28	Yes	43	19	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	03	34	Yes	6	18	Yes
Others – please specify	Nil	Nil	Nil	Nil	Nil	Nil

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

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- Yes. Weblink is under development.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.

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- Yes

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	By dropping grievances in Suggestion Dropbox
Other than Permanent Workers	-
Permanent Employees	By dropping grievances in Suggestion Dropbox
Other than Permanent Employees	-

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: Not Applicable

Category	FY 2022			FY 2021		
	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 respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	N.A.					
- Male						
- Female						
Total Permanent Workers						
- Male						
- Female						

8. Details of training given to employees and workers

Category	FY 2022					FY 2021						
	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)		Number (E)	% (E / D)	Number (F)	% (F / D)		
Employees												
Male	83	83	100	83	100	100	N.A.	N.A.	N.A.	N.A.	N.A.	
Female	22	22	100	22	100	100	N.A.	N.A.	N.A.	N.A.	N.A.	
Total	105	102	100	102	100	100	N.A.	N.A.	N.A.	N.A.	N.A.	
Workers												
Male	72	72	100	72	72	100	72	72	100	72	100	
Female	9	9	100	9	9	100	9	9	100	9	100	
Total	81	81	100	81	81	100	81	81	100	81	100	

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

Category	FY 2022			FY 2021		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
- Male	83	83	100	60	60	100
- Female	22	22	100	18	18	100
Total	105	105	100	78	78	100
Workers						
- Male	72	72	100	36	36	100
- Female	9	9	100	6	6	100
Total	81	81	100	42	42	100

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. 100%

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity- Through Safety Audit
- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)- Yes
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)- Yes. (ESIC Coverage)

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022	FY 2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place- As per the compliance require under the Factories Act, 1948.

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

	FY 2022			FY 2021		
	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	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Nil

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- Nil

Leadership Indicators

- 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)- Yes
- 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners- Nil
- 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: Nil

	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 2022	FY 2021	FY 2022	FY 2021
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

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

5. Details on assessment of value chain partners- Nil

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners- Nil

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity- Stakeholder Relationship Committee periodically review
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group-

Stakeholder Group	Whether identified as Vulnerable & Marginalized 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
Service Provider	Vulnerable	Email, SMS	Quarterly	-
Customers	Vulnerable	Email, SMS	Quarterly	-
Suppliers	Vulnerable	Email, SMS	Quarterly	-
Investors	Vulnerable	Newspaper, Advertisement, Community Website	Quarterly	-
Employees	Vulnerable	Email, SMS	Quarterly	-
Bankers	Vulnerable	Email	Quarterly	-

Leadership Indicators

- 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.- Verbally . Timely updating by the CEO, CFO and other Executives.
- Whether stakeholder consultation is used to support the identification and management of 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 policies and activities of the entity- We have develop a policy on ESG.
- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups- Not Applicable

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format: Nil

Category	FY 2022			FY 2021		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	Nil					
Other than permanent						
Total Employees						

Category	FY 2022			FY 2021		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Workers						
Permanent	Nil					
Other than permanent						
Total Employees						

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

Category	FY 2022					FY 2021				
	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	105	105	100	-	-	78	78	100	-	-
Male	83	83	100	-	-	60	60	100	-	-
Female	22	22	100	-	-	18	18	100	-	-
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	81	81	100	-	-	42	42	100	-	-
Male	72	72	100	-	-	36	36	100	-	-
Female	9	9	100	-	-	6	6	100	-	-
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	95.40	1	43.40
Key Managerial Personnel	1	6.07	-	-
Employees other than BoD and KMP	89	4.78	21	3.99
Workers	79	2.13	9	2.62

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)- No

5. Describe the internal mechanisms in place to redress grievances related to human rights issues- No

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

	FY 2022			FY 2021		
	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	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases- Nil

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)- No. To be implemented in the next year.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	Nil

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above- Not required

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints- Nil. To be implemented in the next year.

2. Details of the scope and coverage of any Human rights due-diligence conducted- Nil. To be implemented in the next year.

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

4. Details on assessment of value chain partners: Nil. To be implemented in the next year. Being into most competitive industry, we have fear of losing value chain partners, Size of the setup is medium scale and hence become unfeasible.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil
Others – please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above- Nil

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 2022 (Amount in Rs.)	FY 2021 (Amount in Rs.)
Total electricity consumption (A)	4222706	2937133
Total fuel consumption (B)	358534.38	90131
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	4581240.38	3027264
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.002 (Turnover 2500789613)	0.002 (Turnover 1294777350)
Energy 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.

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- Not Applicable
3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022	FY 2021
Water withdrawal by source (Unit-Cub mtr)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others - Water	43,423	43,423
Total volume of water withdrawal (in Unit-Cub mtr) (i + ii + iii + iv + v)	43,423	43,423
Total volume of water consumption (in Unit-Cub mtr)	43,423	43,423
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water 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.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation- Yes 100%

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022	FY 2021
NOx		Not Applicable	
SOx			
Particulate matter (PM)			
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.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: Gas is not using by the Company.

Parameter	Unit	FY 2022	FY 2021
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not Applicable	
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			
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

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details- Not Applicable

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022	FY 2021
Total Waste generated (in metric tonnes)		
Plastic waste (A)	15 MT	13 MT
E-waste (B)	Nil	Nil
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	Nil	Nil

Parameter	FY 2022	FY 2021
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Nil	Nil
Total (A+B + C + D + E + F + G + H)	15 MT	13 MT
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	Nil	Nil
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	Nil	Nil
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	Nil	Nil
Total	Nil	Nil

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.

9. 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- Use of Non-hazardous raw material and zero discharge process are obtained.
10. 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: Nil

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Nil			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: No

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No					

12. 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

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Nil	Nil	Nil	Nil

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022 (Amount in Rs.)	FY 2021 (Amount in Rs.)
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)	42,22,706	29,37,133
Total fuel consumption (E)	3,58,534.38	90,131
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	45,81,240.38	30,27,264

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.

2. Provide the following details related to water discharged:

Parameter	FY 2022	FY 2021
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Discharge through Central appellant treated plant	Discharge through Central appellant treated plant
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Discharge through Central appellant treated plant	Discharge through Central appellant treated plant
(iii) To Seawater		
- No treatment	Not Required	Not Required
- With treatment – please specify level of treatment	Discharge through Central appellant treated plant	Discharge through Central appellant treated plant
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)		

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.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Nil**

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022	FY 2021
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres)	Nil	Nil
Total volume of water consumption (in kilolitres)	Nil	Nil
Water intensity per rupee of turnover (Water consumed / turnover)	Nil	Nil
Water intensity (optional) – the relevant metric may be selected by the entity	Nil	Nil
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
-No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) Into Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) Into Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	Nil	Nil

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.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022	FY 2021
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 CO₂ equivalent	Not Applicable	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

5. With respect to the ecologically sensitive areas reported at Question 10 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- Nil

6. 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: Not required

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Not required			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link- Company has production facilities in several locations, hence business continuity will not be affected.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard- Not Applicable

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts- Not Applicable

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

2. e and industry chambers/ associations.

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.

S. No.	Name of the trade and industry chambers/ associations
1	TTC MIDC Industries Association
2	Chemexcil
3	The Synthetic & Art Silk Mills Research Association
4	Thane Belapur Industrial Association
5	Indian Speciality Chemical Manufacturing Association
6	Federation of Industries of India-TMA
7	Additional Ambernath Manufacturing Association
8	Bharat Chamber of Commerce
9	The Chemical and Alkali Merchants' Association

3. 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- Nil

Name of Authority	Brief of the Case	Corrective action taken
Nil		

Leadership Indicators

1. Details of public policy positions advocated by the entity: Available publicly

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- To be implemented in the next year

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
To be implemented in the next year					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: Not required, Not Applicable

S. No.	Name of 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 INR)
Not required, Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community- To be implemented in the next year

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022	FY 2021
Directly sourced from MSMEs/ small producers	80	75
Sourced directly from within the district and neighbouring districts	20	25

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): Not required

Details of negative social impact identified	Corrective action taken
Not required	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
Not Applicable			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)- Not Required

(b) From which marginalized /vulnerable groups do you procure- Trader Community

(c) What percentage of total procurement (by value) does it constitute?- 80%

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: Nil

S. No.	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 usage of traditional knowledge is involved- Nil

Name of authority	Brief of the Case	Corrective action
Nil		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Not Applicable			

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- Consumers complaints are attended by technical person. Within 2 days of receipt of complaints and materials is decided to be taken back if not as per standard.
2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	To be implemented in the next year

3. Number of consumer complaints in respect of the following:

	FY 2022		Remarks	FY 2021		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	N.A.	Nil	Nil	N.A.
Advertising	Nil	Nil	N.A.	Nil	Nil	N.A.
Cyber-security	Nil	Nil	N.A.	Nil	Nil	N.A.
Delivery of essential services	Nil	Nil	N.A.	Nil	Nil	N.A.
Restrictive Trade Practices	Nil	Nil	N.A.	Nil	Nil	N.A.
Unfair Trade Practices	Nil	Nil	N.A.	Nil	Nil	N.A.
Other	Nil	Nil	N.A.	Nil	Nil	N.A.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy- We have installed firewall for cyber security and quick heal for data security.
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 safety of products / services- Not required

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)-** www.fineotex.com
2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services-** Product of industrial use and end users are educated during the trial runs.
3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services-** Moreover all end users are also technically qualified.
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)-** Not required
5. **Provide the following information relating to data breaches:**
 - a. **Number of instances of data breaches along-with impact-** Nil
 - b. **Percentage of data breaches involving personally identifiable information of customers-** Nil

Annexure '1'

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Amounts outstanding as on 31st March, 2022

1. Loans Given
2. Guarantees given
3. Investments made

Loans, deposits, guarantees and investments made during the Financial Year 2021-2022

Name of Entity	Relation	Amount Given	Amount received	Balance on 31/03/2022	Particulars
Manya Manufacturing India Private Limited (Formerly Known as Manya Steel Private Limited)	WOS	-	-	1,16,85,306	Lease Deposit
Slogantagsz Clear Display India Private Limited	Business	-	3,50,00,000	3,50,00,000	Inter Corporate Deposit
Fineotex Specialities Private Limited	WOS	16,19,23,472	14,20,56,529	2,44,98,987	Loan
Equity Shares	Own	3,74,62,666	8,67,33,465	1,16,02,797	Investments
Mutual Funds	Own	25,99,88,448	38,16,58,962	16,28,82,729	Investments
Guarantees	Own	-	14,85,450	10,89,800	For Suppliers / customers

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director & CFO)
DIN: 00218525

Place: Mumbai
Date : June 24, 2022

Annexure '2'

FORM AOC -2

Form of disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Details of Material Contracts or arrangements or transactions at arm's length basis							
Name of The Related Party and nature of relationship	Nature of Contract	Duration Of Contract	Salient terms	Justification for the Contract	Date(s) of Board Approval	Advance if any	Date of Special Resolution of shareholders
SurendraKumar Tibrewala - Chairman & Managing Director	Remuneration To Managing Director	3 years from 01/10/2019 to 30/09/2022	Remuneration upto Rs. 5 crores with minimum salary restricted upto 1,20,00,000/- p.a. and retirement benefits in case of Inadequate profits.	Requirement of Section 203 of Companies Act, 2013	04/06/2019	Nil	27/09/2019
Surendrakumar Tibrewala - Chairman & Managing Director	Taking office premises on rent at Bandra	5 years from 01/04/2019 to 31/03/2024	Security Deposit – Rs. 10,00,000 Monthly Rent- Rs. 85,000/- Subject to increment @15% Every 3 Years (Contract for use of premises for office)	Business Requirement for office premises	14/05/2019	Deposit given	27/09/2019
Sanjay Tibrewala - Executive Director and CFO	Remuneration to Wholetime Director	3 years from 01/10/2019 to 30/09/2022	Remuneration upto Rs. 5 crores with minimum salary restricted upto 1,20,00,000/- p.a. and retirement benefits in case of Inadequate profits.	Requirement of Section 203 of Companies Act, 2013	04/06/2019	NIL	27/09/2019
Sanjay Tibrewala - Executive Director and CFO	Taking office premises on rent at Marol	3 years from 01/04/2019 to 31/03/2022	Security Deposit – Rs. 10,00,000 Monthly Rent- Rs. 1,60,000/- Subject to increment @15% Every Years	Business Requirement for office premises	14/05/2019	Deposit given	27/09/2019
Aarti Jhunjunwala - Executive Director	Remuneration to Wholetime Director	3 years from 14/08/2021 to 13/08/2024	Remuneration upto Rs. 1 crores with minimum salary restricted upto 90,00,000/- p.a. and retirement benefits in case of Inadequate profits.	Requirement of Section 203 of Companies Act, 2013	17/06/2021	NIL	16/07/2021
Kanaklata Tibrewala	Taking factory premises at Mahape, Navi Mumbai.	3 years from 01/11/2021 to 31/10/2024	Security Deposit – Rs. 10,00,000 Monthly Rent- Rs. 40,000/- Subject to increment @15% Every 3 Years (Contract for use of premises for office)	Business Requirement for office premises	14/05/2019	Deposit given	27/09/2019
Kanaklata Tibrewala	Taking Office premises at Bandra, Mumbai	3 years from 01/11/2021 to 31/10/2024	Security Deposit – Rs. 10,00,000 Monthly Rent- Rs. 1,00,000/- Subject to increment @15% Every 3 Years	Business Requirement for Factory premises	14/05/2019	Deposit given	27/09/2019

Details of Material Contracts or arrangements or transactions at arm's length basis							
Name of The Related Party and nature of relationship	Nature of Contract	Duration Of Contract	Salient terms	Justification for the Contract	Date(s) of Board Approval	Advance if any	Date of Special Resolution of shareholders
Proton Biochem Private Limited	Sale/Purchase of goods and services of all kinds giving loans & advances for business purpose	3 years from 01/01/2022 to 31/03/2024	Sale/Purchase of goods and services of all kind with a deposit of Rs. 60 Crore	Business Needs	14/05/2019	No	27/09/2019
Fineotex Malaysia Limited (FML) Wholly owned Subsidiary	Investment / Loans and Sale /Purchase of goods and services of all kinds	5 years from 01/04/2019 to 31/03/2024	Investment as Capital of WOS and receipt of dividend. Upto Rs. 10 crores p.a.	Business Need	14/05/2019	Nil	Nil
Fineotex Specialities Private Limited - WOS	Property given on Lease (Industrial Plot No. A-669, TTC Industrial Area, Mahape, Navi Mumbai)	3years from 1/10/2020 to 30/09/2023	Security Deposit – Rs. 3,00,000 Monthly Rent- Rs. 75000/- Subject to increment @5% Every 3 Years	Business Requirement for office premises	27/07/2020	Deposit Taken	-
Fineotex Specialities Private Limited - WOS	Property given on Lease (MIDC Plot No-B/24 Additional Ambernath Area, District- Thane)	3years from 15/02/2021 to 14/02/2024	Security Deposit – Rs. 3,00,000 Monthly Rent- Rs. 75000/- Subject to increment @5% Every 3 Years	Business Requirement for office premises	22/01/2021	Deposit Taken	-
Fineotex Specialities Private Limited - WOS	Investments/ Loans, and Sale / Purchase of goods and services of all kinds	05/09/2020 to 31/03/2024	Rs.50 Crores (Rupees Fifty Crore Only) per annum	All Type of Business Transaction upto Rs. 50 Crore	22/04/2021	Nil	16/07/2021
BT Chemicals SDN BHD- (Subsidiary of FML) 2 nd Tier Subsidiary	Investment/ Loans and Sale/ Purchase of goods and services of all kind	5 years from 01/04/2019 to 31/03/2024	Rs.50 Crores (Rupees Fifty Crore Only) per annum	All Type of Business Transaction upto Rs. 10 Crore	14/05/2019 and 07/02/2020	Nil	16/07/2021
BT Biotex SDN BHD- (Subsidiary of FML) 2 nd Tier Subsidiary	Investment/ Loans and Sale/ Purchase of goods and services of all kind	5 years from 01/04/2019 to 31/03/2024	All types of business transactions upto Rs. 10 crores p.a.	All Type of Business Transaction upto Rs. 10 Crore	14/05/2019	Nil	27/09/2019

Details of Material Contracts or arrangements or transactions at arm's length basis							
Name of The Related Party and nature of relationship	Nature of Contract	Duration Of Contract	Salient terms	Justification for the Contract	Date(s) of Board Approval	Advance if any	Date of Special Resolution of shareholders
Rovatex (Subsidiary of FML) 2 nd Tier Subsidiary	Investment/ Loans and Sale/ Purchase of goods and services of all kind	5 years from 01/04/2019 to 31/03/2024	All types of business transactions upto Rs. 10 crores p.a.	All Type of Business Transaction upto Rs. 10 Crore	14/05/2019	Nil	27/09/2019
Manya Manufacturing India Private Limited	Property taken on Lease (of Office Premises ,being Survey No. 49/1/1, Vijaypur, Taluka; wada, District; Palghar.)	5 years from 01/04/2019 to 31/03/2024	Security Deposit – Rs. 1,25,00,000 Monthly Rent- Rs. 80,000/- Subject to increment @15% Every 3 Years	All types of business transactions including partial or total sale of investment upto Rs. 10 crores p.a.	14/05/2019	Deposit Given	-
Fineotex Biotex HealthGuard FZE - WOS	Investment / Loans and Sale / Purchase of goods and services of all kinds	5 years from 01/04/2019 to 31/03/2024	All types of business transactions upto Rs. 10 crores p.a	All types of business transactions upto Rs. 10 crores p.a.	14/05/2019	Nil	27/09/2019
BT Biotex Limited (WOS of FML)	Investments/ Loans, Sale/ Purchase of goods and services of all kinds	10/11/2020 to 31/03/2024	Rs.50 Crores (Rupees Fifty Crore Only) per annum	All types of business transactions upto Rs. 50 crores p.a.		Nil	16/07/2021
Hemant Auti - Company Secretary	Employee	14/08/2019 till superannuation	Company Secretary and Compliance Officer	Appointment of KMP	13/08/2019	Nil	Not Required

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director & CFO)
DIN: 00218525

Place: Mumbai
Date : June 24, 2022

Annexure '3'

Statement of Disclosure of Remuneration under section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary during the year 2021-22.

S. No	Name of Employee	Designation	Ratio of Remuneration of each Director to Median Employee	% increase in Remuneration
1.	Surendrakumar Tibrewala	CMD	22.16	26.32
2.	Sanjay Tibrewala	Executive Director & CFO	22.16	26.32
3.	Aarti Jhunjunwala	Executive Director	10.08	54.56
4.	Hemant Auti	Company Secretary	1.41	26.35

Notes:

- a. No remuneration is paid to Non Executive Director.
- b. The Remuneration has increased as the remuneration of Executive Director was increased with the approval of the Nomination and Remuneration Committee with effect from 1st October, 2019 within the limits approved by the members at the 16th Annual General Meeting.
1. During the year the Nomination and Remuneration Committee approved an increase of salary of Mrs. Aarti Jhunjunwala. The percentage increase in median employee for the financial year was 28%. This is not comparable as during the previous year there was a reduced salary due to stoppage of work due to Covid-19 pandemic. The increase / decrease in above table are also affected due to the same reason.
2. During the year Mr. Surendrakumar Tibrewala, Chairman & Managing Director of the Company was paid a remuneration of Rs. 102.49 lakhs and Mr. Sanjay Tibrewala, Executive Director & CFO of the Company was paid a remuneration of Rs. 103.63 lakhs. This include remuneration, Perquisites and retired benefits. Before employment in the company both had own business as their occupation.
Mr. Surendrakumar Tibrewala and Mr. Sanjay Tibrewala was appointed as a Whole Time Director with Effect from June 26, 2007. Mr. Surendrakumar Tibrewala has over 4 decades of experience into manufacturing Specialty Chemicals & Enzymes for various industries namely Textiles & Garments, Construction, Water Treatment, Leather, Paper, Paint, Adhesives etc.
Mr. Sanjay Tibrewala has total 22 years experience. His experience and dynamic nature has facilitated the Company to venture into indirect exports and segments like Construction Chemicals, Adhesives & Enzymes which are a new branch in specialty chemicals, making the Company more integrated in nature. Mr. Sanjay brings in a sense of focus, and competitive spirit to the Company. He joined his father in 2001 and has in depth knowledge of products and understanding of market dynamics. His dedication towards the Company has helped it shape into a successful, professionally managed enterprise. He has about 9 years of experience in the Specialty chemicals sector.
3. The Company has 186 permanent employees including Executive Directors but excluding contract worker.
4. Relationship between average increase in remuneration and Company's performance:
The remuneration policy of the Company's Employees is based on the philosophy to reward and drive performance culture. Every year the salary increases are decided to provide reward on the basis of market opportunity determined by benchmarking the rewards with similar profile organizations. Variable component is an important criteria which is dependent of individual performance rating, business performance and market competitiveness of the Company The reduction in absolute amount of salary is due to stoppages of work due to pandemic.
5. Comparison of the remuneration of the key managerial personnel against the performance of the Company:
As per the policy, increases are dependent on actual performance rating as well as the business performance and increase in scope of work entrusted. During the year the increase in staff cost is over 66%. The increase is not comparable with previous year. Increase is mainly on account of lower salary in the base year (2020-2021) due to covid and more staff due to expansion and diversification.
6. The market capitalization has increased from Rs. 72,872.46 Lakhs on 31-03-2021 to Rs. 1,99,790.05 lakhs as on 31.03.2022. In March 2011 the shares were issued to public at Rs.70 per share of face value of Rs. 10 each. The corresponding value stood at Rs. 1804 as on 31/03/2022.
7. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year – NA
8. The remuneration is paid as per the remuneration policy of the Company

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director & CFO)
DIN: 00218525

Place: Mumbai
Date : June 24, 2022

Annexure '4'

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

APPLICABLE

This Remuneration Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

GUIDING PRINCIPLE

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel.

While designing remuneration packages, industry practices and cost of living are also taken into consideration.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM / TENURE

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more Directors / Management Executives

On behalf of Board of Directors

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Place: Mumbai
Date: June 24, 2022

Annexure '5'

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2022.

[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,
FINEOTEX CHEMICAL LTD.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FINEOTEX CHEMICAL 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 returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2022, complied with the statutory provisions listed 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 and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. SEBI (Depositories and Participants) Regulations, 2018 erstwhile SEBI (Depositories and Participants) Regulations, 1996; and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - f. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, & 2014 & SEBI (Issue of Sweat Equity) Regulations, 2002 to the extent applicable as repealed w.e.f August, 2021 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - g. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited.
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company being in Chemical Sector as given below:
 - (I) Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards.
 - (II) Water (Prevention and Control of Pollution) Act, 1975 and Rules issued by the State Pollution Control Boards.

We have also examined compliances with the applicable clauses of the following:

- i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company in general has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards and Listing Obligations mentioned elsewhere above:

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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.

