



June 22, 2021

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**

Dear Sir/Madam,

**Subject: Annual Report – 2020-2021 of the 18<sup>th</sup> Annual General Meeting**

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 2020-2021 of 18<sup>th</sup> 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

# ANNUAL REPORT 2020 - 2021



Expanding together for a  
**sustainable future**

**FCL** FINEOTEX  
CHEMICAL LIMITED

# BOARD OF DIRECTORS



**Surendrakumar Tibrewala**  
Chairman & Managing Director



**Sanjay Tibrewala**  
Executive Director & CFO



**Aarti Jhunjhunwala**  
Executive Director



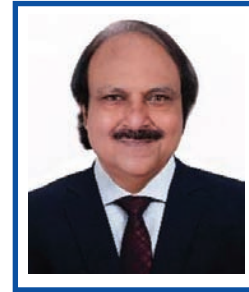
**Navin Mittal**  
Independent Director



**Dr. Anand Patwardhan**  
Independent Director



**CS Bindu Shah**  
Independent Director



**Dr. Sunil Waghmare**  
Independent Director



**Alok Dhanuka**  
Independent Director

## COMPANY SECRETARY AUDITORS & BANKERS

### BANKERS

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

### AUDITORS

ASL & Co  
Chartered Accountants

### COMPANY SECRETARY

Hemant Auti

## PLANTS & OFFICES

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  
investor.relations@fineotex.com | www.fineotex.com

## REGISTRARS & SHARE TRANSFER AGENTS

Bigshare Services Private Ltd.  
(For shares and dividend related queries)  
1st Floor, Bharat Tin Works Building,  
Opp.Vasant Oasis, Makwana Road, Marol,  
Andheri (E), Mumbai - 400059  
E-mail: investor@bigshareonline.com

### REGISTERED OFFICE

42, 43 Manorama Chambers, SV Road,  
Bandra (West), Mumbai - 400050.  
Tel: (+91-22) 26559174-77  
Fax: (+91-22)26559178  
E-mail: investor.relations@fineotex.com





ISO 9001:2015

FDA

ISO 14001:2015

OHSAS 18001

ISO 45001 : 2018

ZDHC ZERO DISCHARGE OF  
HAZARDOUS CHEMICALS

GOTS COMPLIANCE

BLUESIGN

PUBLIC LISTED COMPANY

ISO 14045

STAR EXPORT HOUSE

ISO 22000

EXPORTS TO 60 COUNTRIES

GOATS VERSION 6.0

PLANTS IN INDIA & MALAYSIA

HACCP

RANKED AMONGST INDIA'S  
TOP 1000 COMPANIES BY NSE

WHO - GMP

SA 8000

GREEN BUILDING

**FCL**

Where Dependability Counts...

**MANUFACTURER OF SPECIALITY  
PERFORMANCE CHEMICALS & SOLUTIONS**

# FCL FINEOTEX CHEMICAL LIMITED

**Forbes** INDIA

The dark horse  
of The Specialty  
Chemical Industry

**Hindustan Times**

Fineotex to strengthen  
its business, targets  
pan-India & global expansion.

**IIFL**

Published by IIFL,  
September 2020



**Surendrakumar Tibrewala**  
Chairman & Managing Director



**Sanjay Tibrewala**  
Executive Director & CFO



**Aarti Jhunjunwala**  
Executive Director



**THE ECONOMIC TIMES**

INDIA'S GROWTH  
CHAMPIONS 2020

**FT FINANCIAL  
TIMES**

High-Growth  
Companies Asia-Pacific





An Additional Plant of 4 acres.



**Fineotex** goes for State - Of - The - Art Sustainable Expansion at addt. **Ambernath.**

Our Plant Is Now  
**FDA Certified**



**FCL** FINEOTEX  
CHEMICAL LIMITED





## INTRODUCED OUR HOMECARE & HYGIENE PRODUCT RANGE

with a commitment to provide excellent quality and efficient service





# ESG



ENVIRONMENT



SOCIAL



GOVERNANCE

Considering  
**Environmental Sustainability**  
& Social Governance As Our Responsibility

**Biotex Malaysia group**  
is now a proud system partner of bluesign





# Expanded our horizons at :



## INDIAN FACILITIES LOCATED AT AMBERNATH, MUMBAI

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

The planned Production capacity will be 36,000 MT p.a.



## INDIAN FACILITIES LOCATED AT MAHAPE, NAVI MUMBAI

Trans Thane Creek Industrial Area, Mahape, Na 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.

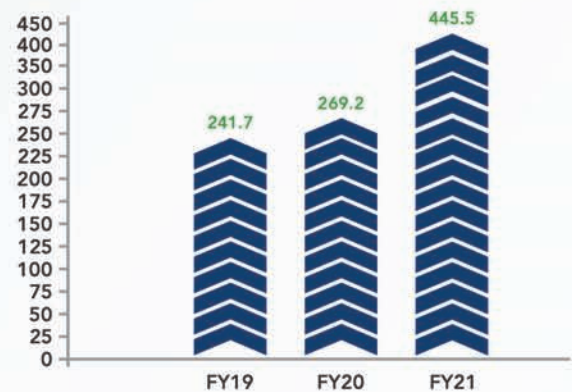


# CONSOLIDATED FINANCIAL PERFORMANCE

**REVENUE (INR Mn)** CAGR  $\uparrow$  6.2%



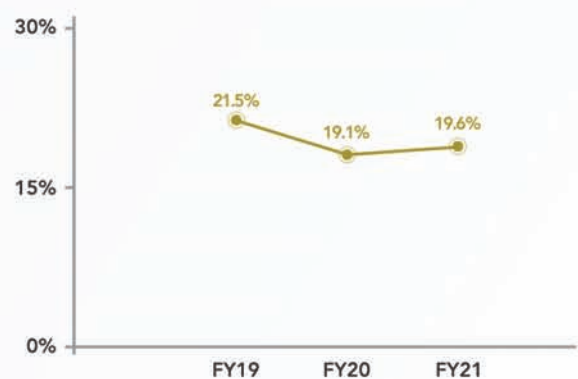
**PAT\* (INR Mn)** CAGR  $\uparrow$  22.6%



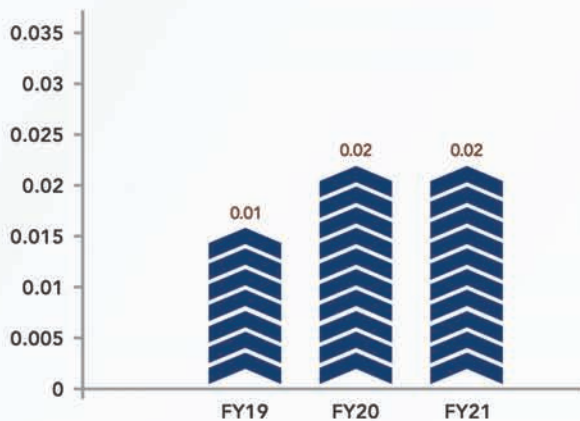
**CASH FLOW FROM OPERATIONS (INR Mn)** CAGR  $\uparrow$  43.8%



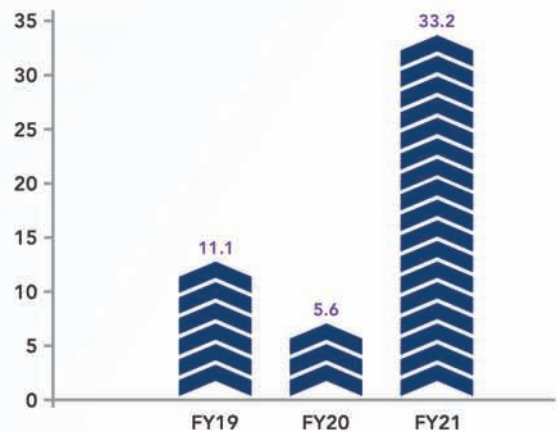
**ROCE\***



**DEBT/EQUITY**



**DIVIDEND (INR Mn)**



\*Excluded exceptional items in PAT for FY20

\*ROCE = EBIT/Average Capital Employed (Capital Employed = Total Equity + Short Term Borrowings + Long Term Borrowings)



# CHAIRMAN'S SPEECH

## Dear Shareholders,

I am highly pleased to mention that in spite of the difficulties of Covid 19 faced by the world, Fineotex has expanded, diversified and expanded its core focus on speciality chemical business during this one year. The gradual opening of the economy and recovery in consumer sentiments is anticipated to support the strong growth recovery of the Indian economy. Despite the difficult economic scenario, Fineotex continues to keep pace with its growth and remains resilient. We have grown as a company and will continue to achieve new milestones.



## The year gone by

The performance of the specialty chemicals sector and Fineotex in particular, has had robust recovery post the pandemic. The resilience of brand Fineotex has continued to persevere during difficult times. Although the Company's operations were impacted by the pandemic induced lockdowns and subsequent slowdown in the economy in the initial part of the fiscal year, we have achieved robust top-line growth compared to the previous year. The Company achieved multiple milestones financially during the year, registering the highest ever profits and also proposing the highest ever dividend since inception. We expanded our operations even during the pandemic and have acquired a brownfield project at Ambernath, Maharashtra. The plant is strategically located in close proximity to key ports near Mumbai, providing logistical and cost advantages. It also meets the highest sustainability standards keeping in line with our overarching vision of greener products and product stewardship. The plant will also cater to our new Home Care and Hygiene segment which will drive growth in the near future and will be contributing significantly to our margins.

## As we look ahead

We are extremely excited about the tremendous business opportunities in the Speciality Chemicals globally. There has been great increase in demand of the speciality chemical sector with "China + 1" strategy adopted by the world and we witness tailwind effect on the same. The silver lining is that we have the experience of so many decades that has helped us navigate better than the last year in spite of the challenges. I am also convinced that Fineotex would be in a position to reach greater heights at a faster pace in the coming year. The coming year will usher in a far pleasant and successful results in the coming year and commensurate rewards to you.

Fineotex will follow the same path with greater vigour and varied tested policies. The thrust will be quality and specialised products in our core business of specialty chemical products. Excellent new team members have joined the Fineotex Team from high end Cleaning and Hygiene Companies. We have exciting opportunities in all the business verticals. In spite of pandemic, we have not deviated from our growth strategies and plant expansion. Management continues to remain focused on enhancing stakeholder's value driven by strong performance, increased portfolio diversification, regulatory approvals and various strategic initiatives.

## **A Focus on Sustainability**

Fineotex has always been a strong advocate of sustainable practices with an emphasis on environment, social and governance factors. This has proved beneficial for the Company as the global economy, and in turn companies, seek to partner with manufacturers and producers with a proven track record of employing sustainable practices. Our raw materials are sourced through environmentally friendly means, which ensures our products are free from harmful substances and are of superior quality. In addition, we have also focused on reducing the amount of chemicals used in all our processes. Our new manufacturing plant in Ambarnath has been approved and certified by the Food & Drugs Administration (Maharashtra State) department. The license has been granted for production of disinfectant and anti-microbial hygiene and cleaning products ensuring safety and effectiveness. We have also obtained multiple ISO certifications, the Green Building certification, and the WHO Good Manufacturing Practice certification for our Ambarnath plant. The Company also aims to minimise the carbon footprint by reducing the usage of energy and reduction in the water requirements. Biotex, Malaysia, who heads our R&D initiatives, has developed processes which will reduce the use of energy and water in our production cycle. Biotex continues to work on and focus on sustainable products, which we see as the future of the industry. We have recently tied up with Sasmira (The Synthetic & Art Silk Mills Research Association) to set up an R&D base. The focus will be on new sustainable solutions to reduce water, time and energy consumption for the textile processing industry. This will prove beneficial for textile companies looking to seek advice and assistance on their requirements. This will also provide much needed exposure for students and help provide practical experience, which will benefit the industry in the long term.

## **Fineotex and its stakeholders**

Fineotex is fully committed to its stakeholders and associates. The past year has been challenging overall due to pandemic but Fineotex has been able to tide over with limited impact. I am thankful for the support of all our stakeholders – shareholders, customers, suppliers, associates and proud of our employee team for their unflinching support.

We are extremely excited about the tremendous business opportunities in the Speciality Chemicals globally.

I wish you all the best. Take care and stay safe.



# ANNUAL REPORT 2020-21

## CONTENTS

Notice	1
Directors' Report	16
Management Discussion & Analysis	23
Report on Corporate Governance	26
Business Responsibility Report	37
Independent Auditors' Report on Standalone Financial Statements	67
Standalone Financial Statements	72
Independent Auditors' Report on Consolidated Financial Statements	116
Consolidated Financial Statements	122

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Eighteenth Annual General Meeting of the members of Fineotex Chemical Limited will be held on Friday, the 16th July of 2021 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, 2021, 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 for the financial year ended 31st March, 2021.

### 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. 40,000/- per annum (Rupees Forty 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, 2022.

“**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. Appointment of Dr. Sunil Waghmare as an Independent Director of the Company

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

**RESOLVED THAT** 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), Dr. Sunil Vasant Waghmare (DIN 08906042) who was appointed as Independent Director by the Board on 31st October, 2020, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 along with his eligibility and consent to act as such for the term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, for a term of 5 (Five) consecutive years from 31st October, 2020 to 30th October, 2025.

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), Dr. Sunil Vasant Waghmare (DIN 08906042) who was appointed as Independent Director by the Board on 31st October, 2020, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 along with his eligibility and consent to act as such for the term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, for a term of 5 (Five) consecutive years from 31st October, 2020 to 30th October, 2025.

**RESOLVED FURTHER THAT** any of the Directors for the time being be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard.

**RESOLVED FURTHER THAT** any one of the Directors for the time being be and are hereby severally authorised to sign the certified true copy of the resolution of the resolution to be given as and when required.

#### 6. Appointment of Dr. Anand Patwardhan as an Independent Director of the Company

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

**RESOLVED THAT** 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), Dr. Anand Vinayak Patwardhan (DIN 08908877) who was appointed as Independent Director by the Board on 31st October, 2020, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 along with his eligibility and consent to act as such for the term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, for a term of 5 (Five) consecutive years from 31st October, 2020 to 30th October, 2025.

**RESOLVED FURTHER THAT** any of the Directors for the time being be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts,



deeds and things as may be considered expedient and necessary in this regard.

**RESOLVED FURTHER THAT** any one of the Directors for the time being be and are hereby severally authorised to sign the certified true copy of the resolution of the resolution to be given as and when required.

**7. Re-appointment and Revision in the remuneration payable to Mrs. Aarti Jhunjhunwala, Executive Director of the Company with effect from 14th August, 2021**

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 Mrs. Aarti Jhunjhunwala, Whole Time Director for a period of three years with effect from 14th August, 2021 on a remuneration not exceeding Rs. 1 crore 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.

**RESOLVED FURTHER THAT** the remuneration aforesaid pertaining to salary and perquisites shall not exceed a sum of Rs. 7,50,000/- p.m. or such higher sum which the Company is / would be entitled to pay as maximum remuneration as per section II of Part II of Schedule V in the event of loss or inadequate profits during the tenure of his appointment as approved by the Nomination and Remuneration Committee computed in accordance with the provisions of the said Schedule, other applicable laws and subject to the approvals, if any.

**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.

**8. Raising of funds through issue of securities**

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.

## 9. Contracts with Related Parties

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

**“RESOLVED THAT** in partial modification of the resolution passed at the 16th Annual General Meeting and addition of other related parties pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) (Including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the Audit Committee and the Board of Directors to authorize the management of the Company to enter into agreement(s) and/or transaction(s), as may be appropriate, with the following Related Parties as defined under Section 2(76) of the Act and Clause 23 of the LODR Regulation, 2015 for sell, purchase, transfer or receipt of products, goods, materials, services or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and any of the Related Parties, for the amount in aggregate not exceeding as mentioned against the name of each of the following Related Party during the period mentioned against the name of each Related Party:

Sr. No.	Related Parties with whom Transactions are Estimated	Nature of the Transaction	Approval sought for transactions from 1st April 2019 to 31st March 2024	Relationship
1	BT Chemicals SDN BHD	Investments/ Loans, Sale/ Purchase of goods and services of all kinds	Rs.50 Crores (Rupees Fifty Crore Only) per annum	2nd Tier Foreign Subsidiary

2	Fineotex Specialties Private Limited (incorporated as on 5th September, 2020)	Investments/ Loans, Sale/ Purchase of goods and services of all kinds	Rs.50 Crores (Rupees Fifty Crore Only) per annum	Wholly owned Indian Subsidiary
3	BT Biotex Limited (incorporated as on 10th November, 2020)	Investments/ Loans, Sale/ Purchase of goods and services of all kinds	Rs.50 Crores (Rupees Fifty Crore Only) per annum	Wholly owned 2nd Tier Foreign Subsidiary

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

## 10. 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

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

**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of ₹ 300 Crores (Rupees Three Hundred Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby



authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

**11. Increasing the Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013 up to ₹ 300 Crores**

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) and any rules and regulations made thereunder, the consent of the members of the Company be and is hereby accorded by way of special resolution, to the Board of Directors of the Company (“Board”) for borrowing from time to time, as it may think fit, any sum or sums of money in any currency on such terms and conditions as the Board may deem fit, by way of loans, issuance of bonds, notes, debentures or other securities whether convertible into equity/preference shares or not, from banks, financial or other institution(s), investors, mutual fund(s), or any other persons, up to an aggregate amount of ₹ 300 Crores (Rupees Three Hundred Crore only) notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.”

“**RESOLVED FURTHER THAT** the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deeds, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution.”

**12. Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013**

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

“**RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) and any rules and regulations made thereunder, consent of the members of the Company be and is hereby accorded by way of a special resolution to the Board of Directors (“Board”) of the Company to pledge, mortgage, lien, hypothecate and/or create charge, whether fixed or floating (in addition to any other hypothecation, pledge,

lien, mortgage, charges created/to be created by the Company), in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the immovable properties and movable assets (both tangible and intangible) of the Company, both present and future, and the whole or substantially the whole of the undertaking(s) or any properties of the Company where so ever situated, in favour of banks, financial institutions, investors, debenture holders or any other lenders and their agents or trustees (together, the “Lenders”) to secure any borrowings, debentures, financial assistance or financial indebtedness availed by the Company or any third party from time to time (including without limitation, the due payment of the principal and/or together with interest, at the respective agreed rates, additional interest, compound interest, accumulated interest, liquidated damages, commitment charges, remuneration of the agent(s), trustee(s), prepayment premium, all other costs, charges and expenses and all other monies payable by the Company) (together, the “Financial Indebtedness”) in terms of the financing documents, or any other documents, entered into or to be entered into between the Company and any Lender(s) in respect of the Financial Indebtedness, on such terms and conditions as may be agreed between the Company and any Lender(s), provided that the maximum extent of the Financial Indebtedness secured by the assets of the Company does not exceed ₹ 300 Crores (Rupees Three Hundred Crore only) at any time.”

“**RESOLVED FURTHER THAT** the pledge, mortgage, lien, hypothecation and/or charge created or to be created and all agreements, deeds, instruments or documents executed or to be executed and all acts necessary in terms of this resolution required to be done by the Company or the Board are hereby approved, confirmed and ratified.”

“**RESOLVED FURTHER THAT** the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution.”

By Order of the Board  
**For Fineotex Chemical Limited**

**Surendrakumar Tibrewala**  
Chairman & Managing Director

DIN: 00218394

Place: Mumbai  
Date: 17th June, 2021

## ANNEXURE TO THE NOTICE

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. 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.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. In terms of the provisions of Section 152 of the Act, Mrs. Aarti Jhunjhunwala, Executive 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. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.fineotex.com](http://www.fineotex.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
10. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice.
11. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 10th July of 2021 to Friday, 16th July of 2021 (both days inclusive) for the purpose of Annual General Meeting.
12. Members holding shares in electronic form are requested that correct bank particulars are registered against their respective depository accounts which will be used by the Company for any payment of dividend in future. The Company or its Registrars and Transfer Agents, Bigshare Services Private Limited ("Bigshare") 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 Depository Participant by the members.
13. Members are requested to check that the correct account number has been recorded with the depository. Members holding shares in electronic form are requested to intimate any change in their address, E-mail Id, Signature or bank mandates to their respective Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to intimate such changes to the Registrars and Transfer Agents of the Company.

14. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents – Bigshare Services Private Limited for assistance in this regard.
15. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively.
16. Pursuant to 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, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode).

#### **17. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) consecutive years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend, and debenture interest amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)). The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

It is in the Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time. Members who have not yet encashed the dividend warrants, from the Financial Year ended March 31, 2014 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. Members are requested to contact the Company's Registrar and Share Transfer Agent at the following address, to claim the unclaimed/ unpaid dividends:

#### **Bigshare Services Pvt. Ltd,**

1st Floor, Bharat Tin Works Building,  
Opp.Vasant Oasis, Makwana Road,  
Marol, Andheri (E), Mumbai - 400059  
Phone : (022) 62638200.  
Email [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website : [www.bigshareonline.com](http://www.bigshareonline.com)

#### **18. 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.

#### **19. Nomination Facility:**

As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at [cs@fineotex.com](mailto:cs@fineotex.com).

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

**The remote e-voting period begins on Tuesday, 13th July, 2021 at 09:00 A.M. and ends on Thursday, 15th July, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 9th July, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 9th July, 2021.**



## How do I vote electronically using NSDL e-Voting system?

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

#### A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. 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: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> 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 &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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’ section. A new screen will open. You will have 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. After successful authentication, you will be redirected to NSDL Depository site 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 &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1. 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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System - Myeasi.</li> <li>2. 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.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once 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 <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**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.

**Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at +91 22 2305 8738 or +91 22 2305 8542-43

**B. 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?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. 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 116158 then user ID is 116158001***

5. 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. 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 email ID is registered in your Demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email 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-digit of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.