We further report that 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

1. The Company in its 18th Annual General Meeting held on Friday; 16th July, 2021 passed following resolutions:
 - a) Special Resolutions for re-appointment of Dr. Sunil Waghmare (DIN: 08906042) and Dr. Anand Patwardhan (DIN: 08908877) as Independent Director of the Company pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for a term of period of 5 (Five) years w.e.f 31st October, 2020.
 - b) A Special Resolution pursuant to Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for re-appointment of Mrs. Aarti Jhunjhunwala as Executive Director of the Company for a period of three year from 14th August, 2021 to 13th August, 2024 and fixation of her remuneration.
 - c) A Special Resolution for Raising of Funds Through Issue of Securities pursuant to Section 23, 42, 62 and other applicable provisions of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities), Rules, 2014, The Companies (Share Capital and Debentures) Rules, 2014 read with SEBI (ICDR), Regulations, 2018 and SEBI (LODR) Regulations, 2015. However, as on the date of signing of this report company has not initiated any action for giving effect to aforesaid resolution.
 - d) An Ordinary Resolution pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) for Ratification of Remuneration payable to Cost Auditor of the Company for the financial year ended March 31, 2022.
 - e) A Special Resolution pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of Regulations 23 of the SEBI (LODR) Regulations, 2015.
 - f) A Special Resolution pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 for increasing the limits applicable for making investments, extending loans and giving guarantees or providing securities in connections with loans to Persons/Bodies Corporates which shall not exceed Rs. 300 crores.
 - g) A Special Resolution pursuant to Section 180(i)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company which shall not exceed Rs. 300 crores.
 - h) A Special Resolution pursuant to Section 180(i)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules for increasing borrowing powers of the Company which shall not exceed Rs. 300 crores.
2. Company approved the final Dividend during the Annual General Meeting of Rs.0.30 (Thirty Paise) per equity share of Rs. 2/- each. Board transferred Rs.5,221.20/- (Rupees Five Thousand Two Hundred and Twenty-One and Twenty Paise Only) as unpaid and unclaimed dividend to IEPF authority for the financial year ended 2013-2014 pursuant to section 124(5) of the Companies Act, 2013 read with applicable rules made thereunder.

3. Board amended its Fineotex Chemical Limited-Employees Stock Option Plan 2020 (FCL-ESOP 2020) in line with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021) and also obtained in-principal approval from BSE and NSE for listing upto a maximum of 1,00,00,000 (One Crore) equity shares of Rs.2/- each of company to be allotted pursuant to FCL-ESOP-2020. Also, Nomination and Remuneration Committee of Board in their meeting held on 17th January, 2022 approved a grant of 70,673 (Seventy Thousand Six Hundred and Seventy-Three) options to eligible employees including the employees of its wholly owned subsidiary at an exercise price of Rs. 125/- (Rupees One Twenty-Five only) under FCL-ESOP 2020.
4. In terms of Reg 24(1) of LODR, Company has not appointed Independent Director on the board of directors of the listed entity on the board of directors of an unlisted material subsidiary, incorporated outside India.
5. Board appointed one its employees, a commerce graduate and semi-qualified professional as Internal Auditor of the Company pursuant to section 138 of the Companies Act, 2013.

For HSPN & Associates LLP
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827
CP No.: 1483

Date: June 24, 2022
Place: Mumbai
ICSI UDIN: F002827D000527771
Peer Review No: P2007MH004300

This report is to be read with our letter of even date which is annexed as Annexure– I and forms an integral part of this report.

ANNEXURE - I

To,

The Members,

FINEOTEX CHEMICAL LTD.

Our report of even date 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 processes 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 processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. 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 procedures on test basis.
5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For HSPN & Associates LLP
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827
CP No.: 1483

Date: June 24, 2022
Place: Mumbai
ICSI UDIN: F002827D000527771
Peer Review No: P2007MH004300

Annexure ‘6’

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR policy of the Company:

The policy encompasses the company’s philosophy for outlining its social responsibility and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. It was adopted by the Board on 23rd September, 2014.

2. Composition of Committee:

SI. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committees held during the year	Number of meetings of CSR Committee attended during the year
1.	Surendrakumar Tibrewala	Chairman	3	3
2.	Sanjay Tibrewala	Member	3	3
3.	Bindu Shah	Member	3	3

Mrs, Bindu Shah an Independent Director was appointed on this Committee on 31/10/2020.

3. Web link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company: <https://fineotex.com/policy.aspx>
4. Provide the details of Impact assessment of CSR Projects Carried out in Pursuance of sub rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach Report): Not Applicable as our liability is less than Rs. 50 lakhs a month.
5. Details of the amount available for set off in pursuance of the sub- rule (3) of Rule 7 of the Companies (CSR Policy) Rules, 2014 and amount required for set off for the financial year if any

SI No.	Financial Year	Amount available for set off from preceding financial year (in Rs.)	Amount required to be set- off for the Financial Year, if any (in Rs.)
1.	2020-21	Rs. 7,53,004	Rs. 7,53,004

6. Average net profit of the Company as per Section 135(5) = Rs. 2776.26 Lakh
= Rs. 55.53 Lakh
7. (a) 2% of the average net profit of the company as per Section 135(5) Rs. 45.21 Lakh
(b) Surplus arising out of the CSR Projects or programmes or activities of the previous Financial Year Nil
(c) Amount required to be set off for the Financial Year, if any 7.53 Lakh
(d) CSR Obligation for the financial year (7a+7b-7c) Rs. 47.99 Lakh
8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the Financial Year	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs.50 Lakhs	NA				

(b) Details of CSR Amount spent against ongoing projects for the financial year:

SI. No.	Name of the Project	Item from the list of activities in the Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in Rs.)	Amount Spent in the current Financial Year	Amount transferred to Unspent CSR Account for the Project as per Sec 135(6) in Rs.	Mode of Implementation Direct (Yes/No)	Mode of Implementation-Through Implementing agency	
				State	District						Name	CSR Regn Number
NA. The Company contributes to Trusts having their objects permitting activities permitted for CSR activities and also registered with the Ministry of Corporate Affairs for this purpose.												

(c) Details of CSR amount spent against other than Ongoing Projects for the Financial Year.

SI. No.	Name of the Project	Item from the list of activities in the Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount Spent for the Project	Mode of Implementation Direct (Yes/No)	Mode of Implementation-Through Implementing agency	
				State	District			Name	CSR REG. Number
1.	Food and Grains	Relief of Poverty	Yes	Maharashtra	Local area of Maharashtra	Rs. 50 Lakh	No	Omkar Andh-Apang Samajik Sanstha	CSR00003196

(d) Amount spent in Administrative overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total Amount spent for the Financial Year: Nil

(8b+ 8c +8d+8e)

(g) Excess Amount for set off, if any

Si. No.	Particulars	Amount (in Lakhs)
(i)	2% of the average net profit of the company as per Section 135(5)	55.53
(ii)	Total Amount Spent for the Financial year	50.00
(iii)	Excess amount spent for the financial year[(ii)-(i)]	(5.52)
(iv)	Surplus arising out of the CSR Projects or Programmes or activities of the Previous Financial Years, if any	7.53
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	2.01

9. (a) Details of Unspent CSR amount for the Preceding Three Financial Years:

Si. No.	Preceding FY	Amount transferred to Unspent CSR Account for the Project as per Sec 135(6) in Rs.	Amount Spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			Amount remaining to be spent in succeeding FY (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
Nil							

(b) Details of CSR amount Spent in the financial year outgoing Projects for the Preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial year in which Project was Commenced	Project Duration	Total amount allocated for the project	Amount Spent in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial year (in Rs.)	Status of the Project
NA								

10. In case of Creation or Acquisition of Capital asset, furnish the details relating to the asset to created or acquired through CSR Spent in the Financial Year: NA

(Asset wise Details)

(a) Date of Creation or Acquisition of Capital asset(s):

(b) Amount of CSR Spent for Creation or Acquisition of Capital asset:

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the Capital asset)

11. Specify the reasons(s), if the Company has failed to spend 2% of the average net profit as per section 135(5): NA

Sd/-

Surendrakumar Tibrewala
Chairman CSR Committee
DIN: 00218394

Sd/-

Sanjay Tibrewala
Executive Director
DIN: 00218525

Place: Mumbai

Dated: June 24, 2022

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To,
The Board of Directors
Fineotex Chemical Limited

We, Surendrakumar Tibrewala Chairman & Managing Director, and Sanjay Tibrewala Chief Financial Officer of Fineotex Chemical Limited ('the Company'), to the best of our knowledge and belief, certify that:

- 1) We have reviewed the Balance Sheet as at March 31, 2022, Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information of the Company, and the Board's report for the year ended March 31, 2022.
- 2) These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- 3) The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
- 4) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics.
- 5) We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
- 6) We have indicated to the Auditors and the Audit Committee that:
 - i. there are no significant changes in internal controls over financial reporting during the year;
 - ii. there are no significant changes in accounting policies during the year; and
 - iii. there are no instances of significant fraud of which we have become aware.
- 7) We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
- 8) We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Surendrakumar Tibrewala
Chairman and Managing Director
DIN: 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN: 00218525

Place: Mumbai
Date: April 28, 2022

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, the affirmation that they have complied with the 'Code of Conduct' in respect of the financial year 2021-2022.

Surendrakumar Tibrewala
Chairman and Managing Director
DIN: 00218394

Place: Mumbai
Date: April 28, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **FINEOTEX CHEMICAL LIMITED** having CIN L24100MH2004PLC144295 and having registered office at **42/43, MANORAMA CHAMBERS, 4TH FLOOR, S V ROAD, BANDRA (W), MUMBAI-400050** IN (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 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, or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	SURENDRA DEVIPRASAD TIBREWALA	00218394	30/01/2004
2.	SANJAY SURENDRA TIBREWALA	00218525	30/01/2004
3.	NAVIN BHIMSEN MITTAL	03555295	02/09/2011
4.	ALOK SHASHIKANT DHANUKA	06491610	11/02/2013
5.	AARTI MITESH JHUNJHUNWALA	07759722	14/08/2018
6.	BINDU DARSHAN SHAH	07131459	14/07/2020
7.	SUNIL VASANT WAGHMARE	08906042	31/10/2020
8.	ANAND VINAYAK PATWARDHAN*	08908877	31/10/2020

***As on the date of the signing of this report Dr. Anand Vinayak Patwardhan has resigned w.e.f 16th May, 2022**

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My 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 **HSPN & Associates LLP**
Company Secretaries

Hemant Shetye
Partner
FCS No.: 2827
CP No.: 1483

ICSI UDIN: F002827D000527835

Date: June 24, 2022
Place: Mumbai

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED.

To
The Members of
Fineotex Chemical Limited

The Corporate Governance Report prepared by Fineotex Chemical Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2022 pursuant to the Listing Agreement of the Company with the National Stock Exchange Limited and Bombay Stock Exchange Limited (collectively referred to as the "Stock Exchanges").

Management's Responsibility

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether for the year ended March 31, 2022 the Company has complied, with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

We have examined the relevant records of the Company in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and the Guidance Note on Certification of Corporate Governance (the 'Guidance Note'), in so far as applicable for the purpose of this certificate, issued by the Institute of Chartered Accountants of India ('ICAI') which requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion, based on our examination of the relevant records and to the best of our information and according to explanations given to us, and representations provided by the management, we certify that, the Company, has complied with the conditions of Corporate Governance as stipulated, in the above-mentioned Listing Regulations, except Regulation 24(1) for appointing at least one independent director from the board of directors of the listed entity, on the board of directors, of its one unlisted material subsidiary company incorporated outside India, during the year ended March 31, 2022.

Other Matters and Restriction on use

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

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, for the year ended March 31, 2022, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this

For ASL & Co.
Chartered Accountants
(Regn No. 101921W)

(Manish Pansari)
Partner

Place : Mumbai
Date : April 28, 2022

Membership No.: 137974
UDIN : 22137974AIAHNC1060

Independent Auditor's Report

To

The members of Fineotex Chemical Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of FINEOTEX CHEMICAL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2022, and its Profit (financial performance including other comprehensive income), the changes in equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 the 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 (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 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 opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other

information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the standalone financial statements and our auditors 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.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is 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 the 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 Responsibilities for the Audit of the Standalone Financial Statements

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks 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 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 auditor's 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.

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.

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.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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;
 - (b). In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c). The standalone financial statements dealt with by this Report are in agreement with the books of account;
 - (d). In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e). On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f). With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g). With respect to the other matters to be included in the Auditors 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 / payable by the Company to its directors during the current year is in accordance with the provisions of and not in excess of limits laid down under Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us;
 - (h). 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position.

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2022.
- iv. a) The management 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 company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) As per the information and explanation given to us, to the best of our knowledge and belief, and audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) As stated in Note No 18(b) and 48 to the standalone financial statements
 - a) The final Dividend proposed in respect of the previous year but declared and paid by the company during the year under review, is in accordance with Section 123 of the Act, as applicable.
 - b) 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 amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

FOR ASL & CO.
Chartered Accountants
(Regn. No 101921 W)

Manish Pansari
Partner

Place: Mumbai
Date: April 28, 2022

Membership No. : 137974
UDIN: 22137974AIAHRZ2119

ANNEXURE “A” REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FINEOTEX CHEMICAL LIMITED FOR THE YEAR ENDED 31ST MARCH 2022.

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under. Matters specified in clauses (i), (a), (b), (d), (e), (v), (viii), (ix), (x), (xi)(b), (c), (xii), (xv), (xvi), (xvii), (xviii), (xx), (xxi) of paragraph 3 of the Companies (Auditor’s Report) Order, 2020 do not apply to the Company. Accordingly no comments have been made on the matters not applicable to the company.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment;
- (b) As per the information and explanations given to us, property, plant and equipment have been physically verified by the management at the reasonable intervals having regards to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
- (c) In our opinion and according to the information and explanations given to us, the title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statement are held in the name of the company;
- (ii) (a) As per the information and explanations given to us, the inventory except goods in transit, has been physically verified by the management during the year at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of Inventory were noticed on verification between the physical stock and the book records;
- (b) As per information and explanations given to us, and to the best of our knowledge and belief, during the year under review, the company has been sanctioned working capital limit in excess of Rs. 500 Lakhs from bank on the basis of security of the current assets. However as informed to us and based on examination of the books and records, during the year under review, the company had not been disbursed the same for utilization and the company is yet to file monthly statements and returns of the current assets secured for the facility with bank;
- (iii) According to information and explanations given to us, and to the best of our knowledge and belief, and based on examination of the books and records, during the year under review, the Company has not provided any guarantee and security to companies, firms, Limited Liability Partnerships or any other parties; however during the year under review, the company has made investments in other companies and has also granted unsecured loans and advances in the nature of loans, to other companies ;
- (a) According to information and explanations given to us, during the year under review the Company has provided loans or provided advances in the nature of loans, to any other entity,
 - (A). The aggregate amount given during the year Rs.1,619.23 Lakhs and balance outstanding as at the Balance Sheet date Rs.244.99 Lakhs with respect to such advances to a Subsidiary ;
 - (B). The aggregate amount during the year Rs.500.00 Lakhs and balance outstanding as at the Balance Sheet date Rs. Nil with respect to such loans to a company other than subsidiaries, joint ventures and associates ;
- (b) The Investments made and terms and conditions of the grant of all loans and advances in the nature of loans are, prima facie not prejudicial to the company’s interest;
- (c) According to the information and explanations given to us and based on examination of the books and records, there is no stipulation of schedule of repayment of principal and payment of interest for the loans and advances in the nature of loans given by the Company. As such we are unable to make specific comment on regularity of repayment of principal and payment of interest;
- (d) According to the information and explanations given to us and based on examination of the books and records, since the loans and advances in the nature of loans are given by the company without any stipulation of schedule of repayment of principal and payment of interest, we are unable to make any specific comment on the overdue outstanding as at year end,;
- (e) According to the information and explanations given to us and based on examination of the books and records, as the loans and advances in the nature of loans are given by the company without any stipulation of schedule of repayment of principal and payment of interest, we are unable to make any specific comment on any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;
- (f) As per information and explanations given to us, and based on examination of the books and records, the company has granted loan and advances in the nature of loan that are repayable on demand or without specifying terms or period of repayment and in respect of such loans granted to related party as defined in clause (76) of section 2 of the Companies Act, 2013, the details are given here under :

(Rs. In Lakhs)

	Other Then Related Parties	Related Party	Total
Aggregate amount of loans/ advances in nature of loans			
- Repayable on Demand or without specifying terms or period of repayment	500.00	1,619.23	2,119.23
Percentage of loans/ advances in nature of loans to the total loans	23.59%	76.41%	100%

- (iv) According to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act and the Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186;
- (v) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete ;
- (vi) (a) As per the records of the Company and according to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, to the extent applicable to it;
- (b) According to the records of the Company and as per the information and explanations given to us there are no dues referred to in sub clause (a) of clause (vi) which have not been deposited on account of any dispute;
- (vii) As per information and explanations given by the management, no fraud by the company or on the Company has been noticed or reported during the year under review;
- (viii) According to the records of the Company and as per the information and explanations given to us, the transactions of the Company with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013, where applicable, and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS;
- (ix) (a) According to the information and explanations given to us,, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports of the company for the period under audit and issued till date;
- (x) On the basis financial ratios, ageing and expected date of realisations of financial assets and payment of financial liabilities, other information accompanying financial statements, our knowledge of board of directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our notice that causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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. However, we state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

FORASL & CO.
Chartered Accountants
(Regn. No 101921 W)

Manish Pansari
Partner
Membership No. : 137974

Place: Mumbai
Date: April 28, 2022

ANNEXURE “B” REFERRED TO IN PARAGRAPH 2 (F) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FINEOTEX CHEMICAL LIMITED FOR THE YEAR ENDED 31ST MARCH 2022.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls with reference to the financial statements of Fineotex Chemical Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (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 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note 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 with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 financial statements, whether due to fraud or error.

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 with reference to the financial statements.

Meaning of Internal financial controls with reference to the financial statements

A company’s internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to the financial statements 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 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 management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal financial controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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 with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

FOR ASL & CO.
Chartered Accountants
(Regn. No 101921 W)

Manish Pansari
Partner
Membership No. : 137974

Place: Mumbai
Date: April 28, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	3	6,333.96	4,809.68
Capital Work in Progress	3	-	264.53
Investment Property	3	393.57	378.57
Financial Assets			
Investments	4	2,758.11	4,183.06
Other Financial Assets	5	197.86	315.30
Non Current - Tax Assets (Net)	6	104.61	-
Other Non Current Assets	8	430.62	381.96
Total Non - Current Assets		10,218.73	10,333.10
Current Assets			
Inventories	9	4,847.83	2,173.77
Financial Assets			
Investments	10	0.01	86.10
Trade Receivables	11	7,514.99	5,792.18
Cash & Cash Equivalents	12	1,650.80	45.45
Bank Balance other than above	13	722.03	1,075.10
Other Financial Assets	14	10.45	33.95
Other Current Assets	15	1,373.04	1,009.22
		16,119.15	10,215.77
Asset Classified as Held for Sale	16	720.69	720.69
Total Current Assets		16,839.84	10,936.46
TOTAL ASSETS		27,058.57	21,269.57
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	2,214.97	2,214.97
Other Equity	18	19,960.82	15,896.21
TOTAL EQUITY		22,175.79	18,111.18
LIABILITIES			
Non - Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	19	76.62	51.96
Provisions	20	13.60	5.89
Deferred Tax Liability (Net)	7	103.57	66.19
Total Non - Current Liabilities		193.79	124.04
Current Liabilities			
Financial Liabilities			
Borrowings	21	187.53	341.32
Trade Payables	22		
Dues to Micro and Small Enterprises		-	-
Dues to Others		4,146.35	2,384.11
Other Financial Liabilities	23	12.58	9.94
Other Current Liabilities	24	318.52	275.09
Provisions	25	24.01	15.22
Current Tax Liabilities (Net)	26	-	8.67
Total Current Liabilities		4,688.99	3,034.35
TOTAL LIABILITIES		4,882.78	3,158.39
TOTAL EQUITY AND LIABILITIES		27,058.57	21,269.57
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3 to 48		

As per our report of even date attached

For ASL & CO
Chartered Accountants
Firm Reg. No. 101921W

Manish Pansari
Partner
Membership No. 137974

Mumbai, 28 April 2022

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Hemant Auti
Company Secretary
M.No.: A51703

Mumbai, 28 April 2022

FINEOTEX CHEMICAL LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. In Lakhs)

Particulars	Note. No.	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from Operations	27	25,007.90	12,947.77
Other Income	28	613.91	1,552.33
Total Income		25,621.81	14,500.10
Expenses			
Cost of Material Consumed	29	15,262.07	7,403.02
Purchases of Stock in Trade		58.04	-
Changes in Inventories of Finished Goods / Stock in Trade	30	(160.07)	(147.37)
Employee Benefit Expenses	31	1,149.65	696.42
Finance Cost	32	51.32	31.69
Depreciation and Amortization	3	225.43	141.94
Other Expenses	33	3,359.66	1,874.14
Total Expenses		19,946.10	9,999.84
Profit Before Tax		5,675.71	4,500.26
Tax Expenses			
Current Tax	7	1,238.51	780.00
Deferred Tax	7	39.21	121.52
Total Tax Expense		1,277.72	901.52
Profit After Tax		4,397.99	3,598.74
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Defined Benefit Plans		(7.24)	0.49
Income Tax related to above		1.82	(0.12)
Total Other Comprehensive Income for the year		(5.42)	0.37
Total Comprehensive Income for the year		4,392.57	3,599.11
Earnings Per Share - Basic & Diluted (₹)		3.97	3.25
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3 to 48		

As per our report of even date attached

For ASL & CO
Chartered Accountants
Firm Reg. No. 101921W

Manish Pansari
Partner
Membership No. 137974

Mumbai, 28 April 2022

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Hemant Auti
Company Secretary
M.No.: A51703

Mumbai, 28 April 2022

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit / (Loss) Before Tax	5,675.71	4,500.26
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Depreciation & Amortization	225.43	141.94
Finance Cost	51.32	31.69
Employee Stock Option Plan	4.29	-
Interest Income	(120.56)	(123.59)
Dividend Income	(3.21)	(8.76)
(Gain) / Loss on Fair Valuation of Investments	(308.67)	(1,360.60)
Actuarial Valuation of Gratuity	(7.24)	0.49
Unrealized Foreign Exchange Loss / (Gain)	1.03	1.05
Operating Profit Before Changes in Working Capital	5,518.10	3,182.48
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	(1,722.81)	(1,883.93)
(Increase) / Decrease in Inventories	(2,674.05)	(880.62)
(Increase) / Decrease in Other Current Financial Assets	23.50	(32.01)
(Increase) / Decrease in Other Current Assets	(363.82)	(231.17)
(Increase) / Decrease in Other Non - Current Financial Assets	117.44	(23.15)
(Increase) / Decrease in Other Non - Current Assets	(48.66)	(78.57)
Increase / (Decrease) in Trade Payables	1,762.25	595.51
Increase / (Decrease) in Other Current Financial Liabilities	2.64	(7.18)
Increase / (Decrease) in Other Current Liabilities	43.44	50.56
Increase / (Decrease) in Provisions	8.79	1.85
Increase / (Decrease) in Provisions- Non Current	7.71	0.39
Increase / (Decrease) in Other Non - Financial Liabilities	24.66	2.32
	(2,818.91)	(2,486.00)
Cash Generated from Operations	2,699.19	696.48
Less: Taxes Paid (Net of refund received)	(1,351.81)	(779.45)
NET CASH FLOW FROM OPERATING ACTIVITY (A)	1,347.38	(82.97)
B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Property, Plant & Equipment & Intangible Assets	(1,500.18)	(2,240.04)
Investments (purchased) / sold (net) in securities	1,733.62	2,508.85
Movement in other bank balance	353.06	(1,020.09)
Interest Received	120.56	123.59
Dividend Received	3.21	8.76
NET CASH FLOW FROM INVESTING ACTIVITY (B)	710.28	(618.93)

FINEOTEX CHEMICAL LIMITED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C		
<u>CASH FLOW FROM FINANCING ACTIVITY</u>		
Buyback of Equity Shares	-	(182.25)
Transaction Cost on Buyback of Equity Shares	-	(57.97)
Finance Cost	(51.32)	(31.69)
Corporate Dividend paid	(332.25)	-
NET CASH FLOW FROM FINANCING ACTIVITY (C)	(383.57)	(271.91)
D		
<u>NET CASH FLOW FOR THE YEAR (A + B + C)</u>	1,674.08	(973.82)
Add: Opening Balance of Cash & Cash Equivalents	(209.77)	765.10
Add: Effects of exchange loss/(gain) on cash and cash equivalents	(1.03)	(1.05)
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,463.28	(209.77)

Note :

- i. The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.
- ii. Reconciliation of Cash and Cash Equivalent

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
CASH AND CASH EQUIVALENT COMPRISES AS UNDER:		
Balance with banks in current accounts	1,628.13	30.55
Cash on Hand	22.67	14.90
CASH AND CASH EQUIVALENT (REFER NOTE 11)	1,650.80	45.45
Add : Investment in liquid mutual funds (Refer Note 10)	0.01	86.10
Working Capital Facility from Bank (Refer Note 21)	(187.53)	(341.32)
CASH AND CASH EQUIVALENT IN CASH FLOW STATEMENT	1,463.28	(209.77)

As per our report of even date attached

For ASL & CO
Chartered Accountants
Firm Reg. No. 101921W

Manish Pansari
Partner
Membership No. 137974

Mumbai, 28 April 2022

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Hemant Auti
Company Secretary
M.No.: A51703

Mumbai, 28 April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(Rs. In Lakhs)

	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting year	11,07,48,420	2,214.97	11,13,00,000	2,226.00
Less: Changes in Equity Capital during the year	-	-	5,51,580	11.03
Balance at the end of the reporting year	11,07,48,420	2,214.97	11,07,48,420	2,214.97

B. Other Equity

(Rs. In Lakhs)

	Reserves & Surplus					
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Equity Settled Share Based Payment Reserve	Total
Balance as at March 31, 2020 (A)	10.85	19.96	927.56	11,567.92	-	12,526.29
Additions during the year:						
Profit for the year	-	-	-	3,598.74	-	3,598.74
Items of OCI for the year, net of tax:						
Remeasurement of the defined benefit plans	-	-	-	0.37	-	0.37
Total Comprehensive Income for the year 2020-2021 (B)	-	-	-	3,599.11	-	3,599.11
Transactions with Owners in their capacity as Owners:						
Buyback of Equity Shares (Refer Note 17 (d))	-	-	(171.22)	-	-	(171.22)
Transaction Cost on Buyback (Refer Note 17 (d))	-	-	-	(57.97)	-	(57.97)
Transfer to Capital Redemption Reserve on Buyback (Refer Note 17 (d))	-	11.03	(11.03)	-	-	-
Total (C)	-	11.03	(182.25)	(57.97)	-	(229.19)
Balance as at March 31, 2021 (D)=(A+B+C)	10.85	30.99	745.31	15,109.06	-	15,896.21
Additions during the year:						
Profit for the year	-	-	-	4,397.99	-	4,397.99
Addition for equity share options granted	-	-	-	-	4.29	4.29
Items of OCI for the year, net of tax:						
Remeasurement of the defined benefit plans	-	-	-	(5.42)	-	(5.42)
Total Comprehensive Income for the year 2021-2022 (E)	-	-	-	4,392.57	4.29	4,396.86
Transactions with Owners in their capacity as Owners:						
Final Dividend for the year ended 31st March 2021	-	-	-	(332.25)	-	(332.25)
Total (F)	-	-	-	(332.25)	-	(332.25)
Balance as at March 31, 2022 (D+E+F)	10.85	30.99	745.31	19,169.38	4.29	19,960.82

CORPORATE INFORMATION

1

SIGNIFICANT ACCOUNTING POLICIES

2

NOTES ON ACCOUNTS

3 to 48

As per our report of even date attached

For and on behalf of the Board of Directors

For ASL & CO

Chartered Accountants

Firm Reg. No. 101921W

Manish Pansari

Partner

Membership No. 137974

Mumbai, 28 April 2022

Surendrakumar Tibrewala

Chairman & Managing Director

DIN : 00218394

Hemant Auti

Company Secretary

M.No.: A51703

Mumbai, 28 April 2022

Sanjay Tibrewala

Executive Director & CFO

DIN : 00218525

SIGNIFICANT ACCOUNTING POLICIES

1 BACKGROUND

Fineotex Chemical Limited is a public limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. Its registered office is situated at 42,43 Manorama Chambers, S.V. Road Bandra (West) Mumbai - 400050 India.

The Company is engaged in the business of manufacturing of Textile chemicals, auxiliaries and specialty chemicals.

2 STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS FOR PREPARATION OF ACCOUNTS

a) Statement of compliance with Ind AS

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

b) The Standalone financial statements are approved for issue by the Audit Committee and by the Board of Directors on 28th April, 2022.

c) Current versus Non-Current classification

All assets and liabilities have been classified as Current or Non Current as per the Company's normal operation cycle i.e. twelve months and other criteria set out in the Schedule III of the Act.

d) Historical Cost Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain financial assets and liabilities (including derivative instrument) measured at fair value;
- assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans - plan assets measured at fair value

2.2 USE OF ESTIMATES

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgments and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, impairment of trade receivables, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.3 REVENUE RECOGNITION

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer.

a) Sale of Goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

b) Export Incentives

Export Incentives under various schemes are accounted in the year of export.

c) Dividend

Dividend income is recognised when the right to receive the same is established, which is generally when shareholders approve the dividend.

d) Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.4 FOREIGN CURRENCY TRANSACTIONS

a) Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.

b) Initial Recognition

Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of the transactions. Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of profit and loss of the year.

c) Measurement of foreign currency items at the Balance sheet date

Monetary assets and liabilities denominated in foreign currencies are re-translated into functional currency at the exchange rate prevailing at the end of the reporting period. Non monetary assets and liabilities that are measured based on a historical cost in a foreign currency are not re-translated. Exchange differences arising out of these transaction are charged to the profit and loss.

2.5 PROPERTY, PLANT AND EQUIPMENTS

a) Property, plant and equipment (PPE)

i) Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of the assets. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

ii) Subsequent expenditure

Expenditure incurred on substantial expansion up to the date of commencement of commercial production are capitalized. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

b) Capital Work-In-Progress And Pre-Operative Expenses During Construction Period

Capital work-in progress includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective Property, Plant and Equipment on their completion / commencement of commercial production.

c) Investment Property

i) Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated impairment losses, if any.

The Management does not expect any impairment in the value of Investment Property, hence no depreciation have been charged in respect of the same.

- ii) Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.
- iii) All other repairs and maintenance costs are expensed when incurred.
- iv) Any gain or loss on disposal of an investment property is recognised in the Statement of Profit and Loss.

d) Intangible assets

Intangible assets are held on the balance sheet at cost less accumulated amortization and impairment loss if any.

2.6 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.7 DEPRECIATION AND AMORTISATION

Depreciation is calculated to systematically allocate the cost of Property, Plant and Equipment and Intangible Asset over the estimated useful life.

Depreciation is computed on pro-rata basis with using Straight Line Method (SLM) over the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

The estimated useful life of items of property, plant and equipment is mentioned below:

Asset	Years
Factory Building	30 Years
Office Premises	20 Years
Plant & Machinery	15 To 20 Years
Capex on Leasehold Premises	20 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Other Equipment	5 Years

The Company, based on technical assessment made by technical expert and management estimate, depreciates items certain of property plant and equipment (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 (Schedule III). 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.

Office Premises and Capex on Leasehold Premises are depreciated over the estimated useful life of 20 Years which is lower than the life prescribed in Schedule II.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

2.8 NON-DERIVATIVE FINANCIAL INSTRUMENTS

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.

I. Financial assets

a) Initial recognition and measurement

- i) The Company recognizes a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to the acquisition of the financial assets.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

- ii) All investments in equity instruments classified under financial assets are initially measured at fair value. Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

In case of Investments in Equity instruments, at initial recognition, the Company, makes an irrevocable election, to subsequently measure, investments in equity instruments at FVTOCI or FVTPL (Refer Note 4 & 38 for further details).

The Company makes such election on an instrument by instrument basis.

- iii) Trade receivable are carried at original invoice price as the sales arrangements do not contain any significant financial component. Purchase or sales of financial assets that required 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 assets.

b) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) 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.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer note 38 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) 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.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

Further, Investments in Equity instruments, neither held for trading nor are contingent consideration under a business combination, are recognized, at initial recognition, through irrevocably election, to be subsequently measured at FVTOCI (Refer Note 4 & 38 for further details).

Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI.

However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies (Refer note 38 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

c) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's balance sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset,(except as mentioned in 2.8 (I) (b) (ii) above for financial assets measured at FVTOCI) the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

d) Reclassification

Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

e) Investments in Subsidiaries, Associates and Joint Ventures:

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses if any in accordance with option available in Ind AS 27 - Separate Financial Statements.Details of Such Investments are given in Note no 4.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. If there is diminution in the value of investment.

On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

f) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on following financial assets and credit risk exposure:

- Financial assets that are debt instruments and are measured at amortised Cost e.g., loan, debt security, deposits and bank balance.
- Trade Receivables

The company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application simplified approach does not require the company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

II. Financial Liabilities and equity instruments

Debt and equity instruments issued by an entity are classified as either financial liability or as equity in accordance with substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

a) Equity instruments:

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

b) Initial recognition and measurement:

Financial liabilities are measured initially at amortised cost, unless at initial recognition they are measured at fair value through Profit & Loss (“FVTPL”). in case of borrowings, trade and other payables, are initially recognised at fair value and subsequently, these liabilities are held at amortised cost using the effective interest method.

c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires .When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

d) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.

2.9 INVENTORIES

i) Raw Material and Packing Material

Raw Materials and packing material are carried at lower of cost and net realizable value.

However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

The comparison of cost and net realizable value is made on an item-by item basis.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

In determining the cost of raw materials and packing materials First in First Out Method (FIFO) is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

ii) Finished Goods

Finished goods are valued at the lower of net realisable value and cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition), computed on estimated cost.

2.10 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets or disposal groups are classified only when both the conditions are satisfied:

- i. The sale is highly probable, and
- ii. The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Noncurrent assets or disposal group are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Upon Classification Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

2.11 BORROWING COSTS

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing cost is suspended and charged to statement when active development is interrupted Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii. Borrowing costs are being incurred; and
- iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

2.12 EMPLOYEE BENEFITS

Short term employee benefit obligations

Liabilities for wages, salaries, compensated absences including non-monetary benefits that are expected to be settled wholly within 12

months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as Gratuity; and
- B. Defined contribution plan such as Provident Fund

Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit 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.

The present value of the defined benefit obligations 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 obligation.

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 expenses in the statement of profit and loss.

Remeasurement 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 and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

Share-based Payments

Equity-settled share-based payments to employees that are granted are measured by reference to the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the vesting conditions. It recognizes the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

2.13 ACCOUNTING FOR TAXES ON INCOME

Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Current tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if 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 benefits 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 substantially enacted at the reporting date.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognized amounts; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate 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 risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingent Liability

Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

2.14 LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

i) Company as a Lessee

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

In respect of Leasehold Land, the Management does not expect any impairment hence no depreciation have been charged in respect the same.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to note 2.6 above for accounting policies on impairment of nonfinancial assets.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

c) Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces and certain equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

ii) Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as Finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.15 EARNING PER SHARE

a) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

b) 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.

2.16 CASH AND CASH EQUIVALENTS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

2.17 DIVIDEND

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.18 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees, unless otherwise stated.

2.19 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.20 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act

2.21 SEGMENT REPORTING

As the Company has only one primary business activity, Segment reporting is not applicable.

2.22 RECENT PRONOUNCEMENT

Indian Accounting Standards:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

NOTE 3: PROPERTY, PLANT & EQUIPMENTS AND INVESTMENT PROPERTY

(Rs. In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT (AT COST)				ACCUMULATED DEPRECIATION / AMORTIZATION				NET CARRYING AMOUNT
	As At April 01, 2021	Additions / Transfers	Deductions / Adjustments	As At March 31, 2022	As At April 01, 2021	For The Year	Deductions / Adjustments	As At March 31, 2022	As At March 31, 2022
(A) Property , Plant & Equipments									
Land - Freehold	348.77	-	-	348.77	-	-	-	-	348.77
Land - Leashold (Right of Use Assets)	2,054.38	-	-	2,054.38	-	-	-	-	2,054.38
Factory Buildings	1,100.88	407.84	-	1,508.73	58.96	50.93	-	109.89	1,398.83
Office Premises (a)	541.13	-	-	541.13	89.40	27.88	-	117.28	423.85
Capex on Leasehold Premises	34.83	-	-	34.83	13.41	2.68	-	16.10	18.73
Plant & Machinery	730.77	1,147.43	-	1,878.20	145.26	63.72	-	208.98	1,669.22
Electrical Installation & Equipments	41.84	13.10	-	54.94	14.54	3.38	-	17.92	37.02
Furniture & Fixtures	70.33	68.50	-	138.83	19.11	7.85	-	26.96	111.87
Vehicles (b)	246.50	63.56	-	310.05	83.37	42.41	-	125.78	184.27
Office Equipments	60.74	16.49	-	77.22	19.07	10.92	-	29.99	47.24
Computers	46.10	32.79	-	78.89	23.44	15.66	-	39.11	39.78
Total - Tangible Assets	5,276.27	1,749.71	-	7,025.97	466.56	225.43	-	692.01	6,333.96
(B) Capital Work in Progress (c)	264.53	-	264.53	-	-	-	-	-	-
(C) INVESTMENT PROPERTY (a,d,e,f & g)	378.57	15.00	-	393.57	-	-	-	-	393.57
Total(A)+(B)+(C)	5,919.37	1,764.71	264.53	7,419.54	466.56	225.43	-	692.01	6,727.53

- Office Premises includes fully paid unquoted shares in respect of ownership of Office Premises in 2 Co-operative Society (31 March 2021: 2 Co-operative Society); 15 shares (31 March 2021: 15 shares) of Rs.50/- each.
- Investment Property includes fully paid unquoted shares in respect of ownership of Office Premises in 1 Co-operative Housing Society (31 March 2021: 1 Co-operative Housing Society); 10 shares (31 March 2021: 10 shares) of Rs.50/- each.
- Motor Vehicles of Original Cost Rs. 108.48 Lakhs as at 31st March 2022 (Previous Year as at 31st March 2021 Rs. 108.48 Lakhs) are in the name of the directors of the company.
- The amount of Contractual Commitments for the acquisition/construction of Property, Plant & Equipments is disclosed in Note No.34.
- The fair market value of investment property as determined in accordance with Level III input provided by Management is approximately Rs.225.24 Lakhs (Previous Year Rs.225.24 Lakhs).
(Also Refer Note No 47 (1))
- The Company has no restrictions on the realisability of its investment property. There are no contractual obligations to purchase, construct or develop investment property as at the year end.
- Investment property is leased out to tenant under operating leases. Disclosure on future rent receivable is included in note 41.
- Amount recognised in Profit & Loss for Investment Properties:

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Rental income	6.75	8.63
Direct operating expenses from property that generated rental income	(0.24)	(0.69)
Impact of IND AS on Lease Rentals	0.47	0.12
Profit from investment properties before depreciation	6.98	8.06
Depreciation	-	-
Profit from investment property	6.98	8.06

NOTE 3: PROPERTY, PLANT & EQUIPMENTS AND INVESTMENT PROPERTY

(Rs. In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT (AT COST)				ACCUMULATED DEPRECIATION / AMORTIZATION				NET CARRYING AMOUNT
	As At April 01, 2020	Additions / Transfers	Deductions / Adjustments	As At March 31, 2021	As At April 01, 2020	For The Year	Deductions / Adjustments	As At March 31, 2021	As At March 31, 2021
(A) Property , Plant & Equipments									
Land - Freehold	348.77	-	-	348.77	-	-	-	-	348.77
Land - Leashold (Right of Use Assets)	1,117.60	936.78	-	2,054.38	-	-	-	-	2,054.38
Factory Buildings	506.43	594.45	-	1,100.88	31.16	27.80	-	58.96	1,041.92
Office Premises (a)	336.81	204.32	-	541.13	67.75	21.65	-	89.40	451.73
Capex on Leasehold Premises	34.83	-	-	34.83	10.73	2.68	-	13.41	21.41
Plant & Machinery	585.50	145.27	-	730.77	102.67	42.59	-	145.26	585.51
Electrical Installation & Equipments	41.84	-	-	41.84	9.83	4.71	-	14.54	27.30
Furniture & Fixtures	55.41	14.92	-	70.33	13.62	5.49	-	19.11	51.21
Vehicles (b)	161.83	84.67	-	246.50	63.24	20.14	-	83.37	163.12
Office Equipments	32.43	28.31	-	60.74	11.57	7.50	-	19.07	41.67
Computers	30.93	15.17	-	46.10	14.06	9.38	-	23.44	22.66
Total - Tangible Assets	3,252.38	2,023.89	-	5,276.27	324.63	141.94	-	466.56	4,809.68
(B) Capital Work in Progress (c)	48.35	216.17	-	264.53	-	-	-	-	264.53
(C) INVESTMENT PROPERTY (a,d,e,f & g)	378.57	-	-	378.57	-	-	-	-	378.57
Total(A)+(B)+(C)	3,679.30	2,240.06	-	5,919.37	324.63	141.94	-	466.56	5,452.78

- a. Office Premises includes fully paid unquoted shares in respect of ownership of Office Premises in 2 Co-operative Society (31 March 2020: 2 Co-operative Society); 15 shares (31 March 2020: 10 shares) of Rs.50/- each.
- Investment Property includes fully paid unquoted shares in respect of ownership of Office Premises in 1 Co-operative Housing Society (31 March 2020: 1 Co-operative Housing Society); 10 shares (31 March 2020: 10 shares) of Rs.50/- each.
- b. Motor Vehicles of Original Cost Rs. 108.48 Lakhs as at 31st March 2021 (Previous Year as at 31st March 2020 Rs. 108.48 Lakhs) are in the name of the directors of the company.
- c. The amount of Contractual Commitments for the acquisition/construction of Property, Plant & Equipments is disclosed in Note No.34.
- d. The fair market value of investment property as determined in accordance with Level III input provided by Management is approximately Rs.225.24 Lakhs (Previous Year Rs.225.24 Lakhs).
(Also Refer Note No 47 (1))
- e. The Company has no restrictions on the realisability of its investment property. There are no contractual obligations to purchase, construct or develop investment property as at the year end.
- f. Investment property is leased out to tenant under operating leases. Disclosure on future rent receivable is included in note 41.
- g. Amount recognised in Profit & Loss for Investment Properties:

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Rental income	8.63	2.73
Direct operating expenses from property that generated rental income	(0.69)	(0.24)
Direct operating expenses from property that did not generate rental income	-	(0.72)
Impact of IND AS on Lease Rentals	0.12	(0.46)
Profit from investment properties before depreciation	8.06	1.31
Depreciation	-	-
Profit from investment property	8.06	1.31

NOTE 4 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Units	Amount	No. of Units	Amount
A. Investment in Subsidiaries (Also Refer Note (a))				
In Equity Instruments (Unquoted and fully paid up)				
Carried at Cost less provision for other than temporary impairment				
Fineotex Malaysia Limited of US \$ 1.00 each	18,90,218	838.69	18,90,218	838.69
Fineotex Biotex Healthguard FZE (Formerly Known as Fineotex Specialities FZE) of US \$ 1.00 each	40,822	26.58	40,822	26.58
Manya Manufacturing India Private Limited (Formerly Known as Manya Steel Private Limited) of Rs.10 each	10,000	72.94	10,000	72.94
Fineotex Specialities Private Limited of Rs.10 each	10,00,000	100.00	10,00,000	100.00
Total (A)		1,038.21		1,038.21
B. Other Investments				
Carried at amortised Cost (Unquoted and fully paid up)				
In Bonds	-	-	10	100.00
Total (B)		-		100.00
Carried at fair value through profit or loss				
In Equity Instruments (Quoted and fully paid up)	9,948	116.03	4,61,949	529.03
In Mutual Funds (Quoted and fully paid up) (Also Refer Note (b) & (c) below)	55,41,815.816	1,603.87	80,99,740.590	2,515.82
Total (C)		1,719.90		3,044.85
Total (A+B+C)		2,758.11		4,183.06
Aggregate Amount of Quoted Investment - At Cost		1,581.63		2,644.91
Aggregate Amount of Quoted Investment - At market value		1,719.90		3,044.85
Aggregate amount of Unquoted Investments - At Cost		1,038.21		1,138.21
Aggregate amount of impairment in value of Investments (In Subsidiaries)		-		-

Note :

a. Information about Subsidiaries

Name of the Company	Country of Incorporation	% of Equity Interest	
		As at March 31, 2022	As at March 31, 2021
Fineotex Malaysia Limited	Malaysia	100.00	100.00
Fineotex Biotex Healthguard FZE (Formerly Known as Fineotex Specialities FZE)	UAE	100.00	100.00
Manya Manufacturing India Private Limited (Formerly Known as Manya Steel Private Limited)	India	100.00	100.00
Fineotex Specilities Private Limited	India	100.00	100.00

b. Other Investments carried at fair value through profit or loss includes, Investment under lien against working capital loan facility availed by the company (Also Refer Note No 21)

(Rs. In Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
Investment in Mutual Fund (Quoted & Fully Paid Up)	45,56,688.99	1,038.28	1,190.35	45,56,688.99	1,038.28	1,134.43

FINEOTEX CHEMICAL LIMITED

- c. **Investment In Mutual Funds (Quoted and fully paid up) includes investment in “Frankling India Short Term Income Plan Growth Direct” as under:**

(Rs. In Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
Frankling India Short Term Income Plan Growth Direct	670.50	25.69	31.72	7,177.81	275.00	305.06

The Mutual Fund Institution on April 23, 2020 voluntarily decided to wind up its Six yield oriented fixed income funds including “Franklin India Short Term Income Plan.

Consequent to the winding up, the units can no longer be subscribed or redeemed by the Unitholders post cut off time ie April 23, 2020.

As per the communication received from the Mutual Fund Institution, the amount subscribed by the Unitholders would be paid as per the regulatory process in due course of time.

Based on the above assurances and regular communication on the development of the same by Mutual Fund Institution, the management estimates to recover the entire amount subscribed in due course of time. The Management is closely monitoring the developments in the said matter and is continuously reviewing and assessing the impact if any, on its financial statements. and is continuously reviewing and assessing the impact if any, on its financial statements.

NOTE 5: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits (Refer Note i. Below)	182.53	298.06
Fixed Deposits maturing after 12 months (Refer Note ii. Below & Note No 21)	15.33	17.24
Total	197.86	315.30

Note :

- i. Security deposits (for Leasing of Premises) includes dues from Subsidiaries, Directors and its relatives as under: (Also Refer Note No 42).

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Dues from Subsidiaries	116.85	109.06
Dues from Directors	18.42	65.33
Dues from relative of Directors	16.83	112.00

- ii. Receipts Pledged/Lien with Bank towards Bank Guarantee (Also refer Note No 34).