6. 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](http://www.evoting.nsdl.com).
  - b. “Physical User Reset Password” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. 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 are in active status.
2. Select “EVEN” of company 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 General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. 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 are in active status.
2. Select “EVEN” of company 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 General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [hs@hsassociates.net](mailto:hs@hsassociates.net) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. 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 [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:**

- a. In case shares are held in physical mode please provide a request letter duly signed by the first-named shareholder stating Folio No., Name of shareholder, copy of the share certificate (front and back), PAN (self-attested copy of PAN card), AADHAR (self-attested copy of Aadhar Card) to the Registrars and Transfer Agents – Bigshare Services Private Limited at [info@bigshareonline.com](mailto:info@bigshareonline.com) / [cs@fineotex.com](mailto:cs@fineotex.com).
- b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@fineotex.com](mailto:cs@fineotex.com) . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- c. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- d. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **INSTRUCTIONS TO MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM, ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@fineotex.com](mailto:cs@fineotex.com) The same will be replied by the company suitably.

## **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 mentioned under Item Nos. 4 to 12 of the accompanying Notice dated 17th June, 2021.

### **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 17th June, 2021, 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 2021-22 at a remuneration of Rs. 40,000/- 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.

### **Item No. 5**

The Board of Directors, at their meeting held on 31st October, 2020, appointed Dr. Sunil Vasant Waghmare as Independent Director for a period of 5 years. The shareholders have to approve the same at the ensuing Annual General Meeting. His DIN is 08906042 and his registration number with the Indian Institute of Corporate Affairs is IDDB-NR-202010-032296. He is Doctorate in the field of Chemistry. He has vast experience in the field of QA/QC. His induction on the Board will bring vast experience to the Company. The Board recommends ratification of his appointment.

None of the Directors, Key Managerial Personnel of the Company or their relatives (except Dr. Sunil Waghmare) is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution. The Board recommends the Special Resolution set forth in Item No. 6 for approval of the Members.

### **Item No. 6**

The Board of Directors, at their meeting held on 31st October, 2020, appointed Dr. Anand Vinayak Patwardhan as Independent Director for a period of 5 years. The shareholders have to approve the same at the ensuing Annual General Meeting. His DIN is 08908877 and his registration number with the Indian Institute of Corporate Affairs is IDDB-NR-202010-032389. He is Doctorate in the field of Chemistry. He has vast experience in the field of Chemical Engineering. His induction on the Board will bring vast experience to the Company. The Board recommends ratification of his appointment.

None of the Directors, Key Managerial Personnel of the Company or their relatives (except Dr. Anand Patwardhan) is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set forth in Item No. 6 for approval of the Members.

### **Item No. 7**

Mrs. Aarti Jhunjhunwala was appointed as an Additional Director through resolution passed by Board of Directors on 14th August 2018 and has regularize as Executive Director by Shareholders in the AGM held on of 28th September, 2018 w.e.f. 14th August, 2018. The Company is listed with much higher and diversified activities and turnover. This has increased the responsibilities of the Directors due to increasing activities and expansion programme of the Company. It is proposed to increase the remuneration in line with the present market conditions to commensurate with the present job profile within the limits prescribed under the Schedule V of the Companies Act, 2013.

Mrs. Aarti Jhunjhunwala has completed her Masters in Accounts and Taxation. She has been involved in the family business for several years and has knowledge of the products and markets in which the Company operates. She has also undergone training for better understanding of the products of the Company.

The Nomination and Remuneration Committee (NRC) of the Board of Directors have proposed a maximum remuneration that would not exceed Rs. 1 (one) crores per annum. In case of no profits, the NRC has recommended that she will be entitled for a maximum salary of Rs. 7,50,000/- (Rupees Seven Lakh Fifty Thousand) per month. This is in line with the erstwhile limit in Schedule V of the Companies Act, 2013. At present, the NRC has approved the payment of Basic salary of Rs. 2,25,000/- p.m. other allowance of Rs. 45,000/- per month and other perquisites not exceeding a sum of Rs. 60,000/- p.a. in addition she will be entitle for a car and a telephone at residence for official work. She will also be entitled for retirement benefits as applicable to Senior Executives of the Company like Provident Fund, Superannuation Fund, Gratuity and Encashment of Leave. The shareholders consent is sought to authorize the Board and NRC to review the same and increase within the overall limit. This may be treated as an abstract of the draft agreement between the Company and Mrs. Aarti Jhunjhunwala for revision of the remuneration and term of appointment pursuant to Section 196 of the Companies Act, 2013.

The Board recommends your consent for the resolution. Mrs. Aarti Jhunjhunwala is interested in the resolution as it pertains to her. Mr. Surendrakumar Tibrewala is interested in the resolution as it pertains to his daughter. Mr. Sanjay Tibrewala is interested in the resolution as it pertains to his sister.

### **Item No. 8**

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.

## Item No. 9

The Company had entered into similar contracts / agreements for the same as per Section 188 of the Companies Act, 2013. These were approved by the members in the earlier years and also last year for a period of 5 years till March 2024. The transactions with one of the related parties BT Chemical SDN BHD a Tier-2 Foreign Subsidiary in Malaysia have increased and are expected to rise further. Hence our approval is sought for an amount of ₹ 50 Crores (Rupees Fifty Crore only) per year.

The Company has also incorporated two subsidiaries during this year – Fineotex Specialties Private Limited – a wholly owned India Subsidiary and BT Biotex Ltd., UAE 2nd Tier wholly owned foreign subsidiary through it wholly owned foreign subsidiary -Fineotex Malaysia Limited. There may be similar transactions with these companies. Hence the approval of the shareholders is sought for ₹ 50 Crores (Rupees Fifty Crore only) per year.

As per the provisions of section 188 and other provisions of Companies Act, 2013, these agreements / contracts require your approval for the same. The Board recommends your approval.

Mr. Surendrakumar Tibrewala, Chairman & Managing Director, Mr. Sanjay Tibrewala, Executive Director and Chief Financial Officer and Mrs. Aarti Jhunjhunwala, Executive Director are interested in this resolution. None of the other Board Members or Key Managerial personnel or their relatives are interested in the resolution set out at Item No. 9.

Your Directors commend passing of this resolution by way of a Special resolution.

## Item No. 10

The Company has been making investments in various instruments Shares, Debentures, Convertible Security, Mutual Fund, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Act. The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting. As per the latest audited Balance Sheet of the Company as on 31st March 2021, sixty per cent of the paid-up share capital, free reserves and securities premium account amounts to

₹ 10,841.59 lakhs (Standalone) while one hundred per cent of its free reserves and securities premium account amounts to ₹ 15,854.35 lakhs (Standalone). Therefore, the maximum limit available to the Company under Section 186(2) of the Act for making investments or giving loans or providing guarantees / securities in connection with a loan, as the case may be, is ₹ 15,854.35 lakhs. In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits. The Directors recommend the Special Resolution as set out at Item No. 10 of the accompanying Notice, for Members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

## Item No. 11 & 12

The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules thereunder.

The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company, in such form, manner and ranking as may be determined by the Board of Directors / any of its authorised Committee of the Company from time to time, in consultation with the lender(s).

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, as set out at Item No. 11 and Item No. 12 of the Notice, to enable the Board of Directors to borrow money upto ₹ 300 Crores (Rupees Three Hundred Crore only) and inter alia, authorised the Board to secure its borrowing by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Shareholders of the Company.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

By Order of the Board  
For Fineotex Chemical Limited

Surendrakumar Tibrewala  
Chairman & Managing Director  
DIN: 00218394

Place: Mumbai  
Date: 17th June, 2021

## FINEOTEX CHEMICAL LIMITED

### Details of Directors seeking appointment /reappointment at the 18th Annual General Meeting pursuant to Secretarial Standards on General Meetings (SS-II) and regulation 36(3) of LODR

Sr. No.	Particulars	Dr. Sunil Waghmare	Dr. Anand Patwardhan	Reappointment of Mrs. Aarti Jhunjhunwala
1	<b>Name of the Director</b>	<b>Sunil Waghmare</b>	<b>Anand Patwardhan</b>	<b>Aarti Jhunjhunwala</b>
2	<b>Director Identification Number</b>	08906042	08908877	07759722
3	<b>Date of Birth/ Age</b>	06-07-1959 - 62 years	14-05-1963 - 58 years	24/01/1983 - 38 years
4	<b>Date of First Appointment</b>	31/10/2020	31/10/2020	14/08/2018
5	<b>Expertise in General Specified Area</b>	Chemistry, Mass spectrometry and chromatography, Chemical testing	Professor of Chemical Engineering	Rich and varied experience in International Business
6	<b>Qualifications</b>	S.S.C.E, B.Sc., M.Sc, Ph.d, Post- Doctoral researcher, Empanelled Lead Assessor.	Ph.D.(Technology) in Chemical Engineering, ICT Mumbai, M. Chemical Engineering, ICT Mumbai B. Chemical Engineering, ICT Mumbai	Masters in Accounts and Taxation
7	<b>Shareholding in the Company</b>	Nil	Nil	25050
8	<b>Relationship with Directors</b>	Nil	Nil	Daughter of Mr. Surendrakumar Tibrewala and sister of Mr. Sanjay Tibrewala
9	<b>Total No of Board meeting attended during the year 2020-21</b>	2/5	2/5	5/5
10	<b>Directorship in other Public Limited Company</b>	Nil	Nil	Nil
11	<b>Chairmanship/Membership of Committees of the Board of Directors of the Company</b>	Nil	Nil	Nil
12	<b>Chairmanship/Membership of Committees of other Indian Public Limited Companies</b>	Nil	Nil	Nil

## DIRECTORS' REPORT

Dear Members,

We take pleasure in presenting the Eighteenth Annual Report, together with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2021.

### 1. HIGHLIGHTS

During the current year 2020-21, your Company surpassed the turnover of the last year. This was a commendable effort considering that the year began in the lockdown with the general economic activity coming to a standstill. The situation took more than a quarter and a half to show glimpses of normalcy as the country. Your Company pulled up its socks in time to achieve the turnover that crossed the earlier high. In this pursuit its also produced health care products that contribute to India's effort to fight the COVID-19 pandemic.

Your Company exceeded last year's turnover even after the upheaval of Covid-19 when most of the Companies have fallen behind their earlier performance. Our Group performance showed an increase of around 11%. PAT has increased by more than 200% both on standalone as well as consolidated basis mainly on the strategy of superior products and diversified fields of operation.

### 2. FINANCIAL RESULTS

(Rs. in Lakhs)

	Standalone		Consolidated	
	Year ended 31-03-2021	Year ended 31-03-2020	Year ended 31-03-2021	Year ended 31-03-2020
Total Income	14,500.00	13,211.00	23,600.00	19,794.00
Less: Expenditure	10,000.00	10,246.00	18,014.00	16,335.00
Profits before Tax	4,500.00	2,965.00	5,586.00	3,459.00
Less: Income Tax Expense	902.00	625.00	1,131.00	765.00
Less Exceptional Items	-	1,262.00	-	1,263.00
Profit after Tax	3,598.00	1,078.00	4,455.00	1,431.00
Other Comprehensive Income (net of tax)	1.00	(1.00)	1.00	(1.00)
Total Comprehensive Income	3,599.00	1,077.00	4456.00	1,430.00
Attributable to				
a. Owners of the Company	3,599.00	1,077.00	4,259.00	1,307.00
b. Non Controlling Interest	Nil	Nil	197.00	123.00

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. 0.30 (Previous year Rs. 0.05) per equity share of Rs. 2/- each. It will amount to a total payout of Rs. 332 lakhs. The dividend, if approved by the shareholders, will be paid to the eligible shareholders within the stipulated period after the ensuing Annual General Meeting. The dividend will attract income tax. The Company will deduct income tax at sources as per the prescribed rates if the yearly dividend paid exceeds Rs. 5000/-. Members are request to update the Permanent Account Numbers (PAN) 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.