NOTE 6: NON CURRENT - TAX ASSET (NET)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current - Tax Asset (Net)	104.61	-
Total	104.61	-

NOTE 7: INCOME TAX

A. COMPONENTS OF INCOME TAX EXPENSES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
I. Income Tax recognised in statement of profit & loss		
Current Tax		
Current year	1,238.51	780.00
Sub-Total	1,238.51	780.00
Deferred tax charge/ (credit)		
Origination and reversal of temporary difference	39.21	121.52
Sub-Total	39.21	121.52
Income Tax Expense recognised in Statement of Profit & Loss	1,277.72	901.52
II. Income Tax Expense recognised in OCI		
Deferred tax charge/ (credit)		
Remeasurement of the Defined Benefit Plans	(1.82)	0.12
Total	(1.82)	0.12

B. RECONCILIATION OF EFFECTIVE TAX RATES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Profit/(loss) before tax	5,675.71	4,500.26
Enacted Income Tax Rate in India	25.17%	25.17%
Income Tax expense calculated at enacted corporate tax rate	1,428.00	1,132.62
Effect of income to be excluded	(6.47)	(6.87)
Effect of expenses that are not deductible in determining taxable profit	4.24	7.96
Effect of income which is taxed at special rates	31.62	13.19
Effect of Fair Value Gains / (Loss)	(197.74)	(212.52)
Others	(55.70)	(32.86)
Total	1,203.95	901.52
Effective tax rate for the year	21.21%	20.03%

C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2021	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2022
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(95.86)	(36.10)	-	(131.97)
Investments	(46.37)	27.69	-	(18.68)
Investment Property	24.22	6.35	-	30.57
Employee benefits	0.06	(1.40)	1.82	0.49
Other Current Assets	51.76	(35.75)	-	16.02
Deferred tax assets/ (liabilities)	(66.19)	(39.21)	1.82	(103.57)

FINEOTEX CHEMICAL LIMITED

MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2020	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2021
Deferred tax assets/ (liabilities)				
Property, Plant and Equipment	(86.92)	(8.94)	-	(95.86)
Investments	95.71	(142.08)	-	(46.37)
Investment Property	19.45	4.76	-	24.22
Employee benefits	0.07	0.12	(0.12)	0.06
Other Current Assets	27.15	24.62	-	51.76
Deferred tax assets/ (liabilities)	55.46	(121.52)	(0.12)	(66.19)

D. DEFERRED TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
Employee Benefits	0.49	0.06
Investment Property	30.57	24.22
Other Current Assets	16.02	51.76
Total	47.08	76.04
Deferred Tax Liabilities		
Investment	18.68	46.37
Property, Plant and Equipment	131.97	95.86
Total	150.65	142.23
NET DEFERRED TAX ASSETS / (LIABILITIES)	(103.57)	(66.19)

NOTE 8: OTHER NON-CURRENT ASSETS

(Unsecured Considered Good unless stated otherwise)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances (Refer Note No 34)	430.62	379.60
Advances Other than Capital Advances		
Balances with Government Authorities	-	2.36
Total	430.62	381.96

NOTE 9: INVENTORIES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	3,973.17	1,487.23
Packing Material	142.54	114.49
Finished Goods (Includes Goods in Transit Rs.49.99 Lakhs (P.Y Rs. NIL))	732.12	572.05
Total	4,847.83	2,173.77

Note:

For Method of Valuation of Inventories refer Note No. 2.9

NOTE 10: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Unit	Amount	No. of Unit	Amount
Investment carried at fair value through profit or loss				
Investment in Liquid Mutual Funds (Quoted and fully paid up)	1.110	0.01	1,58,476.15	86.10
Total		0.01		86.10
Aggregate Amount of Quoted Investment - At Cost		0.00		79.70
Aggregate amount of Quoted Investments - At market value		0.01		86.10

NOTE 11: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
Unsecured - Considered Good	7,514.99	5,792.18
Total	7,514.99	5,792.18

Trade Receivable ageing schedule

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	As at March 31, 2022					
	< 6 Months	6 months to 1 year	1-2 years	2-3 years	> 3 Years	Total
Undisputed						
Considered Good	7,401.85	48.85	1.43	31.40	31.46	7,514.99
Total	7,401.85	48.85	1.43	31.40	31.46	7,514.99

Particulars	Outstanding for following periods from due date of payment					
	As at March 31, 2021					
	< 6 Months	6 months to 1 year	1-2 years	2-3 years	> 3 Years	Total
Undisputed						
Considered Good	5,558.91	52.74	142.17	38.36	-	5,792.18
Total	5,558.91	52.74	142.17	38.36	-	5,792.18

Notes:

i. Trade receivable includes (Also Refer Note No 42):

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Dues from Subsidiaries	18.62	226.17
Dues from Private Companies in which any Director is a director or member	-	6.62

ii. Refer Note - 39 for information about Credit Risk and Market Risk of Trade Receivables.

FINEOTEX CHEMICAL LIMITED

NOTE 12: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks in Current Accounts	1,628.13	30.55
Cash on Hand	22.67	14.90
Total	1,650.80	45.45

NOTE 13: FINANCIAL ASSETS - OTHER BANK BALANCES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid Dividend Account (Refer Note i. Below)	3.40	2.39
Fixed Deposits maturing between 3 to 12 months (Refer Note ii. Below)	718.63	1,072.71
Total	722.03	1,075.10

Note :

- i. The Current Account balance includes unpaid dividend of Rs. 3.40 Lakhs as at 31st March 2022 (Previous Year as at 31st March 2021 Rs. 2.39 Lakhs) which have been kept in separate earmarked accounts and no transactions except for stated purpose are done through such accounts.
- ii. **Fixed Deposits maturing between 3 to 12 months includes Receipts Pledged/Lien with Banks:**

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Towards Bank Guarantee (Also refer Note no 34)	16.37	31.00
Towards Overdraft facility availed (Also refer Note no 21)	660.00	650.00

NOTE 14: FINANCIAL ASSETS - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due (Also Refer Note No 13)	8.47	33.70
Other Deposits	1.98	0.25
Total	10.45	33.95

- i. **Interest accrued but not due includes dues for Advance to Subsidiary as under: (Also Refer Note No 42).**

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Dues from Subsidiaries	0.41	0.41

NOTE 15: OTHER CURRENT ASSETS (Unsecured Considered Good unless stated otherwise)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances Other than capital advances		
Advances to Suppliers (Refer Note i Below)	397.39	252.89
Advance to Employees	2.20	2.15
Prepaid Expenses	80.54	44.32
Balances with Government Authorities	60.36	117.94
Others		
Export Incentives Receivable	87.56	116.05
GST Refund Receivable	500.00	-
Insurance Claim Receivable	-	71.70
Inter Corporate Loan (Refer Note ii Below)	244.99	402.10
Rent Receivable	-	2.07
Total	1,373.04	1,009.22

Note :

- Advance to Supplier includes Rs.68.86 Lakhs as at 31st March 2022 (Previous year Rs.33.33 Lakhs) due from Subsidiary Company (Also Refer Note No 42).
- Intercompany Loan includes Rs. 244.99 Lakhs as at 31st March 2022 (Previous year Rs.46.32 Lakhs) due from Subsidiary Company repayable on demand (Also Refer Note No 42 & 44).

Intercompany Loans are given in ordinary course of business for business activities.

NOTE 16: ASSETS CLASSIFIED AS HELD FOR SALE

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Investment (At Cost)		
Immovable Property (Also Refer Note No 24)	720.69	720.69
Total	720.69	720.69

Note :

- The Management intends to sell the immovable property acquired during the year ended 31st March 2018. An active program to locate the buyer and to complete the sale has already been initiated, the sale is expected to be completed in the next 12 months. Accordingly, the above assets have been classified as assets held for sale.

The Company pursuant to its intention, have received Advance for Sale of Property classified as held for Sale. The Company is in the process of completing the transfer of title and is expected to be completed in the financial year 2022-2023.
- Further the fair value of these asset is higher than its carrying value as on 31st March 2022 and hence no impairment loss has been recognised.

NOTE 17: EQUITY SHARE CAPITAL

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
14,00,00,000 (Previous year as at 31st March 2021 14,00,00,000) Equity Shares of Rs. 2/- each.	2,800.00	2,800.00
TOTAL AUTHORIZED SHARE CAPITAL	2,800.00	2,800.00
Issued, Subscribed & Paid Up		
11,07,48,420 (Previous year as at 31st March 2021 11,07,48,420) Equity Shares of Rs. 2/- each fully paid up.	2,214.97	2,214.97
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	2,214.97	2,214.97

FINEOTEX CHEMICAL LIMITED

a) Reconciliation of the number of shares outstanding :

(Rs. In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	11,07,48,420	2,214.97	11,13,00,000	2,226.00
Add: Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	5,51,580	11.03
Shares at the end	11,07,48,420	2,214.97	11,07,48,420	2,214.97

b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a face value Rs. 2/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders will be entitled to receive any of the remaining asset of the company in proportion to the number of equity shares held by the shareholders, after distribution of all the preferential amounts. However no such preferential amount exist currently.

c) Shareholders holding more than 5% shares each :

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%	No. of Shares	%
Mr. Surendra Tibrewala (Refer Note No i. Below)	6,12,01,330	55.26%	6,12,01,330	55.26%
Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	68,08,595	6.15%	68,08,595	6.15%

Note:

i. Shareholders holding more than 5% shares each includes shares held by Karta of HUF as under:

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%	No. of Shares	%
Mr. Surendra Tibrewala - as a Karta of HUF	3,45,500	0.31%	3,45,500	0.31%

d) Other details of Equity Shares for a period of five years immediately preceding March 31, 2022

- i. Pursuant to approval of the Board of Directors of Company vide resolution dated 27th July, 2020 the Company has bought back 5,51,580 equity shares of Rs.2/- each from the open market at an average price of Rs.33.04. The Company has paid a total amount of Rs. 182.25 Lakhs for the said buyback of shares.
- ii. Pursuant to approval of the Board of Directors of Company vide resolution dated 14th November, 2016 the Company has bought back 9,98,110 equity shares of Rs.2/- each from the open market at an average price of Rs. 29.69. The Company has paid a total amount of Rs. 292.65 Lakhs for the said buyback of shares.
- iii. Pursuant to shareholders approval dated 28th May,2015, the Equity Shares of Rs.10/- each of the Company were sub-divided into 5 Equity Shares of Rs.2/- per share w.e.f. 12th June,2015.

e) Shares held by promoters at the end of the year

Promoter's Name	As at 31/03/2022		As at 31/03/2021		2021-22	2020-21
	No. of shares	% of Total shares	No. of shares	% of Total shares	% Change Inc / (Dec)	
Surendra Tibrewala Huf	3,45,500	0.31%	3,45,500	0.31%	-	-
Surendrakumar Deviprasad Tibrewala	6,08,55,830	54.95%	6,08,55,830	54.95%	-	(11.36%)
Mitesh Vinod Jhunjhunwala	1,001	0.00%	5,750	0.01%	(82.59%)	475.00%
Kanaklata Tibrewala	32,81,700	2.96%	32,81,700	2.96%	-	-
Aarti Mitesh Jhunjhunwala	25,050	0.02%	50	0.00%	50000%	-
Sanjay Tibrewala	32,83,990	2.97%	32,13,990	2.90%	2.18%	-
Ritu Aditya Gupta	11,000	0.01%	11,000	0.01%	-	-
Nidhi Sanjay Tibrewala	1,000	0.00%	1,000	0.00%	-	-
Kamal Chemicals Pvt. Ltd.	29,54,500	2.67%	29,54,500	2.67%	-	-
Proton Biochem Pvt Ltd	10,28,500	0.93%	10,28,500	0.93%	-	-

NOTE 18: Other Equity

(Rs. In Lakhs)

	Reserves & Surplus					
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Equity Settled Share Based Payment Reserve	Total
Balance as at March 31, 2020 (A)	10.85	19.96	927.56	11,567.92	-	12,526.29
Additions during the year:						
Profit for the year	-	-	-	3,598.74	-	3,598.74
Items of OCI for the year, net of tax:						
Remeasurement of the defined benefit plans	-	-	-	0.37	-	0.37
Total Comprehensive Income for the year 2020-2021 (B)	-	-	-	3,599.11	-	3,599.11
Transactions with Owners in their capacity as Owners:						
Buyback of Equity Shares (Refer Note 17 (d))	-	-	(171.22)	-	-	(171.22)
Transaction Cost on Buyback (Refer Note 17 (d))	-	-	-	(57.97)	-	(57.97)
Transfer to Capital Redemption Reserve on Buyback (Refer Note 17 (d))	-	11.03	(11.03)	-	-	-
Total (C)	-	11.03	(182.25)	(57.97)	-	(229.19)
Balance as at March 31, 2021 (D)=(A+B+C)	10.85	30.99	745.31	15,109.06	-	15,896.21
Additions during the year:						
Profit for the year	-	-	-	4,397.99	-	4,397.99
Addition for equity share options granted (Refer Note No 40)	-	-	-	-	4.29	4.29
Items of OCI for the year, net of tax:						
Remeasurement of the defined benefit plans	-	-	-	(5.42)	-	(5.42)
Total Comprehensive Income for the year 2021-2022 (E)	-	-	-	4,392.57	4.29	4,396.86
Transactions with Owners in their capacity as Owners:						
Final Dividend for the year ended 31st March 2021	-	-	-	(332.25)	-	(332.25)
Total (F)	-	-	-	(332.25)	-	(332.25)
Balance as at March 31, 2022 (D+E+F)	10.85	30.99	745.31	19,169.38	4.29	19,960.82

a. Description of Nature and Purpose of the Reserves

Capital Reserve

Capital Reserve was created on acquisition of Proprietorship concern "Fineotex Chemical Industries" in FY 2007-08 in Slump Sale.

Capital Redemption Reserve

The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve.

Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the provisions of the Act.

Retained Earnings

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

Equity-settled Share-based Payment Reserve

This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by the Company. Once shares are issued by the Company, the amount in this reserve will be transferred to share capital, securities premium or retained earnings.

FINEOTEX CHEMICAL LIMITED

Items of Other Comprehensive Income

Remeasurements of Net Defined Benefit Plans:

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

b. Dividends Paid during the year

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Corporate Dividend Paid During the year to Equity Share Holders		
Final Dividend Paid for FY 2020-2021	332.25	-
Dividend Per Fully Paid Up Share	0.30	-

NOTE 19: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits from Customers	76.62	51.96
Total	76.62	51.96

NOTE 20: PROVISIONS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity Payable	13.60	5.89
Total	13.60	5.89

NOTE 21: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
SECURED :		
Loans repayable on demand		
From Banks (Also Refer note below)	187.53	341.32
Total	187.53	341.32

Note:

The above bank credit facility is secured against Fixed Deposits and pledged/lien on securities held by the Company (Also Refer Note No 4 & 13).

NOTE 22: FINANCIAL LIABILITIES - TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed		
Due to Micro, Small and Medium Enterprises (Refer Note Below)	-	-
Due to Others	4,146.35	2,384.11
Total	4,146.35	2,384.11

Note:

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2021-22, to the extent the Company has received intimation from the “Suppliers” regarding their status under the Act.

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal and interest amount remaining unpaid	-	-
(ii) Interest due there on remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
Total	-	-

Trade payable ageing schedule

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	As at March 31, 2022				
	< 1 Year	1-2 years	2-3 years	> 3 Years	Total
Undisputed					
i) MSME	-	-	-	-	-
ii) Others	4,129.90	14.24	2.21	-	4,146.35
Total	4,129.90	14.24	2.21	-	4,146.35

Trade payable ageing schedule

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	As at March 31, 2021				
	< 1 Year	1-2 years	2-3 years	> 3 Years	Total
Undisputed					
i) MSME	-	-	-	-	-
ii) Others	2,372.14	4.41	-	7.56	2,384.11
Total	2,372.14	4.41	-	7.56	2,384.11

NOTE 23: FINANCIAL LIABILITIES - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest on Trade Deposit - Accrued but not due	9.18	7.55
Unclaimed Dividend (Also Refer Note Below)	3.40	2.39
Total	12.58	9.94

Note:

There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March 2022.

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NOTE 24: OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customer	60.24	72.71
Advance received for Asset held for Sale (Also Refer Note No 16)	107.00	107.00
Payable to Employees (Also Refer Note No 40)	91.04	55.12
Other Payables (Also refer Note No 42)	6.44	12.14
Statutory Liabilities	53.80	28.12
Total	318.52	275.09

NOTE 25: PROVISIONS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Leave Encashment	5.99	4.06
Bonus	18.02	11.16
Total	24.01	15.22

NOTE 26: CURRENT TAX LIABILITIES (NET)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Tax Payable	-	8.67
Total	-	8.67

NOTE 27: REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Products	24,875.74	12,840.69
Other Operating Income:		
Export Incentives & Entitlements	132.16	107.08
Total	25,007.90	12,947.77

NOTE 27 - A: REVENUE FROM CONTRACTS WITH CUSTOMERS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers disaggregated based on geography		
Domestic Market	18,255.58	9,432.03
Exports	6,620.16	3,408.66
Total	24,875.74	12,840.69

Note:

- i. The amounts of receivable from customers become due after expiry of credit period . There is no significant financing component in any transaction with the customers
- ii. The company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

NOTE 28: OTHER INCOME

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income from Financial Asset Carried at Amortised Cost	120.56	123.59
Dividend Income		
Received from Quoted Investments measured at FVTPL	3.21	8.76
Other Non - Operating Income		
Gains on Foreign Currency transactions	148.43	49.15
Net gain on sale / measurement of financial asset at FVTPL	308.67	1,360.60
Other Income	33.04	10.23
Total	613.91	1,552.33

NOTE 29: COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw Material Consumed	14,038.10	6,684.72
Packing Material Consumed	1,223.97	718.30
Total	15,262.07	7,403.02

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock :		
Work in Progress	-	424.68
Finished Goods	572.05	-
Less : Closing Stock :		
Finished Goods	732.12	572.05
NET CHANGE IN INVENTORIES	(160.07)	(147.37)

NOTE 31: EMPLOYEE BENEFIT EXPENSES (Also Refer Note No 42)

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Bonus	1,067.28	668.23
Contribution to P.F & Other Funds		
Employer's Contribution to P. F.	30.12	11.01
Employer's Contribution to ESIC	1.86	1.09
Gratuity (Refer Note 39)	8.60	6.84
Staff Welfare Expenses	37.50	9.25
Employee Stock Option Plan (Refer Note 39)	4.29	-
Total	1,149.65	696.42

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NOTE 32: FINANCE COST

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expenses on Financial Liabilities carried at amortised Cost		
On Borrowing	27.35	17.22
Others (Including Interest on delay / deferred payment)	0.16	0.38
Bank and Other Financial Charges	23.81	14.09
Total	51.32	31.69

NOTE 33: OTHER EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Toll Conversion Charges	379.63	272.92
Power, Fuel and Utilities	93.30	57.52
Lease Rent / Hire Charges	152.10	94.43
Repairs & Maintenance on :		
Building	40.19	47.43
Plant and Machinery	71.45	42.09
Other Repairs	68.58	29.35
Insurance	59.06	40.77
Rates and Taxes	13.87	28.11
Consultancy and Professional Fees	368.62	320.40
Payment to Auditors :		
Audit Fees	4.00	4.00
Transfer Pricing Audit Fees	0.25	0.25
Certification Charges and Others	2.27	2.45
Other Services	1.95	1.95
Travelling and Conveyance	104.59	32.64
Commission	866.71	423.38
Advertisement, Publicity & Business Promotion	38.08	24.62
Outward Freight Charges	826.72	257.47
Expenditure towards Corporate Social Responsibility (Also Refer Note No 35)	50.00	53.00
Miscellaneous expenses	218.29	141.36
Total	3,359.66	1,874.14

NOTE 34: CONTINGENT LIABILITIES AND COMMITMENTS

1. Bank Guarantee (Refer Note no 6 & 13)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding Bank Guarantees issued by Bankers	10.90	25.75
Total	10.90	25.75

2. Commitments (Refer Note No 8)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated Amount of Capital Commitments remaining to be executed on Capital account	1,125.44	868.00
Less: Advances Paid	430.62	379.60
Net Capital Commitments	694.82	488.40

NOTE 35: CORPORATE SOCIAL RESPONSIBILITY (Refer Note No 33)

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent as per Section 135 of the Companies Act, 2013	55.53	45.21
Amount approved by the Board to be spent	55.53	45.21
<u>Amount Spent during the year</u>		
Construction / Acquisition of any Asset	-	-
On purposes other than above	50.00	53.00
Total amount spent	50.00	53.00
Statement of unspent amount under section 135(5) of the Companies Act, 2013		
Opening Balance - (Excess) / Short Spent in Earlier Years	(7.79)	-
Amount Deposited in Sepcified Fund of Sch VII	-	-
Amount required to be spent	55.53	45.21
Amount Spent	50.00	53.00
Closing Balance	(2.26)	(7.79)
Nature of CSR Activities :		
As per Schedule VII of the companies Act, 2013.		

NOTE 36: EARNINGS PER SHARE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit after tax available for equity shareholders as per Statement of Profit & Loss	4,397.99	3,598.74
Weighted Average No. of Equity Shares for of Face Value Rs. 2/- each	11,07,48,420	11,09,70,630
Earnings Per Share - Basic & Diluted (₹)	3.97	3.25

NOTE 37: CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximize shareholder value and support the growth of the Company and to optimize capital structure to reduce the cost of capital. The Company determines the capital requirement based on long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity and operating cash flows generated. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

The company monitors capital on the basis of the following gearing ratio :

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total interest bearing financial liabilities	264.15	393.27
Less : Cash and Cash Equivalents	1,650.80	45.45
Adjusted Net Debt	(1,386.65)	347.82
Total Equity	22,175.79	18,111.18
Adjusted Equity	-	-
Net Debts to Equity Ratio - Times	(0.06)	0.02

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NOTE 38: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets		
<u>Fair Value through Profit & Loss</u>		
Investments (Other than in Subsidiary)	1,719.91	3,130.95
<u>Amortised Cost</u>		
Investments (Other than in Subsidiary)	-	100.00
Trade Receivables	7,514.99	5,792.18
Cash & Cash Equivalents	1,650.80	45.45
Other Bank Balances	722.03	1,075.10
Other Financial Assets	208.31	349.24
Other Current Assets	244.99	402.10
Total	12,061.03	10,895.02
Financial Liabilities		
<u>Amortised Cost</u>		
Borrowings	187.53	341.32
Trade Payables	4,146.35	2,384.11
Other Financial Liabilities	89.20	61.90
Total	4,423.08	2,787.33

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets		
<u>Level 1</u>		
Investments in quoted equity shares	116.03	529.03
Investments in quoted mutual fund units	1,603.88	2,601.92
<u>Level 2</u>		
Security Deposit Given	158.24	292.18
Total	1,878.15	3,423.13
Financial Liabilities		
<u>Level 2</u>		
Security Deposit Accepted	6.44	7.49
Total	6.44	7.49

Measurement of Fair Values :

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of investment in shares is the share price quoted on recognised stock exchange as on the reporting date of balance sheet
- The fair values of investment in mutual fund is the N.A.V as on the reporting date of balance sheet
- The fair values of interest free security deposit given / accepted is estimated by discounting cash flows using rates currently available for instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value

NOTE 39: FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk. In order to minimize any adverse effects on the financial performance of the Company

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade Receivables and other financial assets	Ageing analysis	Diversification of bank deposits, credit limit and letter of credit
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Rupees	Very limited Exposure	Company manages through natural Hedge
Market risk - Security prices risk	Investment in Shares and mutual funds	Sensitivity analysis	Portfolio diversification

The Company risk management is carried out by policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas. There is no change in objectives, polices and process for managing the risk and methods used to measure the risk as compared to previous year.

(a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs

(a) (i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with fixed and floating interest rates. However the companies exposure to floating rate borrowings are very limited to its size of operation .

The company is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits

Exposure to interest rate risk

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed-rate instruments		
Financial Liabilities - Borrowings	264.15	393.27
Total	264.15	393.27

Sensitivity analysis to interest rate risk

The company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(a) (ii) Market Risk - Price Risk(Securities)

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

Exposure to Price Risk

Other price risk arises from financial assets such as investments in equity instruments and mutual funds disclosed below.