### 4. OPERATIONS

Your Company is venturing into Home Health care products in addition to its main activity of providing Speciality Chemicals & Solutions ensuring that the customer can be rest assured of our dependability. The Company has set up brownfield facility at Ambernath, Maharashtra. Fineotex is fastest growing synergistic segments such as Home Care and Hygiene and Drilling Specialties while continuing to focus on the core Speciality Chemicals & Solutions business. There has been a significant approach and focus on the sustainable solutions and products in the development. The company has spent Rs. 185 lakhs 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. With more international brands looking to India for production requirements and the China plus one strategy has proved beneficial.

The standalone Profit After Tax (PAT) of the Company has increased to Rs. 3,599 Lakhs from Rs. 1,078 Lakhs. The consolidated PAT registered a growth of 234% approx.

Your Company took pro-active action and took steps to meet the ever changing adverse conditions head on. We took conscious steps to assure both our suppliers and customers was no exception. The path was challenging but we adapted to new normal. The economy and the way world does business has changed and will be the same as before. Hence the Company reviewed its operations in totality and taken steps to diversify. It has started making health hygiene care products. It is setting up plants for making specialty chemicals & solutions for oil drilling industry in Ambernath in Thane District. The production will start shortly. This will contribute greatly to Company's turnover. In its traditional business of specialty business it has embarked is providing super specialty products like retentive anti-microbial and anti-odor protection to the final textile products of our customers. The foreign subsidiaries have contributed significantly in this thrust area as can be seen from the financial statements.



## 5. SHARE CAPITAL

As at the beginning of the year on 1st April, 2020, the paid up Share Capital of the Company stood at Rs. 22,26,00,000 comprising of 11,13,00,000 equity shares of Rs. 2/- each. During the year Company offered a buyback scheme and purchased 5,51,580 equity share from the market. The Share capital thus stands at Rs. 2,214.97 lakhs divided into 11,07,48,420 equity shares of Rs. 2/- each.

## 6. BUYBACK OF SHARES

The Board had approved the offer for the Buy Back of equity shares by way of an open offer which will be open only for public shareholders. The Company proposed to buy up to 11,00,000 equity shares of Rs. 2/- each fully paid at a maximum price of Rs 40/- (Rupees Forty only) per share. The offer opened on 5th August, 2020 and was to be open till 4th February, 2021. The Company opted the to close the offer earlier at its discretion after it has bought back at least 50% of the quantity. The issue was closed on 26/12/2020 before completion of 50% of the total planned buyback amount as the markets were trading a level above the maximum prices fixed for buy back.

## 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 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.

### b. Indian Subsidiaries:

Manya Steels Private Limited is the only Indian subsidiary. It was acquired for diversification. The Company will commence commercial operations in the future. It is not a material subsidiary as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 as on 31/03/2021. It has yet to commence commercial production.

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 Financial Statement.

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

The Company's finance position continues to be robust. During the year under review, the cash generation from operations reflect a substantial increase. 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 to increase its manufacturing activities and the same are financed from internal resources.

## 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. With the continuation of pandemic conditions started in January 2020 and continued during the current year, coupled with recommendary and statutory directions of the Government, the Company had to tweak the controls time and time again in national interest as well as business necessity. The Board is taking extra efforts to ensure better controls and has to be constantly vigilant on its impact on the business. The Board is continuously reviewing the changes in the controls, their impact on the business and corrective and remedial action. For this they are 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, 2021 form part of this Annual Report. The same are prepared as per the applicable 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.

## 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 2020-21 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

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. During the current year, there was an increase in transactions with one step down subsidiary. The amount of transactions with BT Chemicals Sdn Bhd were Rs. 1,642.39 lakhs during the financial year 2020-21 which is less than 10% of the annual turnover of the Group of Rs. 1,979.44 lakhs of the previous year 2019-20.

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](http://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 is exploring to appoint 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 restriction for Non-Malaysians is less.

Your Company is also required to appoint an Independent Woman Director from 2020-21 and in compliance thereof, Mrs. Bindu Shah on July 14, 2020 – the first Board Meeting of the current financial year. Mrs. Bindu Shah is a member of the Institute of Companies Secretaries of India and her Director Identification Number (DIN) is 07131459. She has also registered with Indian Institute of Corporate Affairs (IICA) and her registration number is IDDB-DI-202.001.006421. The Shareholders have approved her appointment at the 17th Annual General Meeting held on 29th September, 2020.

Mr. Manmohan Mehta, (DIN: 00391964) an Independent Director, resigned from the Board with effect from 28th October, 2020 due to his preoccupation in other activities. He was appointed as a Director on 31st December, 2007. Consequent to the changed requirements of the Companies Act, 2013, he was appointed as an Independent Director in September, 2014 for a period of 5 years. He was reappointed for the second term of 5 years at the 16th Annual General Meeting held on 27th September, 2019. The Board noted, with appreciation, the long association of Mr. Manmohan Mehta with the Company and his contributions to the Board as well as the Company over the years.

During the year, the Company appointed Dr. Sunil Waghmare and Dr. Anand Patwardhan and Independent Directors for a period of 5 years at Board Meeting held on 31st October, 2020. Dr. Sunil Waghmare's DIN is 08906042 and IICA registration is IDDB-NR-202.010.032296. He has done Phd in Chemistry and has over 30 years of experience in the field of Research & Development, Quality Assurance, Quality Control, Analytical Developments in pesticide industries and Implementation of OECD GLP, NABL and Quality Management Systems. Dr. Anand Patwardhan's DIN is 08908877 and his IICA registration is IDDB-NR-202.010.0322389. He has done Phd in Chemical Engineering and has over 13 years of experience as Professor of Chemical Engineering. His total Experience is more than 34 years. The other stipulated details are mentioned in the notice to the Annual General meeting. Their appointment is subject to your approval at the ensuing Annual General Meeting. The Board recommends their appointments.

## 16. BOARD MEETINGS

The Board of Directors of the Company met five 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’**.

## 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

### Particulars of Employees and related disclosures

None of the employees who were employed throughout the financial year were in receipt of remuneration of more than Rs. 1,02,00,000 during the year ended 31st March, 2021, 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 2021 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 erstwhile Listing Agreement with the stock exchange (“Listing Agreement”) and SEBI (Listing Obligation and Disclosure

Requirements) Regulations, 2015, the Company circulates certain notes to familiarise the Independent Directors to familiarize them with 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 recently appointed Independent Directors did not participate in the evaluation due to their very short association.

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 held on 27th September, 2019 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. 4,00,000/- 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, 2021 on the financial statements of the Company is a part of this Annual Report. The Auditors’ Report for the financial year ended 31st March, 2021 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 2021-22 in accordance with these rules as the annual turnover of the Company from all its products and services during 2020-21 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 necessary and hence M/s V J Talati & Co. are proposed to be appointed as mentioned in the Notice to the 18th 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 HS Associates, Company Secretaries as Secretarial Auditors for 2021-2022.

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

The Secretarial Audit Report for 2020-21 does not contain any qualification, reservation or adverse remark.

## 22. CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules 2014, it is mandated that your Company spends at least 2% of its average last 3 years net profit after tax on Corporate Social Responsibility (CSR) Activities and explained therein. This was the fourth year of compliance for your Company; the Company has formed a Committee which has gone through the requirements and decided to carry out the same through the Trust who carry out these activities. The Company had to Spend Rs. 45.21 Lakhs in 2020-21. 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 of Risk Management Committee are not applicable for your Company. However, the management of the Company is determining 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. From 2021-22, it is mandatory to appoint a Risk Management Committee which the Company will do during this year.

## 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.

## 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..](http://fineotex.com/InvestorRelation.aspx#InvestorRelation..)

No complaints/suggestions were received during the year

## 26. HUMAN RESOURCES

The Company has total 240 employees out of which 117 are permanent employees and 123 are contract worker at the year-end. From the total permanent employees, over 20% are women. 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.

## 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 necessary return has been filed with ---

The following is a summary of sexual harassment complaints and disposed of during the year 2020-21

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 REPORT

Your Company stands at 958th position at 31st March, 2020 based on market capitalization amongst the companies listed on the National Stock Exchange of India. It has advanced to 828th position as on 31st March, 2021. Accordingly, from this year the Board has to submit a Business Responsibility Report 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, an extract of the Annual Return as on 31st March, 2021 in Form **MGT-9** is attached herewith as **Annexure '7'** and forms part of this Report.

### 34. ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation to the Central Government, the State Governments, 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: 17th June, 2021

## 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’ attached hereto

#### Form ‘A’

	Power & Fuel Consumption	2020-21	2019-20
<b>1. Electricity</b>			
	Purchased Units (Nos)	3,21,230.00	3,49,651.00
	Total Cost (Rs.)	29,37,133.00	29,49,620.00
	Rate / Unit (Rs.)	9.14	8.44
<b>2. Diesel Oil</b>			
	Quantity (K.Ltrs)	1,121.60	4,404.88
	Total Cost (Rs.)	90,131.00	2,12,444.00
	Average rate per K Ltr. (Rs.)	80.36	70.96

### 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. 185 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.

Sr. No	Particulars	2020-21	2019-20
		Rupees in Lakhs	
(a)	Total Foreign exchange earned	3,382.51	3,062.41
	i. Sales – Export	3,381.18	2,887.05
	ii. Dividend	-	172.01
	iii. Commission Received	1.33	3.35
(b)	Total Foreign exchange used	1,997.95	1,566.06
	i. Commission	28.51	41.65
	ii. Travelling & Exhibition	1.54	20.38
	iii. Import	1885.57	1467.40
	iv. Salary	-	2.24
	v. Professional Fees	35.60	34.38
	vi. Freight Charges	43.13	-
	vi. Membership	3.60	-



## Annexure 'B' to the Directors Report

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT INDUSTRY STRUCTURE AND DEVELOPMENTS

#### GLOBAL DEVELOPMENTS AND THEIR EFFECT

The economy came to standstill during 2020 due to the COVID-19 pandemic. The ensuing lockdowns impacted consumer sentiments which resulted in the contraction of the economy by 3.3% during the year. Several developed and emerging nations are witnessing the second and third wave of the virus and this has caused uncertainty in the near to medium term recovery. Most countries have launched nationwide vaccination initiatives to restrict the virus. This is anticipated to bring some relief to economic activity in 2021. The combination of gradual easing of lockdowns, mass vaccination drives, and accommodative monetary policies are anticipated to support the global economic recovery.

#### INDIAN ECONOMY

The Indian economy was impacted during 2020-21 on account of internal and external factors. This was further aggravated due to the pandemic. During the second half of the year, the country experienced a V-shaped recovery post the gradual opening of the economy. There are still uncertainties in the overall recovery in the near term due to the second phase of the covid-19, however the situation is gradually improving. Furthermore, continued public investment, accelerated vaccine roll-out and surge in domestic demand is anticipated to support the growth forecast for the current year.

#### EFFECT ON MANUFACTURING SECTOR

The manufacturing sector was drastically impacted by the pandemic. China, which is the manufacturing hub of the world, was severally impacted by the lockdowns. It brought the manufacturing facilities to a standstill, derailing the entire global supply chain. Mandatory closures, changes in buyer behaviour, disruptions to the supply chain, amongst other factors, contributed to the overall risk that the manufacturing industry is facing. The industry felt most of the impact, causing unemployment, decreases in revenue, and notable delays in production.

#### SPECIALTY PERFORMANCE CHEMICALS AND SOLUTIONS MANUFACTURING INDUSTRY

All the major sectors of the process manufacturing industry are faced supply chain disruptions during the pandemic. This has led to a majority of the companies adapting to the new norm and innovate to remain relevant. The need of the hour though, for them, is to:

- Introduce worker safety measures, along with best hygiene & sanitization practices, at work
- Revisit their sourcing strategies, and line up alternate suppliers
- Rationalize their product ranges
- Evaluate supply chain agility, and make it more resilient
- Review their crisis or emergency response plans
- Optimize and streamline e-commerce and distribution networks

#### FINEOTEX GROUP AND THE WAY AHEAD

The current year unfolded with India and various parts of the globe under lockdown thus bringing most of the manufacturing sector to a grinding halt. Companies had to quickly adapt to the changing scenario. Fineotex continued to persevere and showed its resiliency during the pandemic. Fineotex has invested, expanded and diversified its operations despite the Pandemic. The Company re-strategized and diversified its supply chain to make it more resilient and mitigate risks. The stress of the Government of India on Atmanirbhar or self-reliance helped to ease the supply to some extent. In the short run the prices had increased reducing the gross margins. However, Fineotex persisted by diversifying its product mix and employing cost management strategies. The Company recorded its highest profits and proposed the highest ever dividend this year. Fineotex and Biotex have always been synonymous with quality and assurance and this has helped the Company tide over during these uncertain times.

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. Diversifying into new product portfolios where demand required by the industry is high and also at a household level as part of the Cleaning and Hygiene segment
3. The Ambernath plant has been approved and certified by Food & Drugs Administration (Maharashtra State) department. The license has been granted for production of disinfectant / antimicrobial hygiene and cleaning products ensuring safety and effectiveness
4. Building capacities for the present textile chemical products and for the new products. Focus on locations where supply of raw materials and delivery of finished goods is convenient. The plant is strategically located near key ports in Mumbai, providing logistical and cost advantages. It also meets the highest sustainability standards keeping in line with our overarching vision of greener products and product stewardship. Experienced team members have joined the Fineotex Team from reputed Cleaning and Hygiene Companies
5. Invested Rs. 185 lakhs in research and development activities on a consolidated basis
6. The Company has been focusing on Environmental, Social and Governance factors and makes efforts to respect, protect and make efforts to restore the environment. We consider our employees as our most valuable asset and have been working toward keeping them engaged and inspired. 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.

#### FINEOTEX AND SPECIALTY CHEMICALS

Fineotex has continued to evaluate new opportunities and has focused on building a diversified portfolio. The Company has established its

brand in both the domestic as well as the export market. Super specialty finishing products have a large export market and the Company has capitalized on this increased demand during the year. Due to the pandemic and subsequent lockdown, the demand for textiles has fallen and may persist in the near term. However the shortfall will be met by increased opportunities globally. Fineotex is catering to this increased demand by increasing capacities, producing new super specialty chemicals and established its position overseas.

The bulk of the Company's chemicals are used in the apparel segment of the textile industry. Its products are well accepted and are used by the big brands in the textile industry in India. There is no significant textile manufacturer or processor who does not use Fineotex products. The products are also accepted worldwide with exports covering over 60 countries.

## The SWOT Analysis

### Strength

For Fineotex, dependability and durability is the foundation of the brand. This coupled with its ability to find process solutions for our customers enables the Company to establish a loyal customer base. 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.

### Weakness

The speciality 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

Fineotex is constantly looking for new avenues to expand the business. During the last 40 years, it has developed multiple products and provided solutions to the scores of customers. The COVID-19 scenario has brought a paradigm change in the business outlook and environment. Even during difficult times Fineotex has been able to adopt to situations and convert opportunities into ventures. Introduction of super specialty textile chemicals, entering into cleaning and hygiene products and facilitating oil drilling processes are evidence of Fineotex's ability to capitalize on opportunities.

### Threats

Barring unavoidable scenarios 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. It is expected

to rise by 12.5% in 2021-22. We were in a similar situation last year and are hopefully better equipped to face any unforeseen circumstances going forward.

At Fineotex, we are happy to note that despite the lockdown, we were able to surpass last year's income from operations on a standalone basis and increased it by over 11% at the group level. As we had forecasted and planned last year, when the pandemic was at a very early stage, we implemented risk mitigation strategies and this has benefitted the company.

The Company has identified a large addressable market for solutions used in disinfectants and sanitizers and has taken steps to produce home care and hygiene products as its contribution to fight the pandemic. This timely change has opened new opportunities for Fineotex, and it has already taken steps to put in place additional facilities.

The Company is also diversifying into the Oil Drilling industry. It is in the process of creating additional facilities at the new Brownfield plant in Ambarnath, near Mumbai. Production will begin in at the end of the first quarter of the FY22. This will pave the way for several new products in this domain. 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.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

The standalone Profit after tax (PAT) of the Company has increased to Rs. 3,599 Lakhs from Rs. 1,078 Lakhs. The consolidated PAT registered a growth of 234% 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:-

Rs. in lakhs	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Income from Operations	12,948.00	12,885.00	21,851.00	19,634.00
PBDIT before Exceptional Items	4,500.00	2,965.00	5,587.00	3,458.00
PAT	3,599.00	1,077.00	4,456.00	1,430.00
EPS (of Rs 2/-) (Basic & Diluted)	3.25	0.97	3.85	1.17

As per the Ind AS 108 on Business Segments prescribed under section 133 of Companies (Indian Accounting Standard) Rules 2015, the Company has only one segment, i.e. specialty or auxiliary chemicals and preparations which are mainly used in textile processing. The Company's products play an important role in the textile manufacturing processes. With cautious growth after the pandemic subsides, it is expected that the textile industry in the coming year will have new and varied demand for chemicals based on the increasing expectation of quality and fashionable textile products. The total quantitative sales in 2020-21 were 18,472 MT against 19,127 MT in 2019-20. It is pertinent to note that quantity is not an indicative criteria to evaluate performance as the quantity may vary depending upon the concentration level of products sold.

The Company's financial performance is sound. The ratios are as under:

		Standalone		Consolidated	
		2020-21	2019-20	2020-21	2019-20
Inventory Turnover	Times	5.96	9.96	7.60	9.31
Interest Coverage ratio	Number	143.01	103.32	78.17	55.90
Debt Equity ratio	Times	0.02	0.02	0.02	0.02
Gross Profit Margin	Percent	44%	41%	36%	37%
Net Worth	Rs. in Lakhs	18,111	14,752	20,934	16,969

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Internal Control Systems are reviewed by the Whole Time Directors as well as the management team on a consistent basis. The Company has an effective system of receipt, storage and utilization of materials – especially in the environment in which the Company operates and the same was modified due to the various changes and restriction in the economy. The products used are not standardized, however each supplier has to meet the set requirements and rules. It has in place adequate system of internal checks and controls to ensure safety and proper recording of all assets of the Company and their proper and authorized utilization. The Company constantly reviews its adherence to environmental norms. The Audit Committee reviews its adequacy from time to time. Measures are taken to strengthen the same and check its effectiveness.

**HUMAN RESOURCE**

The Company has total 240 employees out of which 117 are permanent employees and 123 are contract worker at the year-end. From the total permanent employees, over 20% are women. We consider our employees as our most valuable asset and have been working towards keeping them engaged and inspired. The Company is aware that the success of its business depends upon its technical experts coordinating with research and development staff on the 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.

**SAFETY AND HEALTH**

Fineotex is focused on creating and ensuring a healthy workplace, free from occupational hazards. Emphasis has been on training employees on preventive measures and setting up proofing measures on site. This has enabled the company to keep workplace hazards to a minimum. The Company also provides various health benefits and health related awareness programmes. The Company also undertakes activities which are focused on health and safety of its employees in all plants.

**For and on behalf of the Board**

**Surendrakumar Tibrewala**  
(Chairman & Managing Director)  
DIN: 00218394

**Sanjay Tibrewala**  
(Executive Director)  
DIN: 00218525

Place : Mumbai  
Dated: 17th June, 2021

## 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, 2021 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, 2021 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 Jhunjhunwala
Mr. Sanjay Tibrewala (DIN 00218525)	Executive Director	Nil	Nil	Son of Mr. Surendrakumar Tibrewala and Brother of Mrs. Aarti Jhunjhunwala
Mr. Manmohan Mehta (DIN 00391964) Resigned w.e.f 28/10/2020	Independent Director	Aceelene Suitings Limited	Nil	--
Mr. Navin Mittal (DIN 03555295)	Independent Director	Nil	Nil	--
Mr. Alok Dhanuka (DIN 06491610)	Independent Director	Nil	Nil	--
Mrs. Aarti Jhunjhunwala (DIN 07759722)	Independent Director	Nil	Nil	Daughter of Mr. Surendrakumar Tibrewala and Sister of Mr. Sanjay Tibrewala
CS (Mrs.) Bindu Darshan Shah* (DIN 07131459)	Independent Director	Kamadgiri Fashion Limited (KFL)	Member-Audit Committee of KFL Chairman – Stakeholder Relationship Committee of KFL	--
Dr. Sunil Vasant Waghmare** (DIN 08906042)	Independent Director	Nil	Nil	--
Dr. Anand Vinayak Patwardhan** (DIN 08908877)	Independent Director	Nil	Nil	--

\*Woman Independent Director

\*\*Appointed as Independent Director on 31st October 2020 by the Board and the appointment will be put before the Shareholders at the ensuing 18th Annual General Meeting

+ 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. 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, 5 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	AGM
Director’s Name / Date of Meeting	14/07/2020	27/07/2020	31/10/2020	26/12/2020	22/01/2021	29/09/2020
Mr. Surendrakumar Tibrewala	P	P	P	P	P	P
Mr. Sanjay Tibrewala	P	P	P	A	P	P
Mr. Manmohan Mehta	P	P	Resigned w.e.f 28/10/2020			P
Mr. Navin Mittal	P	P	P	P	P	P
Mr. Alok Dhanuka	P	P	P	P	P	P
Mrs. Aarti Jhunjunwala	P	P	P	P	P	p
CS (Mrs) Bindu Darshan Shah (w.e.f. 14/07/2020)	NA	P	P	A	P	P
Dr. Sunil Vasant Waghmare (w.e.f. 31/10/2020)	NA	NA	NA	A	P	NA
Dr. Anand Vinayak Patwardhan (w.e.f. 31/10/2020)	NA	NA	NA	A	P	NA

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 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 21 years. He is a B.Com and has completed higher studies in Textile processing. 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. Manmohan Mehta was appointed as a Director of the Company on 31st December, 2007 liable to retire by rotation as per the provisions of Companies Act, 1956. At the 11th Annual General Meeting held on 23rd September, 2014 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 which was further increased by a term of 5 years. However due to his preoccupation with his business, he resigned from the Board with effect from 28/10/2020. The Board noted with sincere appreciation the services rendered by him over the last 13 years and wished him all the best in his future endeavors.