The Company does make deposit with the banks as margin money against the borrowing facility provided by the banks. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

(Rs. In Lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
Investments in Quoted Equity Shares	116.03	529.03
Investments in Quoted Mutual Funds	1,603.88	2,601.92
Total	1,719.91	3,130.95

Sensitivity analysis to Market Risk - Price Risk (Securities)

The company is mainly exposed to price risk arising mainly from investments in equity instruments and mutual funds recognised at FVTPL. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below. A sensitivity of 10% represents management's assessment of reasonably possible change in equity prices

(Rs. In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Equity Shares	11.60	(11.60)	52.90	(52.90)
Mutual Funds	160.39	(160.39)	260.19	(260.19)
Total	171.99	(171.99)	313.09	(313.09)

(a) (iii) Market Risk - Currency Risk

The company is having import and exports as well. Accordingly the company is exposed to currency risk on account of its trade payables and trade receivables in foreign currency. The functional currency of the company is Indian Rupees. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible . The exposed Foreign currency is not substantial to the operation of company .

Exposure to Currency risk

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company are as follows:

(In Lakhs)

Particulars	Foreign Currency	As at March 31, 2022	As at March 31, 2021
Financial Assets			
Trade and other receivables	USD	22.84	16.38
Cash & Cash Equivalent	USD	4.95	0.04
Cash & Cash Equivalent	EURO	0.12	0.03
Financial Liabilities			
Trade and other payables	USD	13.53	0.80
Trade and other payables	EURO	0.26	-

Sensitivity analysis to currency risk

(Rs. In Lakhs)

Foreign Currency	As at March 31, 2022		As at March 31, 2021	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	32.45	(32.45)	34.36	(34.36)
EURO	(0.37)	0.37	0.07	(0.07)
Total	32.08	(32.08)	34.43	(34.43)

(b) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of Financial Assets represents the maximum credit exposure.

Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof. Accordingly based on the provision matrix there is no expected credit loss to the company and accordingly there is no provision for doubtful debts.

Other Financial Assets

The company maintains exposure in Cash and Cash equivalents and Bank deposits with banks, Equity Shares and Investments in Mutual Funds. The Company has diversified portfolio of investment with various number of counterparties which has good credit ratings, good reputation and hence the risk is reduced. Individual risk limits set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Company's maximum exposure to credit risk as at 31st March, 2022, and 31st March, 2021 is the carrying value of each class of financial assets.

(c) Liquidity Risk

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

Exposure to Liquidity Risk

The responsibility of liquidity risk management rests with board of directors which are appropriate risk management framework for short, medium and long term liquidity measures with adequate cash flows and banking facilities.

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

(Rs. In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Working Capital Loans from Banks	187.53	-	341.32	-
Trade Payables	4,129.91	16.45	2,372.13	11.97
Other Financial Liabilities	12.58	76.62	9.94	51.96
Total	4,330.02	93.07	2,723.39	63.93

(d) Collateral

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 21 for the detailed terms and conditions of the collaterals pledged.

NOTE 40: EMPLOYEE BENEFITS

(a) Retirement Benefits

As per Ind AS 19 the Company has recognized “Employees Benefits”, in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2022.

(A) Defined benefit plans

i Retiring Gratuity

I Components of Employer Expenses

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
Current Service Cost	8.49	6.67
Past Service Cost vested	-	-
Interest Cost	2.20	2.08
Expected Return on Plan Assets	(2.08)	(1.91)
Actuarial (Gain) / Loss	7.24	(0.49)
Total Expenses/(Gain) recognized in the Profit & Loss Account	15.84	6.35

II Net Asset/ (Liability) recognized in Balance Sheet

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
Present value of Funded Obligation	50.29	37.41
Fair Value of Plan Assets	36.69	31.53
Assets/(Liability) recognized in the Balance Sheet	13.60	5.89

III Change in Defined Benefit Obligations (DBO)

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
Opening Balance of Present Value of Obligation	37.41	31.42
Interest Cost	2.20	2.08
Current Service Cost	8.49	6.67
Past Service Cost - Vested Benefits	-	-
Actuarial (Gain)/Loss	7.44	(1.11)
Benefit Paid	(5.25)	(1.64)
Closing Balance of Present Value of Obligation	50.29	37.41

IV Changes in the Fair Value of Plan Assets

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
Opening Balance of Present Value of Obligation	31.53	25.92
Expected Return on Plan Assets	0.20	(0.62)
Interest Income	2.08	1.91
Contribution by Employer	8.13	5.97
Benefit Paid	(5.25)	(1.64)
Fair Value of Plan Assets as at 31st March	36.69	31.53

V Actuarial Assumption

Particulars	31st March 2022	31st March 2021
Discount Rate (Per Annum)	7.10%	6.32%
Annual Increase in Salary Costs Per Annum	4.00%	4.00%
Attrition Rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

Particulars	31st March 2022	31st March 2021
Government of India Securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Insurance Company	100.00%	100.00%

VII Movement in net liability recognized in Balance Sheet

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
Net Opening Liability	5.89	5.50
P & L Charges	8.60	6.84
Contribution paid	(5.25)	(5.97)
Other Comprehensive Income (OCI)	7.24	(0.49)
Closing Net Liability	16.48	5.89

VIII Gratuity - Sensitivity Analysis

(Rs. In Lakhs)

Particulars	31st March 2022		31st March 2021	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	55.99	54.87	41.84	40.85
Discount Rate (1% movement)	45.53	46.32	33.74	34.53

(B) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - Rs.31.98 Lakhs (Previous year Rs.12.10 Lakhs).

(b) Employee stock option scheme

The Company has implemented "FCL-Employees Stock Option Plan 2020" (FCL-ESOP 2020) as approved by the shareholders on 30th October 2021. The plan covers eligible employees of the Company. The nomination and remuneration committee of the Board of Fineotex Chemical Limited administers these FCL-ESOP 2020 plans and grants stock options to eligible employees. Details of the options granted during the year under the Scheme are as given below:

Plan Description

Particulars	
Grant date	January 17, 2022
No of options granted	70,673
Exercise price per option	Rs.125.00
Vesting period	2.5 years
Exercise Period	0.5 years from Vesting
Stock option activity under the scheme(s) for the year ended 31st March is set out below:	

Particulars	
Outstanding of the beginning of the year	-
Granted during the year	70,673
Forfeited/cancelled during the year	-
Lapsed during the year	-
Exercised during the year	-
Outstanding at the end of the year	70,673
Exercisable at the end of the year	-
Weighted average remaining contractual life	3 Years
Weighted average Exercise price in Rs.	Rs 125.00
Range of exercise price in Rs.	Rs 125.00 to Rs.125.00
The weighted average share price for options exercised during year in Rs.	NA

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of Rs. 2 each.

The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

Particulars	
Expected dividend yield (p.a.)	0.20%
Expected volatility (p.a.)	60%
Risk-free interest rate (p.a.)	5.12%
Share Price at grant date (Rs.)	152.30
Exercise price (Rs.)	125.00
Expected life of options granted in years (no. of years)	3
Weighted average fair value per option (Rs.)	75.80

NOTE 41: LEASES

The Company has entered into Operating Leases on Immovable Properties.

Assets Taken on Lease

Future minimum rentals payable under cancellable operating leases as at are, as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	In respect of operating lease on Immovable properties payments recognized in Statement of Profit and Loss.	104.74	69.73
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	76.51	74.07
	For the period later than one year and not later than five years	91.69	78.44

Assets Given on Lease

Future minimum rentals receivable under cancellable operating leases as at are, as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	24.75	8.75
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	27.00	26.89
	For the period later than one year and not later than five years	36.00	32.45

NOTE 42: RELATED PARTY

List of related parties and Relationship

A Enterprises where control exists :-

Subsidiaries (Extent of Holding)

1	Manya Manufacturing India Private Limited (formerly known as Manya Steel Private Limited)	100.00%
2	Fineotex Malaysia Limited	100.00%
3	Fineotex Biotex Healthguard FZE (formerly known as Fineotex Specialities FZE)	100.00%
4	Rovatex SDN BHD	74.76%
5	BT Biotex SDN BHD	72.38%
6	BT Chemicals SDN BHD	71.92%
7	Fineotex Specialities Private Limited	100.00%
8	BT Biotex Limited	100.00%

B Enterprise in which Key Managerial Personnel and their relatives have significant Influence :

- Proton Biochem Private Limited

C Key Managerial Personnel :

a. Executive Directors :

- Surendra Tibrewala
- Sanjay Tibrewala
- Aarti Jhunjhunwala

b. Company Secretary

- Hemant Auti

c. Non - Executive Directors : Independent

- Navin Mittal
- Manmohan Mehta (Resigned wef 28-10-2020)
- Alok Dhanuka
- Bindu Shah (Appointed wef 14-07-2020)
- Sunil Waghmare (Appointed wef 31-10-2020)
- Anand Patwardhan (Appointed wef 31-10-2020)

d. Relatives of Key Managerial Personnel :

- Kanaklata Tibrewala

D Transaction with Related Parties

i. Transaction during the year

(Rs. In Lakhs)

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
SALE OF GOODS (Net of Returns)								
BT Chemicals SDN BHD	151.24	122.96	-	-	-	-	151.24	122.96
BT Biotex SDN BHD	67.23	-	-	-	-	-	67.23	-
Rovatex SDN BHD	704.77	305.27	-	-	-	-	704.77	305.27
Proton Biochem Private Limited	-	-	-	-	1.70	92.45	1.70	92.45
Fineotex Specialities Private limited	104.90	-	-	-	-	-	104.90	-
Total	1,028.14	428.23	-	-	1.70	92.45	1,029.84	520.68

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Particulars	Subsidiary Companies, Associates and Joint Venture		Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Sales Return								
Proton Biochem Private Limited	-	-	-	-	5.08	-	5.08	-
Total	-	-	-	-	5.08	-	5.08	-
RECEIVING OF SERVICES								
Proton Biochem Private Limited	-	-	-	-	208.00	228.20	208.00	228.20
Total	-	-	-	-	208.00	228.20	208.00	228.20
PURCHASE OF GOODS								
Rovatex SDN BHD	23.20	-	-	-	-	-	23.20	-
BT Chemicals SDN BHD	1,419.37	1,439.24	-	-	-	-	1,419.37	1,439.24
Fineotex Malaysia Limited	905.20	-	-	-	-	-	905.20	-
Proton Biochem Private Limited	-	-	-	-	194.86	134.33	194.86	134.33
Total	2,347.77	1,439.24	-	-	194.86	134.33	2,542.63	1,573.57
RENT INCOME								
Fineotex Specialities Private Limited	18.00	6.64	-	-	-	-	18.00	6.64
Total	18.00	6.64	-	-	-	-	18.00	6.64
RENT EXPENSE								
Manya Manufacturing India Private Limited	9.60	9.60	-	-	-	-	9.60	9.60
Surendra Tibrewala	-	-	7.80	9.00	-	-	7.80	9.00
Kanaklata Tibrewala	-	-	-	-	12.25	13.80	12.25	13.80
Sanjay Tibrewala	-	-	16.00	19.20	-	-	16.00	19.20
Total	9.60	9.60	23.80	28.20	12.25	13.80	45.65	51.60
COMMISSION PAID								
BT Chemicals SDN BHD	-	3.72	-	-	-	-	-	3.72
BT Biotex SDN BHD	2.65	-	-	-	-	-	2.65	-
Rovatex SDN BHD	53.81	-	-	-	-	-	53.81	-
Total	56.46	3.72	-	-	-	-	56.46	3.72
FREIGHT CHARGES								
BT Chemicals SDN BHD	14.22	-	-	-	-	-	14.22	-
BT Biotex SDN BHD	0.28	-	-	-	-	-	0.28	-
Rovatex SDN BHD	31.61	-	-	-	-	-	31.61	-
Total	46.11	-	-	-	-	-	46.11	-
MEMBERSHIP & SUBSCRIPTION								
Bt Biotex SDN BHD	11.35	-	-	-	-	-	11.35	-
Total	11.35	-	-	-	-	-	11.35	-
COMMISSION RECEIVED								
Bt Biotex SDN BHD	7.82	-	-	-	-	-	7.82	-
Total	7.82	-	-	-	-	-	7.82	-
INTEREST RECEIVED								
Fineotex Specialities Private Limited	35.70	0.44	-	-	-	-	35.70	0.44
Total	35.70	0.44	-	-	-	-	35.70	0.44

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
REMUNERATION TO DIRECTORS*								
Surendra Tibrewala	-	-	95.40	75.53	-	-	95.40	75.53
Sanjay Tibrewala	-	-	95.40	75.53	-	-	95.40	75.53
Aarti Jhunjhunwala	-	-	43.40	28.03	-	-	43.40	28.03
DIRECTORS FEES/SITTING FEES								
Navin Mittal	-	-	0.30	0.20	-	-	0.30	0.20
Manmohan Mehta	-	-	-	0.10	-	-	-	0.10
Alok Dhanuka	-	-	0.30	0.10	-	-	0.30	0.10
Bindu Shah	-	-	0.40	0.20	-	-	0.40	0.20
Sunil Waghmare	-	-	0.30	0.10	-	-	0.30	0.10
Anand Patwardhan	-	-	0.10	0.10	-	-	0.10	0.10
REMUNERATION TO COMPANY SECRETARY *								
Hemant Auti	-	-	5.93	4.93	-	-	5.93	4.93
EMPLOYERS CONTRIBUTION TO PF								
Surendra Tibrewala	-	-	6.62	3.17	-	-	6.62	3.17
Sanjay Tibrewala	-	-	6.62	3.17	-	-	6.62	3.17
Aarti Jhunjhunwala	-	-	3.24	1.55	-	-	3.24	1.55
Total	-	-	258.01	192.71	-	-	258.01	192.71
REIMBURSEMENT OF EXPENSES								
Manya Manufacturing India Private Limited	0.03	0.03	-	-	-	-	0.03	0.03
Fineotex Specialities Private limited	0.90	-	-	-	-	-	0.90	-
BT Chemicals SDN BHD	-	43.13	-	-	-	-	-	43.13
Rovatex SDN BHD	-	8.58	-	-	-	-	-	8.58
Total	0.93	51.74	-	-	-	-	0.93	51.74
ADVANCE GIVEN TO SUPPLIER								
BT Chemicals SDN BHD	68.86	33.30	-	-	-	-	68.86	33.30
Total	68.86	33.30	-	-	-	-	68.86	33.30
INVESTMENT IN EQUITY SHARES								
Fineotex Specialities Private Limited	-	100.00	-	-	-	-	-	100.00
Total	-	100.00	-	-	-	-	-	100.00
ADVANCE GIVEN								
Fineotex Specialities Private Limited	1,619.23	154.13	-	-	-	-	1,619.23	154.13
Total	1,619.23	154.13	-	-	-	-	1,619.23	154.13
ADVANCE GIVEN RECEIVED BACK								
Fineotex Specialities Private Limited	1,420.57	107.81	-	-	-	-	1,420.57	107.81
Total	1,420.57	107.81	-	-	-	-	1,420.57	107.81

FINEOTEX CHEMICAL LIMITED

ii. Outstanding balances as on reporting date

(Rs. In Lakhs)

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
OUTSTANDING BALANCES INVESTMENTS								
Fineotex Malaysia Limited	838.69	838.69	-	-	-	-	838.69	838.69
Manya Manufacturing India Private Limited	72.94	72.94	-	-	-	-	72.94	72.94
Fineotex Biotex Healthguard FZE	26.58	26.58	-	-	-	-	26.58	26.58
Fineotex Specialities Private Limited	100.00	100.00	-	-	-	-	100.00	100.00
Total	1,038.21	1,038.21	-	-	-	-	1,038.21	1,038.21
RECEIVABLES								
BT Chemicals SDN BHD	18.62	28.23	-	-	-	-	18.62	28.23
Rovatex SDN BHD	-	197.93	-	-	-	-	-	197.93
Proton Biochem Private Limited	-	-	-	-	-	6.62	-	6.62
Total	18.62	226.16	-	-	-	6.62	18.62	232.78
TRADE ADVANCE								
BT Chemicals SDN BHD	68.86	33.30	-	-	-	-	68.86	33.30
Total	68.86	33.30	-	-	-	-	68.86	33.30
SECURITY DEPOSIT GIVEN (Excluding effect of IND AS 113)								
Manya Manufacturing India Private Limited	116.85	116.34	-	-	-	-	116.85	116.34
Sanjay Tibrewala	-	-	10.00	10.00	-	-	10.00	10.00
Surendra Tibrewala	-	-	10.00	60.00	-	-	10.00	60.00
Kanaklata Tibrewala	-	-	-	-	20.00	120.00	20.00	120.00
Total	116.85	116.34	20.00	70.00	20.00	120.00	156.85	306.34
SECURITY DEPOSIT RECEIVED								
Fineotex Specialities Private Limited	5.97	5.99	-	-	-	-	5.97	5.99
Total	5.97	5.99	-	-	-	-	5.97	5.99
PAYABLES								
Proton Biochem Private Limited	-	-	-	-	113.28	72.63	113.28	72.63
Surendra Tibrewala - Rent	-	-	-	0.69	-	-	-	0.69
Kanaklata Tibrewala - Rent	-	-	-	-	-	1.06	-	1.06
Manya Manufacturing India Private Limited	0.72	0.71	-	-	-	-	0.72	0.71
Fineotex Malaysia Limited	766.27	-	-	-	-	-	766.27	-
Sanjay Tibrewala	-	-	-	1.48	-	-	-	1.48
Total	766.99	0.71	-	2.17	113.28	73.69	880.27	76.57
RECEIVABLE								
Fineotex Specialities Private Limited (Interest)	0.41	0.41	-	-	-	-	0.41	0.41
Fineotex Specialities Private Limited (Rent)	1.62	2.07	-	-	-	-	1.62	2.07
Total	2.03	2.48	-	-	-	-	2.03	2.48
REMUNERATION PAYABLE								
Surendra Tibrewala	-	-	0.40	4.36	-	-	0.40	4.36
Sanjay Tibrewala	-	-	7.20	5.03	-	-	7.20	5.03
Aarti Jhunjunwala	-	-	2.58	2.14	-	-	2.58	2.14
Hemant Auti	-	-	0.54	0.47	-	-	0.54	0.47
Total	-	-	10.72	12.00	-	-	10.72	12.00
LOAN GIVEN								
Fineotex Specialities Private Limited	244.99	46.32	-	-	-	-	244.99	46.32
Total	244.99	46.32	-	-	-	-	244.99	46.32

Note:

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

* Provision for contribution to gratuity fund which are made based on actuarial valuation on overall company basis are not included in remuneration to Key Management Personnel.

43 SEGMENT REPORTING

As the company has only one primary business activity, Segment Reporting is not applicable as per Ind AS 108 - Operating Segments

44 a. Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.

b. Disclosure as per Regulation 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations:

Loans and advances in the nature of loans given to subsidiary and investment in shares of the Company by such parties:

(Rs. In Lakhs)

Name	Relation	Balance as at 31st March 2022	Balance as at 31st March 2021	Max Balance Outstanding during year ended 31st March 2022	Max Balance Outstanding during year ended 31st March 2021
Fineotex Specialities Private Limited	Wholly Owned Subsidiary	244.99	46.32	1,071.20	73.22

The above loan was given to the subsidiary for its business activities.

45 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation.

46 Figures in brackets indicate previous year's figures. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform with this year's classification.

47 Additional information Pursuant to paragraph 6 (L) of Part I of Schedule III of the Companies Act, 2013 (as certified by the Director) is given in Annexure "A" hereto.

48 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

Dividend Proposed to be distributed:

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Corporate Dividend for Equity Shareholders Proposed for the year		
Final Dividend Proposed	442.99	332.25
Dividend Proposed Per Fully Paid Up Share	0.40	0.30

The Board of Directors at its meeting held on 28th April, 2022 have recommended a payment of final dividend of Rs.0.40 (Rupee Forty paise only) per equity share of face value of Rs.2/- each for the financial year ended 31st March, 2022.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

CORPORATE INFORMATION	1
SIGNIFICANT ACCOUNTING POLICIES	2
NOTES ON ACCOUNTS	3 to 48

As per our report of even date attached

For ASL & CO
Chartered Accountants
Firm Reg. No. 101921W

Manish Pansari
Partner
Membership No. 137974

Mumbai, 28 April 2022

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Hemant Auti
Company Secretary
M.No.: A51703

Mumbai, 28 April 2022

ANNEXURE “A” REFERRED TO IN NOTE NO. 47 OF NOTES TO FINANCIAL STATEMENTS

- 1) The company is following Cost Model for accounting of Investment Properties. The fair market value of Investment property (as measured for disclosure purpose in the financial statement) is in compliance with “IND AS 40 - Investment property” and is not based on valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 (Also refer Note No 3).
- 2) The Company has granted following Advances in the nature of Loans to its wholly owned subsidiary that is without specifying the period of repayment

(Also refer Note No 15 & 42) :

Type of Borrower	Amount of advance in the nature of loan outstanding		Percentage to the total Advances in the nature of loan outstanding	
	Current Year	Previous Year	Current Year	Previous Year
Wholly Owned Subsidiary	244.99	46.32	100%	12%

- 3) Capital-Work-in Progress (CWIP) - (Also Refer Note No 3)

CWIP aging schedule

Current Year

CWIP	Amount in CWIP for a period of				
	< 1 years	1-2 years	2-3 years	> 3 Yrs	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Previous Year

CWIP	Amount in CWIP for a period of				
	< 1 years	1-2 years	2-3 years	> 3 Yrs	Total
Projects in progress	216.17	48.35	-	-	264.52
Projects temporarily suspended	-	-	-	-	-
	216.17	48.35	-	-	264.52

- 4) During the year , the Company has been sanctioned borrowing facility of Rs.3200.00 Lakhs from bank on the basis of security of Current Assets, however the borrowing was sanctioned in the month of Feb 2022 vide sanction letter dated 14th February, 2022 and Working Capital and Loan agreement executed dated 09th March, 2022, and the company is yet to get the disbursal of the same for utilisation and accordingly, the company is yet to file monthly statements and returns of the current assets secured for the said facility with the bank.