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. He has given the necessary declaration confirming his eligibility and willingness to act as such as required under the Act. Mr. Alok Dhanuka being eligible for re-appointment for the next term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 has furnished the Company a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013. 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 Jhunjunwala 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 Jhunjunwala as an Executive Director. 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 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 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 appointment is to be confirmed by the shareholders at the ensuing Annual General Meeting. His experience and knowledge would be of great value to the Company.

Dr. Anand 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 is working as a Professor of Chemical Engineering in Chemical Engineering Department, ICT Mumbai. He has been member of various expert panels and guide to several students at Doctoral Level. His appointment is to be confirmed by the shareholders at the ensuing Annual General Meeting. His knowledge and experience would be of tremendous help to the Board.

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 <http://fineotex.com/Investor-Relation.aspx>.

### 4. Certification from Company Secretary in Practice

M/s. HS Associates, Practicing 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 17 June, 2021.

### 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. However for the year ended 31/03/21 it is extended till 30th June 2021.

### 6. Recommendations of Committees of the Board

There were no instances during the financial year 2020-21, 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. 4.85 lakhs for financial year 2020-21, for Statutory Audit and Rs. 3.47 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	×	×	×	√	√	√

**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 present members of the Audit Committee are Mr Alok Dhanuka is the Chairman of the Committee. Mr. Sanjay Tibrewala is the Executive Director and Mrs. Bindu Shah is the Independent Non-Executive Directors. Company Secretary of the Company is the secretary of the Audit Committee. Mrs. Bindu Shah was appointed as a member of the Committee due to the vacancy caused on resignation of Mr. Manmohan Mehta who resigned from the Board with effect from 28th October, 2020.

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

Attendance at the Audit Committee Meetings:

Name of Director	14/07/2020	27/07/2020	31/10/2020	22/01/2021
Mr. Alok Dhanuka	P	P	P	P
Mr. Sanjay Tibrewala	P	P	P	P
Mr. Manmohan Mehta*	P	P	NA	NA
Mrs. Bindu Shah**	NA	NA	P	P

P = Present, A= Absent, NA= Not Applicable

\*Mr. Manmohan Mehta resigned w.e.f. 28th October, 2020.

\*\*Mrs. Bindu Shah appointed as member in Audit Committees with effect from 31st October, 2020

**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. Manmohan Mehta was Chairman of the Committee. He resigned from the Board w.e.f. 28th October 2020. The Board appointed Mrs. Bindu Shah as a Member of NRC. The Committee at its meeting on 31st October reconstituted itself. Mr. Alok Dhanuka is the Chairman of the Committee with Mr. Navin Mittal and Mrs. Bindu Shah as members. All members are Independent and Non-Executive Directors.

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

Name of Director	14/07/2020	27/07/2020	31/10/2020
Mr. Alok Dhanuka	P	P	P
Mr. Navin Mittal	P	P	P
Mr. Manmohan Mehta*	P	P	NA
Mrs. Bindu Shah**	NA	NA	P

P = Present, A= Absent, NA= Not Applicable.

\*Mr. Manmohan Mehta resigned w.e.f. 28th October, 2020

\*\* Mrs. Bindu Shah appointed as member in NRC Committees with effect from 31st October, 2020

## 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. Earlier, Mr. Manmohan Mehta was Chairman of the Committee. He resigned from the Board w.e.f. 28th October 2020. The Board appointed Mrs. Bindu Shah as a Member of this Committee.

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

During the year 2020-21 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, 2021.

No share transfers/transmissions/issue of duplicate share certificates was pending as on 31st March, 2021.

Mr. Hemant Auti. is the Company Secretary and the Compliance Officer of the Company The Committee met 4 times during the year and the attendance is given below.

Name of Director	14/07/2020	27/07/2020	31/10/2020	22/01/2021
Mr. Alok Dhanuka	P	P	P	P
Mr. Sanjay Tibrewala	P	P	P	P
Mr. Manmohan Mehta*	P	P	NA	NA
Mrs. Bindu Shah**	NA	NA	P	P

P = Present, A= Absent, NA= Not Applicable.

\*Mr. Manmohan Mehta resigned w.e.f. 28th October, 2020

\*\*Mrs. Bindu Shah appointed as member in SRC Committees with effect from 31st October, 2020.

## 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. Mrs. Bindu Shah was appointed as a member of the Committee due to the vacancy caused on resignation of Mr. Manmohan Mehta who resigned from the Board with effect from 28th October, 2020.

Name of Director	14/07/2020	27/07/2020	31/10/2020
Mr. Surendrakumar Tibrewala	P	P	P
Mr. Sanjay Tibrewala	P	P	P
Mr. Manmohan Mehta*	P	P	NA
Mrs. Bindu Shah**	NA	NA	P

P = Present, A= Absent, NA= Not Applicable.

\*Mr. Manmohan Mehta resigned w.e.f. 28th October, 2020

\*\*Mrs. Bindu Shah appointed as member in CSR Committees with effect from 31st October, 2020.

The Corporate Social Responsibility Policy had been adopted by the Company. There was a lack of guidance with regard to the implementation of this policy Company spent over Rs. 3.22 lakhs on sanitizers which ultimately did not qualify for CSR expenses. The Committee recommended that instead of starting a separate activity for this policy, the same may be implemented through the eligible Trusts established in this field.

Your Company contributes to eligible trust established in the field of CSR. The Company had to spend Rs. 45.21 Lakhs during the current year. It has spend Rs. 53.00 Lakhs for the financial year in review.

These trusts are pursuing activities in the areas of educational institutions, hospitals and welfare clinics and women empowerment 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

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.

From 2021-22, it is mandatory to appoint a Risk Management Committee which the Company will do during this year.

## 15. Meeting of Independent Directors

The Independent Directors met once during the year on the 22nd January, 2021 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 Jhunjunwala 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.

Committee also recommended the payment of sitting fees to the Independent Directors. The details of fees paid are given in the Annexure in form MGT-9.

The details of remuneration paid/provided to the Executive Directors form part of the Extract of the Annual Report given in form MGT-9 as an attachment to this report.

#### **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 the Board of its holding company. Fineotex Malaysia Limited which is a wholly owned subsidiary of the Company 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>

#### **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 [http:// fineotex.com/Investor-Relation.aspx](http://fineotex.com/Investor-Relation.aspx)

## 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
2017-18	28 – Sept-2018	4.00 P.M	Rajpuria Bagh, Navinbhai Thakkar Road, Vile Parle East, Mumbai 400057.	<ol style="list-style-type: none"> <li>1. Raising of Funds through Issue of Securities.</li> <li>2. Alteration of Object Clause of the Memorandum of Association of the Company.</li> <li>3. Appointment of Mrs. Aarti Jhunjhunwala as an Executive Director of the Company.</li> <li>4. Contracts with related Parties</li> </ol>
2018-19	27 – Sept-2019	5.00 P.M	Rajpuria Bagh, Navinbhai Thakkar Road, Vile Parle East, Mumbai 400057.	<ol style="list-style-type: none"> <li>1. Reappointment of Mr. Manmohan Mehta and Mr Alok Dhanuka as Independent Directors for 2nd Term</li> <li>2. Reappointment and revision in remuneration of Managing Director and Executive Directors</li> <li>3. Raising of Funds through Issue of Securities.</li> <li>4. Increase in Authorised capital to Rs. 28. Crs</li> <li>5. Alteration to Capital Clause in Memorandum of Association</li> <li>6. Alteration of Capital Clause inf the Articles of Association of the Company.</li> <li>7. Contracts with related Parties</li> </ol>
2019-20	29-Sept-2020	5.00 P.M.	Through Video Conference (VC) & Other Audio Video Means (OAVM)	<ol style="list-style-type: none"> <li>1. Remuneration of cost auditors</li> <li>2. Re-appointment of mr. Navin mittal as an independent director of the company</li> <li>3. Appointment of mrs. Bindu shah as an independent director of the company</li> <li>4. Approval of fineotex chemical limited employees’ stock option scheme 2020’ (“fcl-esop 2020”) –</li> <li>5. Approval of grant of stock options to the employees/directors of subsidiary company(ies) (present &amp; future) under fineotex chemical limited employees’ stock option scheme 2020’ (“fcl-esop 2020”) fineotex chemical limited employees’ stock option scheme 2020’ (“fclesop 2020”)</li> <li>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”)</li> <li>7. Contracts with related parties was not approved as a special resolution. However, the amount transacted is less than 10% of the Group’s Gross Turnover for the previous years as stipulated in SEBI (LODR) Regulations 2015.</li> </ol>

### Extra-ordinary General Meeting

During the Financial Year 2020-2021, no Extra-ordinary General Meeting was held.

## 22. Postal Ballot

There was no Special Resolution passed through Postal Ballot during the financial year 2020-21. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot as E-voting facility is provided.

## 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/assets/investor-relation/other/other-bottomcomman/Unpaid-Unclaimed-Dividend-28th-September-2018.pdf>

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 2020-2021 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
Total till 31/03/2021	19124	2009

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](http://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 2020-21 has been paid by the Company to BSE and NSE on 19/05/2020. 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](http://www.fineotex.com). The Company's Email Id is [investor.relations@fineotex.com](mailto:investor.relations@fineotex.com). Individual communication of the half yearly results is not made to the shareholders.

The Company has total 38,869 shareholders as on 31st March,

2021 and the total holding is in dematerialized form except for 12 shareholders holding 187 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 <http://fineotex.com/Investor-Relation.aspx>.

**General Shareholder Information**

- a. **Annual General Meeting :**  
 Day and Date : Friday, 16th July, 2021  
 Time : 5.00 p.m.  
 Venue : Through. Video Conference (VC) & Other Audio Video Means (OAVM)
- b. **Financial Calendar for 2021-22 :**  
 Period : The Company's Financial Year is a 12 months period from April to following March.  
 April-June 2021 : Dates for Unaudited/ Audited Results.  
 July-Sept 2021 : 1st Fortnight of August, 2021  
 Oct-Dec 2021 : 1st Fortnight of November, 2021  
 Jan-Mar -2022 : 1st Fortnight of February, 2022 before 30th May, 2022
- c. **Book Closure :** 10th July, 2021 to 16th July, 2021
- d. **Dividend :** Re. 0.30 per equity share of Rs. 2/- each
- e. **Dividend payment date :** On or after 21st July, 2021 (Subject to shareholder approval)
- 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 2020-21.