5)	FINANCIAL RATIOS	Current Year	Previous Year	Variance %	Comments
A)	Current Ratio	3.44	3.37	2.11%	N.A
B)	Debt Equity Ratio	0.01	0.02	(55.13%)	Better management of Working Capital
C)	Debt service coverage Ratio	91.09	119.03	(23.47%)	N.A
D)	Return on Equity Ratio	21.83	21.90	(0.31%)	N.A
E)	Inventory Turnover Ratio	7.09	7.41	(4.35%)	N.A
F)	Trade Receivable Turnover Ratio	3.74	2.66	40.39%	Increase in Sales Volume as Compare to previous Year
G)	Trade Payables Turnover Ratio	5.59	4.15	34.43%	Higher Credit Availment
H)	Net Capital Turnover Ratio	2.67	2.17	22.97%	N.A

5)	FINANCIAL RATIOS	Current Year	Previous Year	Variance %	Comments
I)	Net Profit Ratio	17.59%	27.79%	(36.73%)	% NP varies due to higher volumn of additonal capacity. However absolute net profit increase by Rs.799.26 lakhs.
J)	Return on Capital Employed	25.49%	24.47%	4.16%	N.A
K)	<u>Return On Investment</u>				
	On capital market investments	14.02%	30.89%	(54.60%)	Flactuation in Market Price and returns.
	On fixed income securities	4.84%	6.96%	(30.44%)	Reduction in rates

For and on behalf of the Board of Directors

Surendrakumar Tibrewala

Chairman & Managing Director

DIN : 00218394

Sanjay Tibrewala

Executive Director & CFO

DIN : 00218525

Hemant Auti

Company Secretary

M.No.: A51703

Mumbai, 28 April 2022

FINEOTEX CHEMICAL LIMITED

FORM AOC -1

(Pursuant to first proviso to sub-section (3) of the section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associates / joint ventures

Part “A” - Subsidiaries

1	Name of subsidiary	Manya Manufacturing India Private Ltd	Fineotex Specialities Pvt. Ltd.	BT Chemicals SDN. BHD	BT Biotex SDN.BHD	Rovatex SDN BHD	Fineotex Malaysia Limited	Fineotex Specialities FZE	BT Biotex Limited
2	Reporting year / period ended	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
3	Date of becoming subsidiary	11-Nov-13	05-Sep-20	28-Jun-11	28-Jun-11	28-Jun-11	28-Jun-11	25-Jan-15	10-Nov-20
4	Reporting Currency	Rupees	Rupees	Malysian Ringets	Malysian Ringets	Malysian Ringets	USD	USD	USD
5	Exchange rate as on the last date of the relevant Financial Year in Rs.	1	1	17.85	17.85	17.85	74.41	74.41	74.41
Rupees in lakhs									
		Audited	Audited	Audited	Audited	Audited	Audited	Unaudited	Audited
6	Share Capital	1.00	100.00	93.71	0.02	0.19	1,406.51	30.38	7.44
7	Reserves & Surplus	27.69	654.60	789.20	1,016.37	89.98	1,944.80	110.87	351.85
8	Total Assets	148.95	2,637.14	2,113.03	1,289.94	255.47	3,621.34	143.45	716.75
9	Total Liabilities	120.26	1,882.55	1,230.11	273.55	165.30	270.03	2.20	357.46
10	Investments	-	-	-	-	-	1,527.88	-	-
11	Turnover	18.94	3,358.19	8,194.43	3,533.90	1,005.36	475.51	97.34	728.58
12	Profit before Taxation	10.54	796.52	618.80	151.83	37.25	224.83	(44.64)	254.38
13	Provision for Taxation	1.99	141.92	149.10	34.62	8.48	25.98	-	-
14	Profit after Taxation	8.55	654.60	469.70	117.21	28.77	198.85	(44.64)	254.38
15	Proposed Dividend	-	-	583.70	-	-	-	-	-
16	% of shareholding	100.00	100.00	71.92	72.38	74.76	100.00	100.00	100.00

BT Chemicals Sdn Bhd, BT Biotex Sdn Bhd, and Rovatex SdnBhd are subsidiaries of Fineotex Malaysia Limited

Part “B” : Associates & Joint Ventures Nil

For and on behalf of the Board of Directors

Hemant Auti

Company Secretary

M.No.: A51703

Sanjay Tibrewala

Executive Director & CFO

DIN : 00218525

Surendrakumar Tibrewala

Chairman & Managing Director

DIN : 00218394

Place : Mumbai

Date : 28 April 2022

Independent Auditor's Report

To

The members of Fineotex Chemical Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **FINEOTEX CHEMICAL LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2022, 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 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditors on separate financial statements and other financial information of the subsidiaries as referred to in "Other Matters" paragraph below in this audit report, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group as at March 31, 2022, and their consolidated Profit (consolidated financial performance including other comprehensive income), their consolidated changes in equity and their consolidated Cash Flows for the year ended on that date.

Basis for Opinion

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 the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to "Other Matters" paragraph below in this audit report, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment

and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements, the standalone financial statements and our report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information compare with the financial statement of the subsidiaries audited by other auditors, to the extent it relates to these entities and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information in so far it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated 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 consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the companies included in the Group 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors and management of the companies included in the Group are responsible for assessing the ability of their respective companies, 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 Board of Directors/management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/management of the companies included in the Group are also responsible for overseeing the financial reporting process of the respective companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess 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 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 Group 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 management.
- Conclude on the appropriateness of 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 ability of the Group's 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 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 the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in "Other Matters" paragraph below in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements, of which we are 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.

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.

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.

Other Matters

- (i) We did not audit the financial statements of Six (6) subsidiaries included in the consolidated financial statements/financial information, whose financial statements/financial information reflects (before eliminating intercompany transactions) total assets of Rs. 7,192.33 Lakhs as at 31 March 2022, total revenues of Rs. 15,186.63 Lakhs, total net profit/(loss) after tax of Rs. 1,077.32 Lakhs, and net cash inflows of Rs. 1,060.68 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors and whose audit reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far it relates to the aforesaid subsidiaries, is based solely on the audit reports of the other auditors.

Further, of these subsidiaries, five (5) subsidiaries are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted these financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, and matters identified and disclosed under key audit matters paragraph above, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

- (ii) We did not audit financial statements of one (1) subsidiary included in the consolidated financial statements/financial information, whose financial statements/financial information reflects (before eliminating intercompany transactions) total assets of Rs. 189.61 Lakhs as at 31 March 2022, total revenues of Rs. 97.38 Lakhs, total net profit/(loss) after tax of Rs. (44.66) Lakhs, and net cash outflows of Rs. 95.11 Lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statements/financial information is unaudited and have been furnished to us and certified by the management, and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters paragraph above, and our report in terms of subsection (3) of Section 143 of the Act, in so far it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements/financial information. In our opinion, and according to the information and explanations

given to us by the management, this financial statements/financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements/financial information furnished to us certified by management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary and , CARO report of the other statutory auditors of the subsidiary incorporated in India included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
2. As required by Section 143(3) of the Act, based on our audit and on consideration of reports of other auditors on separate financial statements and other financial information of subsidiaries as was audited by other auditors, referred to in "Other Matters" paragraph 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 and the reports of other auditors;
 - (c). The Consolidated financial statements dealt with by this Report are in agreement with the 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 Ind AS specified under Section 133 of the Act;
 - (e). On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f). With respect to the adequacy of the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary company incorporated

in India and the operating effectiveness of such controls, where applicable, refer to our separate Report in “Annexure A” to this report;

- (g). With respect to the other matters to be included in the Auditors Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and based on the reports of the other statutory auditors of the subsidiary incorporated in India and according to the information and explanations given to us, the remuneration paid / payable by the Holding Company and its subsidiary companies incorporated in India, where applicable, to their directors during the current year is in accordance with the provisions of and not in excess of limits laid down under Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us;
- (h). 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries as referred to in the “Other Matters” paragraph above:
- i. the Group does not have any pending litigations which would impact consolidated financial position of the Group.
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31st March, 2022.
 - iv. a) The respective managements of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and other auditors of the subsidiary that, to the best of their 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 company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever

by or on behalf of the company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The respective managements of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and other auditors of the subsidiary that, to the best of their knowledge and belief, no funds have been received by the company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company or any of such subsidiaries shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) As per the information and explanation given to us , to the best of our knowledge and belief, and audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) As stated in Note No 18(b) and 46 to the consolidated financial statements
 - a) The final Dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.
 - b) 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 amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

FORASL & CO.
Chartered Accountants
 (Regn. No 101921 W)

Manish Pansari
Partner

Place: Mumbai
Date: April 28, 2022.

Membership No. : 137974
UDIN: 22137974AIAIBT2054

ANNEXURE “A” REFERRED TO IN PARAGRAPH 1 (F) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FINEOTEX CHEMICAL LIMITED FOR THE YEAR ENDED 31ST MARCH 2022.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls with reference to the financial statements of Fineotex Chemical Limited (“the Company” or “the Holding Company”) and its subsidiary company incorporated in India, as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (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 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary company incorporated in India, where such reporting under Section 143(3) of the Companies Act, 2013 is applicable, based on our audit.

We conducted our audit in accordance with the Guidance Note 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 with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial

controls with reference to the financial statements, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary company incorporated in India, in terms of their reports referred to in “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the financial statements of the Holding Company and its subsidiary company incorporated in India, where such reporting under Section 143(3) of the Companies Act, 2013 is applicable.

Meaning of Internal financial controls with reference to the Consolidated Financial Statements

A company’s internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to the financial statements 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 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 management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal financial controls with reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In Our opinion, to the best of our information and according to the explanations given to us, and based on the consideration of other auditors referred to in “Other Matters” paragraph below, the Holding Company and its subsidiary company incorporated in India, where such reporting under Section 143(3) of the Companies Act, 2013 is applicable, have, in all material respects, an adequate internal financial controls system with reference to the financial statements and such

internal financial controls with reference to the financial statements were operating effectively as at March 31, 2022, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one (1) subsidiary company, incorporated in India and where such reporting under Section 143(3)

of the Companies Act, 2013 is applicable, is based solely on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not modified in respect of the above matters.

FOR ASL & CO.
Chartered Accountants
(Regn. No 101921 W)

Manish Pansari
Partner
Membership No. : 137974

Place: Mumbai
Date: April 28, 2022.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	3	7,396.46	4,947.84
Capital Work - In - Progress	3	-	459.50
Investment Property	3	393.57	378.57
Goodwill on Consolidation		613.85	613.85
Financial Assets			
Investments	4	1,730.89	3,151.86
Others	5	81.01	193.22
Non Current Assets - Income Tax	7	120.62	4.76
Other Non - Current Assets	8	432.53	383.18
Total Non - Current Assets		10,768.93	10,132.78
Current Assets			
Inventories	9	5,959.34	2,875.37
Financial Assets			
Investments	10	0.01	86.10
Trade Receivables	11	11,088.76	8,267.04
Cash & Cash Equivalents	12	3,083.52	2,315.52
Bank Balance other than above	13	722.03	1,075.10
Other Financial Assets	14	314.01	33.82
Other Current Assets	15	1,291.95	1,189.31
		22,459.62	15,842.24
Asset classified as Held for Sale	16	720.69	720.69
Total Current Assets		23,180.31	16,562.93
TOTAL ASSETS		33,949.24	26,695.70
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	2,214.97	2,214.97
Other Equity	18	23,999.53	18,718.84
Equity attributable to owners of the parent		26,214.50	20,933.81
Non-controlling Interest		725.16	674.85
Total Equity		26,939.66	21,608.66
LIABILITIES			
Non - Current Liabilities			
Other Financial Liabilities	19	76.61	51.96
Provisions	20	13.60	5.89
Deferred Tax Liabilities (Net)	6	112.07	67.18
Total Non - Current Liabilities		202.28	125.03
Current Liabilities			
Financial Liabilities			
Borrowings	21	190.84	347.57
Trade Payables	22	5,877.34	3,683.55
Other Financial Liabilities	23	14.83	9.94
Other Current Liabilities	24	699.20	905.73
Provisions	25	25.09	15.22
Total Current Liabilities		6,807.30	4,962.01
Total Liabilities		7,009.58	5,087.04
TOTAL EQUITY AND LIABILITIES		33,949.24	26,695.70
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3 to 47		

As per our report of even date attached

For ASL & CO
Chartered Accountants
Firm Reg. No. 101921W

Manish Pansari
Partner
Membership No. 137974

Mumbai, 28 April 2022

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Hemant Auti
Company Secretary
M.No.: A51703

Mumbai, 28 April 2022

FINEOTEX CHEMICAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. In Lakhs)

Particulars	Note. No.	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from Operations	26	36,823.29	21,850.64
Other Income	27	551.55	1,749.35
Total Income		37,374.84	23,599.99
Expenses			
Cost of Material Consumed	28	21,718.32	9,187.46
Purchase of Stock In Trade	29	1,901.62	4,960.22
Changes in Inventories of Finished Goods / Stock in Trade	30	(107.06)	(90.29)
Employee Benefit Expenses	31	1,357.50	885.57
Finance Cost	32	92.32	72.40
Depreciation and Amortisation	3	251.30	147.47
Other Expenses	33	4,832.04	2,850.80
Total Expenses		30,046.04	18,013.63
Profit Before Tax		7,328.80	5,586.36
Tax Expenses			
Current Tax	6	1,593.03	1,009.91
Deferred Tax	6	46.80	120.84
Total Tax Expense		1,639.83	1,130.75
Profit After Tax		5,688.97	4,455.61
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Defined Benefit Obligation / Asset		(7.24)	0.49
Income Tax related to above		1.82	(0.12)
Total Other Comprehensive Income for the year		(5.42)	0.37
Total Comprehensive Income for the year		5,683.55	4,455.98
Profit Attributable to:			
Owners of the Company		5,517.44	4,258.75
Non Controlling Interest		171.53	196.86
		5,688.97	4,455.61
Other Comprehensive Income Attributable to:			
Owners of the Company		(5.42)	0.37
		(5.42)	0.37
Total Other Comprehensive Income Attributable to:			
Owners of the Company		5,512.02	4,259.12
Non Controlling Interest		171.53	196.86
		5,683.55	4,455.98
Earnings Per Share - Basic & Diluted (₹)	35	4.97	3.83
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3 to 47		

As per our report of even date attached

For ASL & CO
Chartered Accountants
Firm Reg. No. 101921W

Manish Pansari
Partner
Membership No. 137974

Mumbai, 28 April 2022

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Hemant Auti
Company Secretary
M.No.: A51703

Mumbai, 28 April 2022

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

(Rs. In Lakhs)

Particulars		For the Year ended March 31, 2022	For The Year ended March 31, 2021
A.	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Net Profit / (Loss) Before Tax	7,328.80	5,586.36
	Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
	Depreciation & Amortisation	251.30	147.47
	Finance Cost	92.32	72.40
	Interest Income	(94.21)	(154.57)
	Employee Stock Option Plan	4.29	-
	Dividend Income	(3.21)	(8.76)
	Net gains / (losses) on fair value changes	(309.59)	(1,381.66)
	Actuarial Valuation of Gratuity	(7.24)	0.49
		(66.34)	(1,324.63)
	Operating Profit Before Changes in Working Capital	7,262.49	4,261.73
	Adjustment for Changes in Working Capital		
	(Increase) / Decrease in Trade Receivables	(2,821.71)	(2,882.39)
	(Increase) / Decrease in Inventories	(3,083.97)	(766.78)
	(Increase) / Decrease in Other Current Financial Assets	(280.18)	(31.56)
	(Increase) / Decrease in Other Current Assets	(102.65)	(358.88)
	(Increase) / Decrease in Other Non - Current Financial Assets	112.21	(2.60)
	(Increase) / Decrease in Other Non - Current Assets	(49.35)	(113.32)
	Increase / (Decrease) in Trade Payables	2,193.79	1,345.83
	Increase / (Decrease) in Other Current Financial Liabilities	4.90	(80.00)
	Increase / (Decrease) in Other Current Liabilities	(206.53)	510.17
	Increase / (Decrease) in Provisions	17.59	2.23
		(4,215.93)	(2,377.30)
	Cash Generated from Operations	3,046.56	1,884.43
	Less: Taxes Paid (Net of refund received)	(1,709.03)	(964.80)
	NET CASH FLOW FROM OPERATING ACTIVITY (A)	1,337.53	919.63
B	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Purchase of Property, Plant & Equipment & Intangible Assets	(2,251.20)	(2,420.72)
	FCTR on PPE	(4.23)	(3.42)
	Investments during the year	1,730.56	2,627.72
	Interest Received	94.21	154.57
	Dividend Received	3.21	8.76
	Movement in Other Bank balances	353.06	(1,020.09)
	NET CASH FLOW FROM INVESTING ACTIVITY (B)	(74.38)	(653.18)

FINEOTEX CHEMICAL LIMITED

Particulars	For the Year ended March 31, 2022	For The Year ended March 31, 2021
C	<u>CASH FLOW FROM FINANCING ACTIVITY</u>	
Buyback of Shares	-	(182.25)
Expenses for Buyback	-	(57.97)
Deposits and Margin Money	24.65	2.32
Finance Cost	(92.32)	(72.39)
Corporate Dividend paid (incl. Dividend Distribution Tax)	(498.28)	(133.88)
NET CASH FLOW FROM FINANCING ACTIVITY (C)	(565.95)	(444.17)
D	<u>EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS (D)</u>	
	141.43	(71.36)
E	<u>NET CASH FLOW FOR THE YEAR (A + B + C+D)</u>	
	838.64	(249.08)
Add: Opening Balance of Cash & Cash Equivalents	2,054.05	2,303.13
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	2,892.69	2,054.05

Note :

- i. The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.
- ii. Reconciliation of Cash and Cash Equivalent

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
CASH AND CASH EQUIVALENT COMPRISES AS UNDER:		
Balance with banks in current accounts	3,058.63	2,299.60
Cash on Hand	24.89	15.92
CASH AND CASH EQUIVALENT	3,083.52	2,315.52
Add : Investment in liquid mutual funds (Refer Note 10)	0.01	86.10
Working Capital Facility from Bank (Refer Note 21)	(190.84)	(347.57)
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	2,892.69	2,054.05

As per our report of even date attached

For ASL & CO
Chartered Accountants
Firm Reg. No. 101921W

Manish Pansari
Partner
Membership No. 137974

Mumbai, 28 April 2022

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Hemant Auti
Company Secretary
M.No.: A51703

Mumbai, 28 April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(Rs. In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting period	11,07,48,420	2,214.97	11,13,00,000	2,226.00
Add: Changes in Equity Capital during the year	-	-	(5,51,580)	(11.03)
Balance at the end of the reporting period	11,07,48,420	2,214.97	11,07,48,420	2,214.97

B. Other Equity

(Rs. In Lakhs)

Particulars	Attributable to Owners							Non controlling Interest
	Reserves & Surplus				Other Reserves			
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Equity Settled Share Based Payment Reserve	Foreign Currency Translation	Total Other Equity	
Balance as at March 31, 2020 (A)	10.85	19.96	988.45	13,685.26	-	38.92	14,743.44	628.69
Additions during the year:								
Profit for the period	-	-	-	4,258.75	-	-	4,258.75	196.86
Currency Translation Reserve	-	-	-	-	-	(54.54)	(54.54)	(16.82)
Items of OCI for the year, net of tax:								
Remeasurement of the defined benefit plans	-	-	-	0.37	-	-	0.37	-
Total Comprehensive Income for the year 2020-2021 (B)	-	-	-	4,259.12	-	(54.54)	4,204.58	180.04
Transactions with Owners in their capacity as Owners:								
Buyback of Equity Shares (Refer Note No 17 (d))	-	-	(171.22)	-	-	-	(171.22)	-
Transaction Cost on Buyback (Refer Note No 17 (d))	-	-	-	(57.97)	-	-	(57.97)	-
Transfer to Capital Redemption Reserve on Buyback (Refer Note No 17 (d))	-	11.03	(11.03)	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	(133.88)
Total (C)	-	11.03	(182.25)	(57.97)	-	-	(229.19)	(133.88)
Balance as at March 31, 2021 (D)=(A+B+C)	10.85	30.99	806.20	17,886.41	-	(15.62)	18,718.84	674.85
Additions during the year:								
Profit for the period	-	-	-	5,517.44	-	-	5,517.44	171.53
Addition for equity share options granted	-	-	-	-	4.29	-	4.29	-
Currency Translation Reserve	-	-	-	-	-	96.62	96.62	44.81
Items of OCI for the year, net of tax:								
Remeasurement of the defined benefit plans	-	-	-	(5.42)	-	-	(5.42)	-
Total Comprehensive Income for the year 2021-2022 (E)	-	-	-	5,512.02	4.29	96.62	5,612.93	216.34
Transactions with Owners in their capacity as Owners:								
Dividend for the year ended 31st March 2021	-	-	-	(332.25)	-	-	(332.25)	(166.03)
Total (F)	-	-	-	(332.25)	-	-	(332.25)	(166.03)
Balance as at March 31, 2022 (D+E+F)	10.85	30.99	806.20	23,066.19	4.29	81.00	23,999.53	725.16

CORPORATE INFORMATION

1

SIGNIFICANT ACCOUNTING POLICIES

2

NOTES ON ACCOUNTS

3 to 47

As per our report of even date attached

For ASL & CO

Chartered Accountants

Firm Reg. No. 101921W

Manish Pansari

Partner

Membership No. 137974

Mumbai, 28 April 2022

For and on behalf of the Board of Directors

Surendrakumar Tibrewala

Chairman & Managing Director

DIN : 00218394

Hemant Auti

Company Secretary

M.No.: A51703

Mumbai, 28 April 2022

Sanjay Tibrewala

Executive Director & CFO

DIN : 00218525

SIGNIFICANT ACCOUNTING POLICIES

1 BACKGROUND

Fineotex Chemical Limited is a public limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. Its registered office is situated at 42,43 Manorama Chambers, S.V. Road, Bandra (West) Mumbai - 400050, India.

The Group is engaged in the business of manufacturing of Textile chemicals, auxiliaries and specialty chemicals. Fineotex Chemical Limited along with its Subsidiaries is collectively referred to as “the Group”

2 STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS FOR PREPARATION OF ACCOUNTS

a) Statement of compliance with Ind AS

The Standalone Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements

b) The Consolidated financial statements are approved for issue by the Audit Committee and by the Board of Directors on 28th April , 2022.

c) Current versus Non-Current classification

All assets and liabilities have been classified as Current or Non Current as per the Group’s normal operation cycle i.e. twelve months and other criteria set out in the Schedule III of the Act.

d) Historical Cost Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain financial assets and liabilities (including derivative instrument) measured at fair value;
- assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans - plan assets measured at fair value.

e) Principles of Consolidation

The Consolidated financial statement of the Group represents consolidation of financial statements with Subsidiary companies. The proportion of ownership interest in each Subsidiary is as follows:

Name of the subsidiaries	Country of Incorporation	Proportion of Ownership Interest	
		As at March 31, 2022	As at March 31, 2021
Fineotex Malaysia Limited	Malaysia	100.00%	100.00%
BT Chemicals SDN BHD	Malaysia	71.92%	71.92%
BT Biotex SDN BHD	Malaysia	72.38%	72.38%
Rovatex SDN BHD	Malaysia	74.76%	74.76%
Fineotex Biotex Healthguard FZE (formerly known as Fineotex Specialities FZE)	UAE	100.00%	100.00%
Manya Manufacturing India Private Limited (formerly known as Manya Steel Private Limited)	India	100.00%	100.00%
Fineotex Specialities Private Limited	India	100.00%	100.00%
BT Biotex Limited	UAE	100.00%	100.00%

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the Financial Statements of the parent and its Subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of Subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Changes in Ownership Interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified in the Statement of Profit and Loss.

2.2 FOREIGN CURRENCY TRANSACTIONS

a) Functional and Presentation Currency

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency.

For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

b) Initial Recognition

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency at the exchange rate prevailing on the dates of the transactions.

Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of profit and loss of the year.

c) Measurement of foreign currency items at the Balance sheet date

At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Gains or losses arising from these translations are recognised in the Consolidated Statement of Profit and Loss.

d) For Consolidation

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the end of Reporting Date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions.

For practical reasons, the Group uses an average rate to translate items of income and expense.

The exchange differences arising on translation for consolidation are recognised in Foreign Currency Translation Reserve.

Any goodwill arising in the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of Reporting Date.

2.3 ACCOUNTING FOR TAXES ON INCOME

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

2.4 OTHER SIGNIFICANT ACCOUNTING POLICIES

Other significant accounting policies followed by the Group are similar to the significant accounting policies of the parent, Fineotex Chemical Limited.; and hence have not been reproduced here.

Refer note 2 of standalone financial statements of Fineotex Chemical Limited For the year ended 31 March 2022 for details with regards to other significant accounting policies.