Month	BSE			NSE		
	High (Rs.)	Low (Rs)	Turnover (Rs.in Lakh)	High (Rs.)	Low (Rs)	Turnover (Rs.in Lakh)
April 2020	27.08	14.91	114.48	27.05	14.75	1,187.94
May 2020	31.20	23.00	224.50	31.15	23.00	11,599.97
June 2020	29.15	24.90	195.55	29.00	24.70	1,330.73
July 2020	36.00	26.00	758.54	36.00	26.25	5,803.82
August 2020	36.95	29.05	429.47	37.00	29.10	3,123.25
September 2020	34.15	29.65	160.03	33.45	29.65	1,190.68
October 2020	33.55	29.15	119.18	33.75	29.30	6,99.94
November 2020	48.00	30.20	927.15	44.80	30.60	7,925.10
December 2020	69.90	41.05	6,187.55	69.90	41.25	19,968.20
January 2021	70.05	56.35	1,532.55	70.20	57.00	10,738.21
February 2021	76.20	62.25	1,024.73	76.40	62.45	9,165.88
March 2021	70.20	56.60	1401.41	71.20	58.50	5,310.01

Source: BSE and NSE Website

## i. Market Price variation in relation to BSE Sensex during 2020-21

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 2020	27.08	14.91	33,887.25	27,500.79
May 2020	31.20	23.00	32,845.48	29,968.45
June 2020	29.15	24.90	35,706.55	32,348.10
July 2020	36.00	26.00	38,618.03	34,927.20
August 2020	36.95	29.05	40,010.17	36,911.23
September 2020	34.15	29.65	39,359.51	36,495.98
October 2020	33.55	29.15	41,048.05	38,410.20
November 2020	48.00	30.20	44,825.37	39,334.92
December 2020	69.90	41.05	47,896.97	44,118.10
January 2021	70.05	56.35	50,184.01	46,160.46
February 2021	76.20	62.25	52,516.76	46,433.65
March 2021	70.20	56.60	51821.84	48,236.35

## j. Market Price variation in relation to NSE Nifty during 2020-21

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 2020	27.05	14.75	9,889.05	8,055.80
May 2020	31.15	23.00	9,598.85	8,855.30
June 2020	29.00	24.70	10,553.15	9,544.35
July 2020	36.00	26.25	11,341.40	10,485.55
August 2020	37.00	29.10	11,794.25	10,908.10
September 2020	33.45	29.70	11,618.10	10,790.20
October 2020	33.75	29.30	12,025.45	11,347.05
November 2020	47.00	30.60	13,145.85	11,557.40
December 2020	69.90	41.25	14,049.85	12,962.80
January 2021	70.20	57.00	14,753.55	13,596.75
February 2021	76.40	62.45	15,431.75	13,661.75
March 2021	71.20	58.50	15,336.30	14,264.40



**k. Share Transfer System**

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

**l. Dematerialisation of shares**

99.99 % of total Equity Share Capital is held in dematerialized form with NSDL and CDSL as at 31st March 2021. Members can hold shares in electronic form and trade the same in Depository system. The Company has total 38,869 shareholders as on 31st March, 2021 and the total holding is in dematerialized form except for 12 shareholders holding 187 physical shares. 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, 2021 is as follows:

Category	No. of shareholders	No. of Equity Shares held	% of Shareholding
Promoters (Non Corporate)	10	6,77,14,820	61.14
Promoters (Corporate)	2	39,83,000	3.60
Domestic Bodies Corporate	123	42,99,220	3.88
Clearing Members	157	6,76,381	0.61
Non Resident Indians	590	10,03,853	0.91
Mutual Funds	1	68,08,595	6.15
Financial Institutions	1	78	0.00
IEPF	1	2,009	0.00
Public	37,984	2,62,60,464	23.71
<b>Total</b>	<b>38,869</b>	<b>11,07,48,420</b>	<b>100.00</b>

**n. Distribution of shareholding**

The Distribution of shareholding as on 31st March, 2021 is as follows:

Category (no. of shares)	No of shareholders	Shares held	% of share holding
1-5000	37,209	1,14,66,480	10.3526
5001-10000	926	34,31,474	3.0984
10001-20000	409	31,51,038	2.8452
20001-30000	111	14,27,465	1.2889
30001-40000	61	10,95,112	0.9893
40001-50000	29	6,68,051	0.6032
50001-100000	64	23,05,132	2.0815
100001- 100000000	60	8,72,03,668	78.7399
<b>Total</b>	<b>38,869</b>	<b>11,07,48,420</b>	<b>100.0000</b>

Distribution of shares held in physical form and with depositories as on 31st March, 2021:

Held with	No of shareholders (folios)	No of shares
Physical	12	187
National Securities Depository Limited	16244	9,37,52,870
Central Depository Services (I) Ltd	22613	1,69,95,363
<b>Total</b>	<b>38869</b>	<b>11,07,48,420</b>

- 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,**  
1st Floor, Bharat Tin Works Building,  
Opp.Vasant Oasis, Makwana Road,  
Marol, Andheri (E), Mumbai - 400059  
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** : grievances@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: 17th June, 2021

**Annexure ‘D’ to the Directors Report**

**BUSINESS RESPONSIBILITY REPORT**

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1.	Corporate Identity Number (CIN) of the Company	: L24100MH2004PLC144295
2.	Name of the Company	: Fineotex Chemical Limited
3.	Registered address	: 42,43 Manorama Chambers S. V. Road; Bandra (W)  Mumbai 400 050
4.	Website	: www.fineotex.com
5.	E-mail id	: investor.relations@fineotex.com
6.	Financial Year reported	: 1st April, 2020 to 31st March, 2021
7.	Sector(s) that the company is engaged in (industrial activity code-wise)	:
8.	List three key products/ services that the company manufacturers/ provides (as in the balance sheet)	1. <b>Finishing Textiles Processing Chemicals</b> 2. <b>Printing Textiles Processing Chemicals</b> 3. <b>Dyeing Textiles Processing Chemicals</b>
9.	Total number of locations where business activity is undertaken by the Company	<b>2</b>
	A) Number of International Locations	
	B) Number of National Locations Plant Manufacturing facilities	<b>6</b>
	C) Administrative offices	<b>1</b>
	D) Regional Offices in India	<b>2</b>
10.	Markets served by the Company	: Local/State/ National/International

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1.	Paid up Capital (INR) (Rs. Lakhs)	: Rs. 2,214.97
2.	Total Turnover (INR) (Rs. Lakhs)	: Rs. 12,947.77

3.	Total profit after taxes 2020-2021 (INR)	: Rs. 3598.72
4.	Total budgeted expenditure on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	: CSR spend, as per Section 135 read with Schedule VII of the Companies Act, 2013, is Rs. 45.21 lakhs (i.e. 2% of the average profit for last three years)
5.	List of activities in which expenditure in above has been incurred	i) Environment Protection and Sustainability ii) Promoting education and vocational skills iii) Preventive healthcare and Sanitation iv) Eradicating extreme hunger v) Medical services to tribal population below poverty line.

**SECTION C: OTHER DETAILS**

**1. Does the Company have any Subsidiary Company/ Companies?**

The Company has two wholly owned Indian Subsidiary, Manya Steels Private Limited and Fineotex Specialties Private Limited Incorporated on 5th September, 2020. It has two wholly owned foreign subsidiaries – Fineotex Malaysia Limited (FML) in Malaysia and Fineotex Specialties FZE in UAE. FML has three subsidiaries and one Wholly owned subsidiary- BT Biotex Limited UAE incorporated in UAE on 10th November, 2020.

**2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s):**

No. Manya Steels Private Limited has very limited activity. Fineotex Specialties Private Ltd is just started and is most likely to be operating in the same field as FCL itself.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30-60%, More than 60%):**

No other entities that the Company does business with, participate in the BR initiatives of the Company.

**SECTION D: BR INFORMATION**

**1. Details of the BR Head**

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00218525
2.	Name	Mr. Sanjay Tibrewala
3.	Designation	Executive Director & CFO
4.	Telephone Number	022-26559175
5.	E- mail ID	sanjay@fineotex.com

**2. The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:**

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability;
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;
P3	Businesses should promote the wellbeing of all employees;
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized;
P5	Businesses should respect and promote human rights;
P6	Business should respect, protect, and make efforts to restore the environment;
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner;
P8	Businesses should support inclusive growth and equitable development;
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

**Details of compliances**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for ....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies and consultation are continuing and the policies too are in the evolving stage.								
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		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. Blue Sign 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								
4.	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y



6.	Indicate the link for the policy to be viewed online	<p>All applicable policies relevant to external stakeholders are hosted on FCL website- <a href="http://www.fineotex.com">www.fineotex.com</a> on following address:</p> <ul style="list-style-type: none"> <li>a. Policy For Determining Material Subsidiary</li> <li>b. Succession Policy</li> <li>c. Black Stationery Policy</li> <li>d. Code of Conduct For All Directors &amp; Senior Management</li> <li>e. Code of Conduct For NED's and ID's</li> <li>f. Whistleblower Policy</li> <li>g. RPT Policy</li> <li>h. Policy for determination of Material Subsidiary</li> <li>i. Code of Practices and Procedures for Fair Disclosure of UPSI</li> <li>j. Nomination Remuneration Policy</li> <li>k. Website Archival Policy</li> <li>l. CSR Policy</li> <li>m. Preservation of Document policy</li> <li>n. Code of Conduct to Regulate Monitor and Report Trading by Insiders</li> </ul> <p style="text-align: right;"><a href="https://fineotex.com/policy.aspx">https://fineotex.com/policy.aspx</a></p>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The setting up of policy and its implementation is evolving by trial and error method. Hence the stage has not reached for audit of the same. Suggestions from the stakeholders is welcomed.								

**a. If answer to the question at Sr.No.1 against any principle, is 'No', please explain why: (Tick up to 2 options): N.A.**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	N.A.								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

**2. Governance related to BR**

**a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?**

Reporting of BR initiatives and its implementation have been made mandatory for the Company recently. The Company is in the process initiating policies, processes, interaction with stakeholders and implementation of these initiatives which were severely affected during the pandemic.

- b) **Does the Company publish a BR or Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

FCL published Business Responsibility Report for the first time last year. The applicability of the same is since last year. In the current year the activities were affected due to pandemic.

## SECTION E – PRINCIPLE WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability;

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**

No.

**Does it extend to the Group/ Joint Ventures/ Suppliers / Contractors / NGOs/ Others?**

So far it is only for FCL and its Indian subsidiaries. FCL is exploring the involvement with its direct stakeholders like suppliers, customers etc.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

There were no significant complaints. Minor differences of opinion were solved mutually.

Stakeholder	No. of Complaint received	No. of Complaint resolved	% Resolved
Shareholder's Complaints	Nil	Nil	Nil
Customers/Consumers	Nil	Nil	Nil
Related to services, tenders and through Public Grievance Redressal	Nil	Nil	Nil
Vigilance	Nil	Nil	Nil
RTI	Nil	Nil	Nil
Workers Grievance	Nil	Nil	Nil

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities?**

The Company does not have a standardized product. Its 10 top products contribute only 18% of sales.

The production process does not cause any major Pollution issue which is addressed as per the Regulations.

Its sale products are not hazardous

2. **For each such products, provide the following details in respect of resources use (energy, water, raw materials etc.) per unit of product (optional):**

- a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

Reduction of cost and substitution of raw materials is a continuous process to increase efficiency as well as to meet the changing customer requirements.

- b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

This is the continuous need for continued modification and request for improving their operation performances that changes are necessitated in our product deliverables.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

The Company has procedures and policies to prefer the ecological, sustainable low BOD/COD raw materials and making sure that there is no effluent caused due to such inputs.