NOTE 3: PROPERTY, PLANT & EQUIPMENTS AND INVESTMENT PROPERTY

(Rs. In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT (AT COST)				ACCUMULATED DEPRECIATION / AMORTIZATION				NET CARRYING AMOUNT	
	As At April 01, 2021	Additions / Transfers	Exchange Differences	Deductions	As At March 31, 2022	As At April 01, 2021	For The Year	On Deductions	As At March 31, 2022	As At 31-03-2022
(A) Property Plant & Equipments										
Land - Freehold	442.20	-	-	-	442.20	-	-	-	-	442.20
Land - Leashold (Right of Use Assets)	2,054.38	-	-	-	2,054.38	-	-	-	-	2,054.38
Factory Buildings	1,100.88	422.14	-	-	1,523.02	58.96	50.93	-	109.89	1,413.13
Office Premises (a)	541.13	-	-	-	541.13	89.40	27.88	-	117.28	423.85
Plant & Machinery	799.17	1,980.36	2.18	-	2,781.71	169.46	84.72	-	254.18	2,527.53
Furniture & Fixture	93.88	167.80	0.08	-	261.76	27.94	14.55	-	42.49	219.27
Vehicles (b)	268.55	63.56	1.21	-	333.32	89.11	42.41	-	131.52	201.80
Computers	46.39	32.79	0.08	-	79.26	22.54	15.93	-	38.47	40.79
Capex on Leasehold Premises	40.41	-	0.56	-	40.97	15.10	2.84	-	17.94	23.03
Office Equipment	47.66	29.05	0.12	-	76.83	14.31	12.04	-	26.35	50.48
Total - Tangible Assets	5,434.65	2,695.70	4.23	-	8,134.58	486.82	251.30	-	738.12	7,396.46
(B)Capital Work in Progress (c)	459.50	303.91	-	763.41	-	-	-	-	-	-
C)INVESTMENT PROPERTY (a,d,e,f & g)	378.57	15.00	-	-	393.57	-	-	-	-	393.57
TOTAL(A)+(B)+(C)	6,272.72	3,014.61	4.23	763.41	8,528.15	486.82	251.30	-	738.12	7,790.03

- a. - Office Premises includes fully paid unquoted shares in respect of ownership of Office Premises in 2 Co-operative Society (31 March 2021: 2 Co-operative Society); 15 shares (31 March 2021: 15 shares) of Rs.50/- each.
- Investment Property includes fully paid unquoted shares in respect of ownership of Office Premises in 1 Co-operative Housing Society (31 March 2021: 1 Co-operative Housing Society); 10 shares (31 March 2021: 10 shares) of Rs.50/- each.
- b. Motor Vehicles of Original Cost Rs. 108.48 Lakhs as at 31st March 2022 (Previous Year as at 31st March 2021 Rs. 108.48 Lakhs) are in the name of the directors of the company.
- c. The amount of Contractual Commitments for the acquisition/construction of Property , Plant & Equipments is disclosed in Note No.34.
- d. The fair market value of investment property as determined in accordance with Level III input provided by Management is approximately Rs.225.24 Lakhs (Previous Year Rs.225.24 Lakhs).
The company is following Cost Model for accounting of Investment Properties. The fair market value of Investment property (as measured for disclosure purpose in the financial statement) is in compliance with
IND AS 40 - Investment property and is not based on valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- e. The Company has no restrictions on the realisability of its investment property. There are no contractual obligations to purchase, construct or develop investment property as at the year end.
- f. Investment property is leased out to tenant under operating leases. Disclosure on future rent receivable is included in note 40.
- g. **Amount recognised in Profit & Loss for Investment Properties:**

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Rental income	6.75	8.63
Direct operating expenses from property that generated rental income	(0.24)	(0.69)
Direct operating expenses from property that did not generate rental income	-	-
Impact of IND AS on Lease Rentals	0.47	0.12
Profit from investment properties before depreciation	6.98	8.06
Depreciation	-	-
Profit from investment property	6.98	8.06

NOTE 3: PROPERTY, PLANT & EQUIPMENTS AND INVESTMENT PROPERTY

(Rs. In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT (AT COST)					ACCUMULATED DEPRECIATION / AMORTIZATION				NET CARRYING AMOUNT
	As At April 01, 2020	Additions / Transfers	Exchange Differences	Deductions	As At March 31, 2021	As At April 01, 2020	For The Year	On Deductions	As At March 31, 2021	As At 31-03-2021
(A) Property Plant & Equipments										
Land - Freehold	442.20	-	-	-	442.20	-	-	-	-	442.20
Land - Leasehold	1,117.60	936.78	-	-	2,054.38	-	-	-	-	2,054.38
Factory Buildings	506.43	594.45	-	-	1,100.88	31.16	27.80	-	58.96	1,041.92
Office Premises (a)	336.81	204.32	-	-	541.13	67.75	21.65	-	89.40	451.73
Plant & Machinery	654.47	145.27	1.49	2.06	799.17	126.12	45.40	2.06	169.46	629.71
Furniture & Fixture	78.90	14.92	0.06	-	93.88	17.65	10.29	-	27.94	65.94
Vehicles (b)	182.68	84.67	1.20	-	268.55	67.30	21.81	-	89.11	179.44
Computers	33.03	15.17	0.10	1.90	46.40	14.78	9.66	1.90	22.54	23.87
Capex on Leasehold Premises	39.97	-	0.44	-	40.41	12.11	2.99	-	15.10	25.31
Office Equipment	21.16	28.31	0.13	1.94	47.66	8.38	7.87	1.94	14.31	33.35
Total - Tangible Assets	3,413.25	2,023.89	3.42	5.90	5,434.66	345.25	147.47	5.90	486.82	4,947.84
(B)Capital Work in Progress (c)	62.65	396.85	-	-	459.50	-	-	-	-	459.50
C)INVESTMENT PROPERTY (a,d,e,f & g)	378.57	-	-	-	378.57	-	-	-	-	378.57
Total (A)+(B)+(C)	3,854.47	2,420.74	3.42	5.90	6,272.73	345.25	147.47	5.90	486.82	5,785.91

- a. - Office Premises includes fully paid unquoted shares in respect of ownership of Office Premises in 2 Co-operative Society (31 March 2020: 2 Co-operative Society); 15 shares (31 March 2020: 10 shares) of Rs.50/- each.
 - Investment Property includes fully paid unquoted shares in respect of ownership of Office Premises in 1 Co-operative Housing Society (31 March 2020: 1 Co-operative Housing Society); 10 shares (31 March 2020: 10 shares) of Rs.50/- each.
- b. Motor Vehicles of Original Cost Rs. 108.48 Lakhs as at 31st March 2021 (Previous Year as at 31st March 2020 Rs. 108.48 Lakhs) are in the name of the directors of the company.
- c. The amount of Contractual Commitments for the acquisition/construction of Property , Plant & Equipments is disclosed in Note No.34.
- d. The fair market value of investment property as determined in accordance with Level III input provided by Management is approximately Rs.225.24 Lakhs (Previous Year Rs.225.24 Lakhs).
 The company is following Cost Model for accounting of Investment Properties. The fair market value of Investment property (as measured for disclosure purpose in the financial statement) is in compliance with IND AS 40 - Investment property and is not based on valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- e. The Company has no restrictions on the realisability of its investment property. There are no contractual obligations to purchase, construct or develop investment property as at the year end.
- f. Investment property is leased out to tenant under operating leases. Disclosure on future rent receivable is included in note 40.
- g. Amount recognised in Profit & Loss for Investment Properties:**

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Rental income	8.63	2.73
Direct operating expenses from property that generated rental income	(0.69)	(0.24)
Direct operating expenses from property that did not generate rental income	-	(0.72)
Impact of IND AS on Lease Rentals	0.12	(0.46)
Profit from investment properties before depreciation	8.06	1.31
Depreciation	-	-
Profit from investment property	8.06	1.31

NOTE 4 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Units	Amount	No. of Units	Amount
A. Other Investments				
Carried at amortised Cost (Unquoted and fully paid up)				
In Bonds	-	-	10	100
Total (A)		-		100
Carried at fair value through profit or loss				
In Equity Instruments (Quoted and fully paid up)	9,948	116.03	4,61,949	529.03
In Mutual Funds (Quoted and fully paid up) (Also Refer Note (a) & (b))	55,87,068.926	1,614.86	81,14,339.131	2,522.83
Total (B)		1,730.89		3,051.86
Total (A+B)		1,730.89		3,151.86
Aggregate Amount of Quoted Investment - At Cost		1,590.66		2,650.91
Aggregate Amount of Quoted Investment - At market value		1,730.89		3,051.86
Aggregate amount of Unquoted Investments - At Cost		-		100.00
Aggregate amount of impairment in value of Investments		-		-

a. Other Investments carried at fair value through profit or loss includes , Investment under lien against working capital loan facility availed by the company (Also Refer Note No 21)

(Rs. In Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
Investment in Mutual Fund (Quoted & Fully Paid Up)	45,56,688.99	1,038.28	1,190.35	45,56,688.99	1,038.28	1,134.43

b. Investment In Mutual Funds (Quoted and fully paid up) includes investment in “Frankling India Short Term Income Plan Growth Direct” as under:

(Rs. In Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
Frankling India Short Term Income Plan Growth Direct	670.50	25.69	31.72	7,177.81	275.00	305.06

The Mutual Fund Institution on April 23 , 2020 voluntarily decided to wind up its Six yield oriented fixed income funds including “Franklin India Short Term Income Plan.

Consequent to the winding up , the units can no longer be subscribed or redeemed by the Unitholders post cut off time ie April 23 , 2020.

As per the communication received from the Mutual Fund Institution , the amount subscribed by the Unitholders would be paid as per the regulatory process in due course of time.

Based on the above assurances and regular communication on the development of the same by Mutual Fund Institution , the management estimates to recover the entire amount subscribed in due course of time. The Management is closely monitoring the developments in the said matter and is continuously reviewing and assessing the impact if any , on its financial statements.

FINEOTEX CHEMICAL LIMITED

NOTE 5: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits (Refer Note i. Below)	65.68	175.98
Fixed Deposits maturing after 12 months (Refer Note ii. Below)	15.33	17.24
TOTAL	81.01	193.22

Note :

- i. Security deposits (for Leasing of Premises) includes dues from Directors and its relatives as under: (Also Refer Note No 41).

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Dues from Directors	18.42	65.33
Dues from relative of Directors	16.83	112.00

- ii. Receipts Pledged/Lien with Bank towards Bank Guarantee (Also refer Note No 34).

NOTE 6: INCOME TAX

A. COMPONENTS OF INCOME TAX EXPENSES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
I. Tax expense recognised in statement of profit & loss		
Current Tax		
Current year	1,593.03	1,009.91
Sub-Total	1,593.03	1,009.91
Deferred tax charge/ (credit)		
Origination and reversal of temporary difference	46.80	120.84
Sub-Total	46.80	120.84
Total	1,639.83	1,130.75
II. Tax on other comprehensive income		
Items that will not be reclassified to Profit and Loss		
Remeasurement of the Defined Benefit Plans	(1.82)	12,344.40
Total	(1.82)	12,344.40

B. RECONCILIATION OF EFFECTIVE TAX RATES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Profit/(loss) before tax	7,328.80	5,586.37
Enacted Income Tax Rate in India	25.17%	25.17%
Income Tax expense calculated at enacted corporate tax rate	1,844.66	1,406.09
Effect of income that is exempt from tax	(6.47)	(6.87)
Effect of expenses that are not deductible in determining taxable profit	16.83	7.96

Particulars	As at March 31, 2022	As at March 31, 2021
Effect of income which is taxed at special rates	31.62	13.19
Effect of Fair Value Gains / (Loss)	(197.74)	(212.52)
Effect of difference between India and foreign tax rates and non taxable subsidiaries	(19.49)	10.27
Others	(29.58)	(87.37)
Total	1,639.83	1,130.75
Effective tax rate for the year	22.38%	20.24%

C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2021	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2022
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(96.85)	(44.20)	-	(141.05)
Investments	(46.37)	27.69	-	(18.68)
Investment Property	24.21	6.36	-	30.57
Employee benefits	0.07	(1.14)	1.82	0.76
Other Current Assets	51.77	(35.45)	-	16.32
Deferred tax assets/ (liabilities)	(67.17)	(46.72)	1.82	(112.08)

MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2020	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2021
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(88.59)	(8.26)	-	(96.85)
Investments	95.71	(142.08)	-	(46.37)
Investment Property	19.45	4.75	-	24.21
Employee benefits	0.07	0.13	(0.12)	0.07
Other Current Assets	27.15	24.63	-	51.77
Deferred tax assets/ (liabilities)	53.79	(120.83)	(0.12)	(67.17)

D. DEFERRED TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
Employee Benefits	0.77	0.06
Investment Property	30.57	24.22
Other Current Assets	16.32	51.76
Total	47.66	76.04
Deferred Tax Liabilities		
Property, Plant and Equipment	141.05	96.85
Investments	18.68	46.37
Total	159.73	143.22
Net deferred assets/(liabilities)	(112.07)	(67.18)

FINEOTEX CHEMICAL LIMITED

NOTE 7: NON CURRENT ASSETS - INCOME TAX

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance payment of Income Tax (Net of Provision)	120.62	4.76
Total	120.62	4.76

NOTE 8: OTHER NON-CURRENT ASSETS

(Unsecured Considered Good unless stated otherwise)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances (Refer Note No 34)	432.53	380.82
Prepaid Lease Rental	-	-
Advances Other than Capital Advances		
Balances with Government Authorities	-	2.36
Total	432.53	383.18

NOTE 9: INVENTORIES

(At Lower of Cost and Net Realisable Value)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(As taken , valued and certified by the management)		
Raw Materials	4,947.11	1,887.65
Finished Goods (including in Transit)	865.73	873.23
Others (Packing Material)	146.50	114.49
Total	5,959.34	2,875.37

NOTE 10: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Unit	Amount	No. of Unit	Amount
Investment in Liquid Mutual Funds (At Fair value through Profit & Loss)	1.110	0.01	1,58,476.150	86.10
Investment in Liquid Mutual Funds (Quoted and fully paid up)				
Total		0.01		86.10
Aggregate Amount of Quoted Investment - At Cost		0.00		79.70
Aggregate amount of Quoted Investments - At market value		0.01		86.10

NOTE 11: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
Unsecured - Considered Good	11,088.76	8,267.04
Total	11,088.76	8,267.04

Notes :

- i. Trade receivable includes (Also Refer Note No 41):
 - Dues from Private Companies in which any Director is a director or member - Rs. NIL/- as at 31st March 2022 (Previous Year Rs. 6.62 Lakhs.)
- ii. Refer Note - 38 for information about Credit Risk and Market Risk of Trade Receivables.

Trade Receivable ageing schedule

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	As at March 31,2022					
	< 6 Months	6 months to 1 year	1-2 years	2-3 years	> 3 Years	Total
Undisputed						
Considered Good	9,722.91	609.96	361.28	227.49	167.12	11,088.76
Total	9,722.91	609.96	361.28	227.49	167.12	11,088.76

Particulars	Outstanding for following periods from due date of payment					
	As at March 31, 2021					
	< 6 Months	6 months to 1 year	1-2 years	2-3 years	> 3 Years	Total
Undisputed						
Considered Good	7,476.85	93.05	331.19	364.51	1.44	8,267.04
Total	7,476.85	93.05	331.19	364.51	1.44	8,267.04

NOTE 12: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks in Current Accounts	2,422.91	1,361.40
Cash on Hand	24.89	15.92
Fixed Deposits maturing within 3 months	635.72	938.20
Total	3,083.52	2,315.52

NOTE 13: FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid Dividend Account (Refer Note i. Below)	3.40	2.39
Fixed Deposits maturing between 3 to 12 months (Refer Note ii. Below)	718.63	1,072.71
Total	722.03	1,075.10

Note :

- i. The Current Account balance includes unpaid dividend of Rs. 3.40 Lakhs as at 31st March 2022 (Previous Year as at 31st March 2021 Rs. 2.39 Lakhs) which have been kept in separate earmarked accounts and no transactions except for stated purpose are done through such accounts.
- ii. **Fixed Deposits maturing between 3 to 12 months includes Receipts Pledged/Lien with Banks:**
 - Rs.16.37 Lakhs as at 31st March 2022 (Previous Year Rs.31.00 Lakhs) - Towards Bank Guarantee ; (Also Refer Note no 34).
 - Rs.660.00 Lakhs as at 31st March 2022 (Previous Year Rs.650.00 Lakhs) - towards Overdraft Facility availed. (Also Refer Note no 21).

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NOTE 14: FINANCIAL ASSETS - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued (Also Refer Note No 13)	8.55	33.82
Advances	303.60	-
Other Deposits	1.86	-
Total	314.01	33.82

NOTE 15: OTHER CURRENT ASSETS

(Unsecured Considered Good unless stated otherwise)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances Other than capital advances		
Advance to Employees	2.40	2.15
Advances to Suppliers	430.13	368.72
Prepaid Expenses	104.19	85.56
Balances with Government Authorities	145.36	151.47
Others		
Export Incentive Receivable	87.56	116.05
GST Receivable	500.00	-
Insurance Claim Receivable	-	71.70
Preliminary Expenses	-	2.23
Pre Operative Expenses	-	8.38
Deposit	20.80	-
Inter Corporate Loan	-	376.21
Other Loans and Advances	1.51	6.84
Total	1,291.95	1,189.31

NOTE 16: ASSETS CLASSIFIED AS HELD FOR SALE

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Investment (At Cost)		
Immovable Property (Also Refer Note No 24)	720.69	720.69
Total	720.69	720.69

Note :

i. The Management intends to sell the immovable property acquired during the year ended 31st March 2018. An active program to locate the buyer and to complete the sale has already been initiated, the sale is expected to be completed in the next 12 months. Accordingly, the above assets have been classified as assets held for sale.

The Company pursuant to its intention, have received Advance for Sale of Property classified as held for Sale. The Company is in the process of completing the transfer of title and is expected to be completed in the financial year 2022-2023.

ii. Further the fair value of these asset is higher than its carrying value as on 31st March 2022 and hence no impairment loss has been recognised.

NOTE 17: EQUITY SHARE CAPITAL

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
14,00,00,000 (Previous year as at 31st March 2021 14,00,00,000) Equity Shares of Rs. 2/- each	2,800.00	2,800.00
TOTAL AUTHORISED SHARE CAPITAL	2,800.00	2,800.00
Issued, Subscribed & Paid Up		
11,07,48,420 (Previous year as at 31st March 2021 11,07,48,420) Equity Shares of Rs. 2/- each fully paid up	2,214.97	2,214.97
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	2,214.97	2,214.97

a) Reconciliation of the number of shares outstanding :

(Rs. In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	11,07,48,420	2,214.97	11,13,00,000	2,226.00
Add: Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	5,51,580	11.03
Shares at the end	11,07,48,420	2,214.97	11,07,48,420	2,214.97

b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a face value Rs. 2/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders will be entitled to receive any of the remaining asset of the company in proportion to the number of equity shares held by the shareholders, after distribution of all the preferential amounts. However no such preferential amount exist currently.

c) Shareholders holding more than 5% shares each :

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%	No. of Shares	%
Mr. Surendra Tibrewala (Refer Note No i. Below)	6,12,01,330	55.26%	6,12,01,330	55.26%
Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	68,08,595	6.15%	68,08,595	6.15%

Note:

i. Shareholders holding more than 5% shares each includes shares held by Karta of HUF as under:

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%	No. of Shares	%
Mr. Surendra Tibrewala - as a Karta of HUF	3,45,500	0.31%	3,45,500	0.31%

d) Other details of Equity Shares for a period of five years immediately preceding March 31, 2022

- Pursuant to approval of the Board of Directors of Company vide resolution dated 27th July,2020 the Company has bought back 5,51,580 equity shares of Rs.2/- each from the open market at an average price of Rs. 33.04. The Company has paid a total amount of Rs. 182.25 Lakhs for the said buyback of shares.
- Pursuant to approval of the Board of Directors of Company vide resolution dated 14th November, 2016 the Company has bought back 9,98,110 equity shares of Rs.2/- each from the open market at an average price of Rs. 29.69. The Company has paid a total amount of Rs. 292.65 Lakhs for the said buyback of shares.
- Pursuant to shareholders approval dated 28th May, 2015, the Equity Shares of Rs.10/- each of the Company were sub-divided into 5 Equity Shares of Rs.2/- per share w.e.f. 12th June, 2015.

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e) Shares held by promoters at the end of the year

Promoter Name	As at 31/03/2022		As at 31/03/2021		2021-22	2020-21
	No. of shares	% of Total shares	No. of shares	% of Total shares	% Change Inc / (Dec)	
Surendra Tibrewala Huf	3,45,500	0.31%	3,45,500	0.31%	-	-
Surendrakumar Deviprasad Tibrewala	6,08,55,830	54.95%	6,08,55,830	54.95%	-	(11.36%)
Mitesh Vinod Jhunjhunwala	1,001	0.00%	5,750	0.01%	(82.59%)	475.00%
Kanaklata Tibrewala	32,81,700	2.96%	32,81,700	2.96%	-	-
Aarti Mitesh Jhunjhunwala	25,050	0.02%	50	0.00%	50000%	-
Sanjay Tibrewala	32,83,990	2.97%	32,13,990	2.90%	2.18%	-
Ritu Aditya Gupta	11,000	0.01%	11,000	0.01%	-	-
Nidhi Sanjay Tibrewala	1,000	0.00%	1,000	0.00%	-	-
Kamal Chemicals Pvt. Ltd.	29,54,500	2.67%	29,54,500	2.67%	-	-
Proton Biochem Pvt Ltd	10,28,500	0.93%	10,28,500	0.93%	-	-

NOTE 18: Other Equity

(Rs. In Lakhs)

Particulars	Reserves & Surplus				Other Reserves		Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Equity Settled Share Based Payment Reserve	Foreign Currency Translation	
Balance as at March 31, 2020 (A)	10.85	19.96	988.45	13,685.26	-	38.92	14,743.44
<u>Additions during the year:</u>							
Profit for the period	-	-	-	4,258.75	-	-	4,258.75
Currency Translation Reserve	-	-	-	-	-	(54.54)	(54.54)
Items of OCI for the year, net of tax:							
Remeasurement of the defined benefit plans	-	-	-	0.37	-	-	0.37
Total Comprehensive Income for the year 2020-2021 (B)	-	-	-	4,259.12	-	(54.54)	4,204.58
<u>Reductions during the year:</u>							
Transactions with Owners in their capacity as Owners:							
Buyback of Equity Shares (Refer Note No 17 (d))	-	-	(171.22)	-	-	-	(171.22)
Transaction Cost on Buyback (Refer Note No 17 (d))	-	-	-	(57.97)	-	-	(57.97)
Transfer to Capital Redemption Reserve on Buyback (Refer Note No 17 (d))	-	11.03	(11.03)	-	-	-	-
Total (C)	-	11.03	(182.25)	(57.97)	-	-	(229.19)
Balance as at March 31, 2021 (D)=(A+B+C)	10.85	30.99	806.20	17,886.42	-	(15.62)	18,718.84
<u>Additions during the year:</u>							
Profit for the period	-	-	-	5,517.44	-	-	5,517.44
Addition for equity share options granted (Refer Note No 39)	-	-	-	-	4.29	-	4.29
Currency Translation Reserve	-	-	-	-	-	96.62	96.62
Items of OCI for the year, net of tax:							
Remeasurement of the defined benefit plans	-	-	-	(5.42)	-	-	(5.42)
Total Comprehensive Income for the year 2021-2022 (E)	-	-	-	5,512.02	4.29	96.62	5,612.93
Transactions with Owners in their capacity as Owners:							
Dividend for the year ended 31st March 2021	-	-	-	(332.25)	-	-	(332.25)
Total (F)	-	-	-	(332.25)	-	-	(332.25)
Balance as at March 31, 2022 (D+E+F)	10.85	30.99	806.20	23,066.19	4.29	81.00	23,999.53

a. Description of Nature and Purpose of the Reserves

Capital Reserve

Capital Reserve was created on acquisition of Proprietorship concern "Fineotex Chemical Industries" in FY 2007-08 in Slump Sale.

Capital Redemption Reserve

The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve.

Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the provisions of the Act.

Retained Earnings

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

Equity-Settled share-based payment reserve

This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by the Company. Once shares are issued by the Company, the amount in this reserve will be transferred to Share capital, Securities premium or retained earnings.

Items of Other Comprehensive Income

Remeasurements of Net Defined Benefit Plans:

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

b. Dividends Paid during the year

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Corporate Dividend Paid During the year to Equity Share Holders		
Final Dividend Paid for FY 2020-2021	332.25	-
Dividend Per Fully Paid Up Share	0.30	-

NOTE 19: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposit Received from Customers	74.09	51.96
Other Deposit	2.52	-
Total	76.61	51.96

NOTE 20: PROVISIONS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity Payable	13.60	5.89
Total	13.60	5.89

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NOTE 21: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
SECURED :		
Loans repayable on demand		
From Banks (Refer note below)	187.53	341.32
Current Maturities of Long Term Borrowings	3.31	6.25
Total	190.84	347.57

Note:

The above bank credit facility is secured against Fixed Deposits and pledged/lien on securities held by the Company (Also Refer Note No 4 & 13).

NOTE 22: FINANCIAL LIABILITIES - TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed		
MSME (Refer Note Below)	-	-
Others	5,877.34	3,683.55
Total	5,877.34	3,683.55

Trade payable aging schedule

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	As at March 31,2022				
	< 1 Year	1-2 years	2-3 years	> 3 Years	Total
Undisputed					
i) MSME	-	-	-	-	-
ii) Others	5,770.43	74.99	31.92	-	5,877.34
Total	5,770.43	74.99	31.92	-	5,877.34

Particulars	Outstanding for following periods from due date of payment				
	As at March 31,2021				
	< 1 Year	1-2 years	2-3 years	> 3 Years	Total
Undisputed					
i) MSME	-	-	-	-	-
ii) Others	3,430.21	245.78	-	7.56	3,683.55
Total	3,430.21	245.78	-	7.56	3,683.55

NOTE 23: FINANCIAL LIABILITIES - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest on Trade Deposit	9.18	7.55
Unclaimed / Unpaid Dividend	3.40	2.39
Other Payables	2.25	-
Total	14.83	9.94

Note:

There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March 2022.

NOTE 24: OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customer	60.24	72.71
Advance received for Asset held for Sale (Also Refer Note No 16)	107.00	107.00
Payable to Employees (Also Refer Note No 41)	95.88	55.12
Statutory Payments	60.59	28.69
Other Payables	144.03	525.40
Accrual	231.46	116.81
Total	699.20	905.73

NOTE 25: PROVISIONS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Provision for Leave Encashment	7.07	4.06
Provision for Bonus	18.02	11.16
Total	25.09	15.22

NOTE 26 A: REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Products	36,672.53	21,717.81
Other Operating Income:		
Technical Fees	18.60	25.75
Export Incentives & Entitlements	132.16	107.08
Total	36,823.29	21,850.64

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NOTE 26 - B: REVENUE FROM CONTRACTS WITH CUSTOMERS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers disaggregated based on geography		
Domestic Market	21,508.86	10,463.24
Exports	15,163.67	11,254.57
Total	36,672.53	21,717.81

Note:

- i. The amounts of receivable from customers become due after expiry of credit period . There is no significant financing component in any transaction with the customers
- ii. The company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

NOTE 27: OTHER INCOME

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income from Financial Asset Carried at Amortised Cost	94.21	154.57
Dividend Income		
Received from Quoted Investments measured at FVTPL	3.21	8.76
Rent Income	16.89	-
Agency services	-	111.20
Consultancy charges	-	5.98
Other Non - Operating Income		
Foreign Exchange Fluctuation	101.90	50.30
Net gains / (losses) on fair value changes	309.59	1,381.66
Short Term Capital Gain	0.07	-
Miscellaneous Income	25.68	36.88
Total	551.55	1,749.35

NOTE 28: COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw Material Consumed	20,451.12	8,420.15
Packing Material Consumed	1,267.20	767.31
Total	21,718.32	9,187.46

NOTE 29: PURCHASE OF STOCK IN TRADE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of Stock in Trade	1,901.62	4,960.22
Total	1,901.62	4,960.22

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stocks :		
Finished Goods (including goods in transit)	844.92	684.26
Stock In Trade	404.71	504.76
Less : Closing Stocks :		
Finished Goods	865.09	875.51
Stock In Trade	491.60	403.80
NET CHANGE IN INVENTORIES	(107.06)	(90.29)

NOTE 31: EMPLOYEE BENEFIT EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Bonus	1,235.05	820.36
Contribution to Provident and Other Funds	48.70	29.06
Gratuity (Refer Note No 39)	8.60	6.84
Staff Welfare Expenses	41.02	11.46
Employee Stock Option Plan (Refer Note No 39)	4.29	-
Levy fees	1.21	0.36
Allowances	18.63	17.49
Total	1,357.50	885.57

NOTE 32: FINANCE COST

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expenses on Financial Liabilities carried at amortised Cost		
On Borrowing	27.68	17.22
Others (Including Interest on delay / deferred payment)	0.16	1.05
Bank and Other Financial Charges	64.48	54.13
Total	92.32	72.40

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NOTE 33: OTHER EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of Stores and Spares	29.36	15.79
Toll Conversion Charges	379.63	272.92
Power, Fuel and Utilities	107.72	67.30
Lease Rent / Hire Charges	212.97	143.02
Outward Freight Charges	1,340.86	560.18
Technical Fees	439.61	226.83
Repairs & Maintenance on :		
Building	40.19	47.43
Plant and Machinery	76.63	42.09
Other Repairs	70.81	29.35
Insurance	71.08	53.03
Rates and Taxes	13.87	28.11
Payment to Auditors :		
Audit Fees	13.03	10.79
Transfer Pricing Audit Fees	0.25	0.25
Taxation and Other Advisory Matters	1.25	1.39
Certification Charges and Others	2.27	2.45
Other Services	1.95	1.95
Legal and Professional Fees	471.29	368.10
Travelling and Conveyance	137.17	62.37
Commission	811.90	419.66
Advertisement, Publicity & Sales Promotion	38.29	24.62
Foreign Exchange Fluctuation (Net)	52.22	66.40
Expenditure towards Corporate Social Responsibility	50.00	53.00
Donations	6.12	0.17
Miscellaneous Expenses	463.57	353.60
Total	4,832.04	2,850.80

NOTE 34: CONTINGENT LIABILITIES AND COMMITMENTS

1. Bank Guarantee (Refer Note no 5 & 13)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding Bank Guarantees issued by Bankers	10.90	25.75
Total	10.90	25.75

2. Commitments (Refer Note No 8)

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated Amount of Capital Commitments remaining to be executed on account of	1,142.62	871.75
Less: Advances Paid	432.53	380.82
Net Capital Commitments	710.09	490.93

NOTE 35: EARNINGS PER SHARE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to the owners of the company	5,517.44	4,258.75
Weighted Average Number of Equity Shares Face Value of Rs. 2/- each	11,07,48,420	11,09,70,630
Earnings Per Share - Basic & Diluted (₹)	4.97	3.83

NOTE 36: CAPITAL MANAGEMENT

The Group's objective for Capital Management is to maximize shareholder value and support the growth of the Group and to optimise capital structure to reduce the cost of capital. The Group determines the capital requirement based on long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity and operating cash flows generated. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

The Group monitors capital on the basis of the following gearing ratio :

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total interest bearing financial liabilities	267.45	399.53
Less : Cash and Cash Equivalents	3,083.52	2,315.52
Adjusted Net Debt	(2,816.07)	(1,915.99)
Total Equity	26,214.50	20,933.81
Adjusted Equity		
Net Debts to Equity Ratio - Times	(0.11)	(0.09)

NOTE 37: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets		
<u>Fair Value through Profit & Loss</u>		
Investments Other than Investment in Bonds	1,730.90	3,237.97
<u>Amortised Cost</u>		
Trade Receivables	11,088.76	8,267.04
Cash & Cash Equivalents	3,083.52	2,315.52
Other Bank Balances	722.03	1,075.10
Other Financial Assets	395.02	227.05
Total	17,020.23	15,122.68
Financial Liabilities		
<u>Amortised Cost</u>		
Borrowings	190.84	347.57
Trade Payable	5,877.34	3,683.55
Other Financial Liabilities	91.44	61.90
Total	6,159.62	4,093.02

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets		
Level 1		
Investments in quoted equity shares	116.03	529.03
Investments in quoted mutual fund units	1,614.87	2,608.93
Level 2		
Security Deposit Given	57.71	183.12
Total	1,788.61	3,321.08
Financial Liabilities		
Level 2		
Security Deposit Accepted	8.96	7.49
Total	8.96	7.49

Measurement of Fair Values :

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of investment in shares is the share price quoted on recognised stock exchange as on the reporting date of balance sheet
- The fair values of investment in mutual fund is the N.A.V as on the reporting date of balance sheet
- The fair values of interest free security deposit given / accepted is estimated by discounting cash flows using rates currently available for instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

NOTE 38: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk. In order to minimize any adverse effects on the financial performance of the Company

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade Receivables and other financial assets	Ageing analysis	Diversification of bank deposits, credit limit and letter of credit
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Rupees	Very limited Exposer	Company manages through natural Hedge
Market risk - Security prices risk	Investment in Shares and mutual funds	Sensitivity analysis	Portfolio diversification

The Group's risk management is carried out by policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas. There is no change in objectives, polices and process for managing the risk and methods used to measure the risk as compared to previous year.

(a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs

(a) (i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates primarily to the Group's borrowings, both short term and long term obligations with fixed and floating interest rates. However the Group's exposure to floating rate borrowings are very limited to its size of operation.

The Group is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits

Exposure to interest rate risk

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed-rate instruments		
Financial Liabilities - Borrowings	267.45	399.53
Total	267.45	399.53

Sensitivity analysis to interest rate risk

The Group doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(a) (ii) Market Risk - Price Risk(Securities)

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

Exposure to Price Risk

Other price risk arises from financial assets such as investments in equity instruments and mutual funds disclosed below.

The Company does make deposit with the banks as margin money against the borrowing facility provided by the banks. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Quoted Equity Shares	116.03	529.03
Investments in Quoted Mutual Funds	1,614.87	2,608.93
Total	1,730.90	3,137.96

Sensitivity analysis to Market Risk - Price Risk (Securities)

The Group is mainly exposed to price risk arising mainly from investments in equity instruments and mutual funds recognised at FVTPL. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below. A sensitivity of 10% represents management's assessment of reasonably possible change in equity prices

(Rs. In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Equity Shares	11.60	(11.60)	52.90	(52.90)
Mutual Funds	161.49	(161.49)	260.89	(260.89)
Total	173.09	(173.09)	313.79	(313.79)

(a) (iii) Market Risk - Currency Risk

The Group is having import and exports as well. Accordingly the group is exposed to currency risk on account of its trade payables and trade receivables in foreign currency. The functional currency of the group is Indian Rupees. The group follows a natural hedge driven currency risk mitigation policy to the extent possible. The exposed Foreign currency is not substantial to the operation of group.

Exposure to Currency risk

The summary quantitative data about the Group's exposure to currency risk are reported to management of the company are as follows:

(In Lakhs)

Particulars	Foreign Currency	As at March 31, 2022	As at March 31, 2021
Financial Assets			
Trade and other receivables	USD	58.07	27.83
Cash & Cash Equivelent	USD	4.95	0.04
Cash & Cash Equivelent	EURO	0.12	0.03
Financial Liabilities			
Trade and other payables	USD	15.14	7.00
Trade and other payables	EURO	0.26	-

Sensitivity analysis to currency risk

(Rs. In Lakhs)

Foreign Currency	As at March 31, 2022		As at March 31, 2021	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	109.01	(109.01)	34.36	(34.36)
EURO	(0.37)	0.37	0.07	(0.07)
Total	108.64	(108.64)	34.43	(34.43)

(b) Credit Risk

Credit Risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of Financial Assets represents the maximum credit exposure.

Trade Receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Group are typically unsecured ,except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Group has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Group uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof. Accordingly based on the provision matrix there is no expected credit loss to the Group and accordingly there is no provision for doubtful debts

Other Financial Assets

The Group maintains exposure in Cash and Cash equivalents and Bank deposits with banks, Equity Shares and Investments in Mutual Funds. The Group has diversified portfolio of investment with various number of counterparties which has goods credit ratings, goods reputation and hence the risk is reduced. Individual risk limits set for each counterparty based on financial position, credit rating and post experience. Credit limits and concentration of exposures are actively monitored by the Group

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Group's maximum exposure to credit risk as at 31st March, 2022 and 2021 is the carrying value of each class of financial assets.

(c) Liquidity Risk

Liquidity Risk is the risk that the Group will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

Exposure to Liquidity Risk

The responsibility of liquidity risk management rest with board of directors which are appropriate risk management framework for short , medium and long term liquidity measures with adequate cash flows and banking facilities.

The following table shows the maturity analysis of the Group's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

(Rs. In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Working Capital Loans from Banks	187.53	-	341.32	-
Trade Payables	5,770.43	106.91	3,430.21	253.34
Other Financial Liabilities	14.83	76.61	9.94	51.96
Total	5,972.79	183.52	3,781.47	305.30

(d) Collateral

The Company has pledged its Non-Current as well as Current Assets to a lenders as collateral towards borrowings by the Company. Refer Note No. 21 for the detailed terms and conditions of the collaterals pledged.

NOTE 39: EMPLOYEE BENEFITS

(a) Retirement Benefits

As per Ind AS 19 the Company has recognized "Employees Benefits" ,in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2022.

(A) Defined benefit plans

i Retiring Gratuity

I Components of Employer Expenses

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
Current Service Cost	8.49	6.67
Past Service Cost vested	-	-
Interest Cost	2.20	2.08
Expected Return on Plan Assets	(2.08)	(1.91)
Actuarial (Gain) / Loss	7.24	(0.49)
Total Expenses/(Gain) recognized in the Profit & Loss Account	15.84	6.35

II Net Asset/ (Liability) recognized in Balance Sheet

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
Present value of Funded Obligation	50.29	37.41
Fair Value of Plan Assets	36.69	31.53
Assets/(Liability) recognized in the Balance Sheet	13.60	5.89

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III Change in Defined Benefit Obligations (DBO)

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
Opening Balance of Present Value of Obligation	37.41	31.42
Interest Cost	2.20	2.08
Current Service Cost	8.49	6.67
Past Service Cost - Vested Benefits	-	-
Actuarial (Gain)/Loss	7.44	(1.11)
Benefit Paid	(5.25)	(1.64)
Closing Balance of Present Value of Obligation	50.29	37.41

IV Changes in the Fair Value of Plan Assets

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
Opening Balance of Present Value of Obligation	31.53	25.92
Expected Return on Plan Assets	0.20	(0.62)
Interest Income	2.08	1.91
Contribution by Employer	8.13	5.97
Benefit Paid	(5.25)	(1.64)
Fair Value of Plan Assets as at 31st March	36.69	31.53

V Actuarial Assumption

Particulars	31st March 2022	31st March 2021
Discount Rate (Per Annum)	7.10%	6.32%
Annual Increase in Salary Costs Per Annum	4.00%	4.00%
Attrition Rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

Particulars	31st March 2022	31st March 2021
Government of India Securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Insurance Company	100.00%	100.00%

VII Movement in net liability recognized in Balance Sheet

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
Net Opening Liability	5.89	5.50
P & L Charges	8.60	6.84
Contribution paid	(5.25)	(5.97)
Other Comprehensive Income (OCI)	7.24	(0.49)
Closing Net Liability	16.48	5.89

VIII Gratuity - Sensitivity Analysis

(Rs. In Lakhs)

Particulars	31st March 2022		31st March 2021	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	55.99	54.87	41.84	40.85
Discount Rate (1% movement)	45.53	46.32	33.74	34.53

(B) Defined Contribution Plans

Amount recognised as expenses on account of “Contribution / Provision to and for Provident and other Funds” of Statement of Profit and Loss - Rs. 48.70 Lakhs (Previous year Rs. 29.06 Lakhs).

(b) Employee stock option scheme

The Company has implemented “FCL-Employees Stock Option Plan 2020” (FCL-ESOP 2020) as approved by the shareholders on 30th October 2021. The plan covers eligible employees of the Company. The nomination and remuneration committee of the Board of Fineotex Chemical Limited administers these FCL-ESOP 2020 plans and grants stock options to eligible employees. Details of the options granted during the year under the Scheme are as given below:

Plan Description

Particulars	
Grant date	January 17, 2022
No of options granted	70,673
Exercise price per option	Rs.125.00
Vesting period	2.5 years
Exercise Period	0.5 years from Vesting
Stock option activity under the scheme(s) for the year ended 31st March is set out below:	
Particulars	
Outstanding of the beginning of the year	-
Granted during the year	70,673
Forfeited/cancelled during the year	-
Lapsed during the year	-
Exercised during the year	-
Outstanding at the end of the year	70,673
Exercisable at the end of the year	-
Weighted average remaining contractual life	3 Years
Weighted average Exercise price in Rs.	Rs 125.00
Range of exercise price in Rs.	Rs 125.00 to Rs.125.00
The weighted average share price for options exercised during year in Rs.	NA

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of Rs. 2 each.

The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

Particulars	
Expected dividend yield (p.a.)	0.20%
Expected volatility (p.a.)	60%
Risk-free interest rate (p.a.)	5.12%
Share Price at grant date (Rs.)	152.30
Exercise price (Rs.)	125.00
Expected life of options granted in years (no. of years)	3
Weighted average fair value per option (Rs.)	75.80

NOTE 40: LEASES

The Company has entered into Operating Leases on Immovable Properties.

Assets Taken on Lease

Future minimum rentals payable under cancellable operating leases as at are, as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	In respect of operating lease on Immovable properties payments recognized in Statement of Profit and Loss.	212.97	60.13
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	66.91	64.47
	For the period later than one year and not later than five years	82.09	68.84

Assets Given on Lease

Future minimum rentals receivable under cancellable operating leases as at are, as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	6.75	3.00
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	9.19	1.50
	For the period later than one year and not later than five years	-	-

NOTE 41: RELATED PARTY

Consolidated Related Party Transactions are the same as Related Party Transactions of Standalone Fineotex Chemical Limited, except as disclosed hereinbelow:

List of related parties and Relationship

A Key Managerial Personnel :

Executive Directors :

- 1 Sonai Kedha Sankar
- 2 Raman Perumal

B Transaction with Related Parties

i. Transaction during the year

(Rs. In Lakhs)

Particulars	Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
REMUNERATION TO DIRECTORS						
Sonai Kedha Sankar	29.03	26.12	-	-	29.03	26.12
Total	29.03	26.12	-	-	29.03	26.12

ii Outstanding balances as on reporting date

(Rs. In Lakhs)

Particulars	Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
NIL						

Note:

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

NOTE 42: ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS UNDER DIVISION II OF SCHEDULE III TO THE COMPANIES ACT, 2013.

(Rs. In Lakhs)

Name of the entity in the Group	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 and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of total comprehensive income	Amount
Parent								
Fineotex Chemical Limited								
31-Mar-22	84.59%	22,175.78	79.71%	4,397.98	100.00%	(5.42)	79.69%	4,392.56
31-Mar-21	86.52%	18,111.17	84.50%	3,598.72	100.00%	0.37	84.50%	3,599.09
Subsidiaries								
Indian								
Manya Manufacturing India Private Limited (Formerly known as Manya Steel Private Limited)								
31-Mar-22	0.11%	28.69	0.16%	8.55	0.00%	-	0.16%	8.55
31-Mar-21	0.10%	20.14	0.21%	9.12	0.00%	-	0.21%	9.12
Fineotex Specialities Private Limited								
31-Mar-22	2.88%	754.60	11.86%	654.60	0.00%	-	11.86%	654.60
31-Mar-21	0.48%	100.00	0.00%	-	0.00%	-	0.00%	-

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Name of the entity in the Group	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 and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of total comprehensive income	Amount
Foreign								
Fineotex Biotex Healthguard FZE (Formerly known as Fineotex Specialities FZE)								
31-Mar-22	0.55%	144.08	(0.81%)	(44.64)	0.00%	-	(0.81%)	(44.64)
31-Mar-21	0.87%	182.78	(0.42%)	(17.86)	0.00%	-	(0.42%)	(17.86)
Fineotex Malaysia Limited								
31-Mar-22	13.04%	3,418.44	3.60%	198.85	0.00%	-	3.61%	198.85
31-Mar-21	14.81%	3,099.76	9.91%	422.01	0.00%	-	9.91%	422.01
BT Chemicals SDN BHD								
31-Mar-22	3.41%	895.07	8.51%	469.72	0.00%	-	8.52%	469.72
31-Mar-21	4.71%	986.39	11.38%	484.63	0.00%	-	11.38%	484.63
BT Biotex SDN BHD								
31-Mar-22	3.93%	1,030.39	2.12%	117.22	0.00%	-	2.13%	117.22
31-Mar-21	4.25%	889.69	4.11%	174.85	0.00%	-	4.11%	174.85
Rovatex SDN BHD								
31-Mar-22	0.35%	91.41	0.52%	28.77	0.00%	-	0.52%	28.77
31-Mar-21	0.29%	60.75	0.89%	37.81	0.00%	-	0.89%	37.81
BT Biotex Limited								
31-Mar-22	1.40%	366.49	4.61%	254.38	0.00%	-	4.61%	254.38
31-Mar-21	0.49%	103.16	2.28%	97.11	0.00%	-	2.28%	97.11
Non-Controlling interests in all subsidiaries								
31-Mar-22	(2.77%)	(725.16)	(3.11%)	(171.53)	0.00%	-	(3.11%)	(171.53)
31-Mar-21	(3.22%)	(674.85)	(4.62%)	(196.86)	0.00%	-	(4.62%)	(196.86)
Intercompany Elimination & Consolidation Adjustment								
31-Mar-22	(7.50%)	(1965.29)	(7.19%)	(396.45)	0.00%	-	(7.19%)	(396.45)
31-Mar-21	(9.29%)	(1945.19)	(8.24%)	(350.79)	0.00%	-	(8.24%)	(350.79)
Total								
31-Mar-22	100.00%	26,214.50	100.00%	5,517.44	100.00%	(5.42)	100.00%	5,512.02
31-Mar-21	100.00%	20,933.81	100.01%	4,258.75	100.00%	0.37	100.00%	4,259.12

43 SEGMENT REPORTING

As the company has only one primary business activity, Segment Reporting is not applicable as per Ind AS 108 - Operating Segments

44 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.

45 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation

46 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

Dividend Proposed to be distributed:

(Rs. In Lakhs)

Name	Year ended March 31, 2022	Year ended March 31, 2021
Corporate Dividend for Equity Shareholders Proposed for the year		
Final Dividend Proposed	442.99	332.25
Dividend Proposed Per Fully Paid Up Share	0.40	0.30

The Board of Directors at its meeting held on 28th April, 2022 have recommended a payment of final dividend of Rs.0.40 (Rupee Forty paise only) per equity share of face value of Rs.2/- each for the financial year ended 31st March, 2022.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

47 Figures in brackets indicate previous year's figures. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform with this year's classification.

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As per our report of even date attached

For **ASL & CO**
Chartered Accountants
Firm Reg. No. 101921W

Manish Pansari
Partner
Membership No. 137974
Mumbai, 28 April 2022


For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Hemant Auti
Company Secretary
M.No.: A51703

Mumbai, 28 April 2022



Celebrating our
High-Trust High-Performance Culture™!

We are now