4. **Has the Company taken any steps to procure goods and services from local & small procedures, including communities surrounding their place of work?**

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

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, > 10%). Also provide the details thereof, in about 50 word or so.**

The Company has very little waste and is not toxic. The waste is discharged after meeting the requirement of the local pollution control authorities.

### Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the total number of employees:**

The Company has total 240 employees out of which 117 are permanent employees and 123 are contract worker at the year-end. From the total permanent employees, over 20% are women.

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis:**

The total number of employees hired on temporary/ contractual/ casual basis as on 31.03.2021 are 123

3. **Please indicate the Number of permanent women employees:**

The total number of permanent women employees as on 31.03.2021 are 23

4. **Please indicate the Number of permanent employees with disabilities:**

The total number of employees with disabilities as on 31.03.2021 are Nil.

**5. Do you have an employee association that is recognized by management?**

The Company has a limited staff with the management having a cordial and one to one relationship with the employee.

**6. What percentage of your permanent employees is members of this recognized employee association?**

The Company has no recognized employee association.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

Sr. No.	Safety & skill up gradation training	Total Employees	Employees Trained	% Employees Trained
		Total employees	Trained	%
1	Permanent Men Employees	94	94	100
2	Permanent Women Employees	23	23	100
3	Casual/Temporary/ contractual employees	123	123	100
4	Employees with Disabilities	NA	NA	NA

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes. Over the years of Company's existence, the Company has mapped its internal (like employees & Shareholders) and external stakeholders (such as communities and customers etc.).

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

Yes, the Company has identified its disadvantaged, vulnerable & marginalized stakeholders.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details of thereof, in about 50 words or so.**

Yes, special initiatives are taken up under Corporate Social Responsibility for upliftment of disadvantages, vulnerable and marginalized sections of the society. The details of such activities are available on the website.

**Principle 5: Businesses should respect and promote human rights**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**

The Company follows the principles of human rights as enshrined in the Universal Declarations of the human rights of the United Nations and generally observed in India.

FCL's Subsidiaries, Associates / Suppliers / Contractors / NGOs / Others are separate legal entities having their own policies and procedure. Domestic subsidiaries are covered by FCL Policy on human rights etc. Overseas subsidiaries are governed by local laws in this regard.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

We have not received any complaints with respect to human right violations.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures etc**

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.

**2. Does the policy related to Principle 6 cover only the Company or extends to the Group/ subsidiaries / Suppliers/ Contractors/ NGOs/ others.**

FCL's Policy of Health, Safety and Environment covers the Company and its Indian Subsidiaries.

**3. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? Y/N please give hyperlink for webpage etc**

Yes. FCL has started publishing the Business Responsibility Report from last year. Its contribution in this regard can be through CSR initiatives or donations and it can be accessed from the link: <http://www.fineotex.com/>

**4. Does the Company identify and assess potential environmental risks? Y/N**

Yes. Company identifies and assesses potential environment

risks by evaluating operating plants, processes, storages through implementing ISO14001 Environmental Management System.

5. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, if about 50 words or so. Also if yes, whether any environmental compliance report is filed?**

Our products and processes are not hazardous or cause great pollution. The discharges are within the limits prescribed by the local authorities. The reports are filed with authorities as prescribed.

6. **Has the Company undertaken any other initiatives on- clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, please give hyperlink for web page etc.**

The consumption of power and fuel is limited and not significant. With better supply of electricity, the fuel consumption is reduced and consequently the pollution.

7. **Are the Emissions/Wastes generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The Emissions/Wastes generated by the Company are within the permissible limits given by CPCB/ SPCB and periodical reports are submitted to the authorities.

8. **Number of show cause/legal notice received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**

Yes, your Company is a member of

- a) CHEMEXCIL
- b) Thane-Belapur Industrial Association

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

No.

3. **If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

The Company in association with various national and international bodies and participating with various committees of government of India and other agencies gives its view on various public policies and more particularly in the following areas:

- Governance and Administration
- Economic Reforms, Inclusive Development Policies

- Principles for Sustainable Business

**Principle 8: Businesses should support inclusive growth and equitable development**

1. **Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, 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”. At our Company employees are recognized based on their merit and skill and nobody is differentiated on the basis of cast, creed, gender and/ or religion. All CSR programs of the Company are towards downtrodden and weaker strata of the society, which includes education, sanitation, nutrition, drinking water projects etc.

2. **Are the programs/projects undertaken through in-house team/own foundation/ external NGO/ government structures/ any other organization?**

CSR programs are implemented through Trusts etc who are doing the activities approved by the Government of India for CSR activities.

3. **Have you done any impact assessment of your initiative?**

No, but are checking if the activities are carried on.

4. **What is your Company’s direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

The total contribution towards CSR for the year 2020-21 is Rs. 45.21 lakhs. The details of projects have been provided in Annexure 6 of the Directors Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. We ask the donees to confirm that the money spent has been utilized for CSR activities.

The details on “Corporate Social Responsibility’ are provided in Annexure 6 of the Directors Report.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. **What percentage of customer complaint/ consumer cases are pending as on the end of financial year?**

There are no Complaints.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information).**

Our products are predominantly for industrial use and are vastly for specific customer needs and there is no such requirement for suitable and required precautions to be taken, like product



application procedure, recommended dozes, storing guidance etc.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending at end of financial year. If so, provide details thereof, in about 50 words, or so.**

No, any case against the Company was filed on grounds of unfair trade practices, irresponsible advertising and/or anti-competitive behavior.

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

Yes, consumer survey was conducted during 2019-20. We assess the level of consumers' satisfaction towards the Organization's Products & Services at various extension platforms such as trade

fairs. Predominantly our product service involves active and joint participation to evaluate the performance of our product in the operating processes of our customers and attempt to give them solutions for improving their results.

**For and on behalf of the Board**

**Surendrakumar Tibrewala**  
(Chairman & Managing Director)  
DIN: 00218394

**Sanjay Tibrewala**  
(Executive Director)  
DIN: 00218525

Place : Mumbai  
Dated: 17th June, 2021

## Annexure '1'

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

Amounts outstanding as on 31st March, 2021

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

Loans, deposits, guarantees and investments made during the Financial Year 2020-2021

Name of Entity	Relation	Amount Given	Amount received	Balance on 31/03/2021	Particulars
Manya Steels Private Limited	WOS	-	-	1,16,34,486.00	Lease Deposit
Slogantagsz Clear Display India Private Limited	Business	3,50,00,000.00	-	3,50,00,000.00	Inter Corporate Deposit
Fineotex Specialities Private Limited	WOS	1,54,13,194.00	1,07,81,150.00	46,32,044.00	Loan
Equity Shares	Own	8,34,51,023.00	14,23,39,023.00	5,29,03,430.00	Investments
Mutual Funds	Own	27,52,59,723.00	56,13,03,387.00	26,24,92,083.00	Investments
Guarantees	Own	5,86,150.00		25,75,250.00	For Suppliers / customers

**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)

<b>I. Details of Contracts or arrangements or transactions not at arm's length basis</b>							
<b>Name of The Related Party and nature of relationship</b>	<b>Nature of Contract</b>	<b>Duration Of Contract</b>	<b>Salient terms</b>	<b>Justification for the Contract</b>	<b>Date(s) of Board Approval</b>	<b>Advance if any</b>	<b>Date of Special Resolution of shareholders</b>
Surendrakumar Tibrewala - Chairman & Managing Director	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
Surendrakumar Tibrewala - Chairman & Managing Director	Property taken on Lease (Office Premises -42, Manorama Chambers, S. V Road, Bandra (W) Mumbai 400050)	5 years from 01/04/2019 to 31/03/2024	Security Deposit – Rs. 60,00,000 Monthly Rent- Rs. 75000/- 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	Property taken on Lease (Office Premises, 157, 1st Floor, Sanjay Building No.6, Mittal Industrial Premises Co-op Society Ltd, Sir M.V.Road, Marol, Andheri (E), Mumbai – 400059)	3years 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 3 Years	Business Requirement for office premises	14-05-2019	Deposit given	27-09-2019
Aarti Jhunjhunwala - Executive Director	Remuneration to Wholetime Director	3 years from 01/10/2019 to 30/09/2022	Salary- Rs. 2,25,000/-p.m. Other Allowance- Rs. 50,000/- p.m. Perquisites- not exceeding Sum of Rs. 60,000/- p.a.	Remuneration upto Rs. 7,50,000/- p.m with minimum salary restricted upto that account. and retirement benefits The upper limit was Rs.1 Crores	14/05/2019	Nil	28-09-2018 & 27-09-20219

Kanaklata Tibrewala	Property taken on Lease (Office Premises , 43, Manorama Chambers, S. V Road, Bandra (W) Mumbai 400050)	5 years from 01/04/2019 to 31/03/2024	Security Deposit – Rs. 60,00,000 Monthly Rent- Rs. 75000/- 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	Property taken on Lease (Factory Premises A700, TTC MIDC, Navi Mumbai 400705)	5 years from 01/04/2019 to 31/03/2024	Security Deposit – Rs. 60,00,000 Monthly Rent- Rs. 40,000/- Subject to increment @15% Every 3 Years	Business Requirement for Factory premises	14-05-2019	Deposit given	27-09-2019
Proton Biochem Private Limited	Sale/Purchase of goods and services of all kinds giving loans & advances for business purpose	5 years from 0/04/2019 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

## 2. 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	Date(s) of Board Approval	Advance if any	Date of Special Resolution of shareholders
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	27-07-2020	Deposit Taken	Nil
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	22-01-2021	Deposit Taken	Nil
Fineotex Malaysia Limited (FML) Wholly owned Foreign 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.	14-05-2019	Nil	Nil
BT Chemicals SDN BHD- (Subsidiary of FML) 2nd Tier Foreign Subsidiary	Investment/ Loans and Sale/ Purchase of goods and services of all kind	5 years from 01/04/2019 to 31/03/2024	All Type of Business Transaction upto Rs. 50 Crore	14-05-2019 and 22-04-2021	Nil	Nil
BT Biotex SDN BHD- (Subsidiary of FML) 2nd Tier Foreign Subsidiary	Investment/ Loans and Sale/ Purchase of goods and services of all kind	5 years from 01/04/2019 to 31/03/2024	All Type of Business Transaction upto Rs. 10 Crore	14-05-2019	Nil	Nil



## FINEOTEX CHEMICAL LIMITED

Rovatex (Subsidiary of FML) 2nd Tier Foreign Subsidiary	Investment/ Loans and Sale/ Purchase of goods and services of all kind	5 years from 01/04/2019 to 31/03/2024	All Type of Business Transaction upto Rs. 10 Crore	14-05-2019	Nil	Nil
Manya Steels 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	All types of business transactions including partial or total sale of investment upto Rs. 10 crores p.a.	14-05-2019	Deposit Given Rs. 79 lakhs	Nil
Fineotex Specialities FZE - Wholly owned Foreign Subsidiary	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	14-05-2019	Nil	Nil
Hemant Auti - Company Secretary	Employee	14/08/2019 till superannuation	Company Secretary and Compliance Officer	13-08-2019	Nil	Nil

**For and on behalf of the Board**

**Surendrakumar Tibrewala**  
(Chairman & Managing Director)  
DIN: 00218394

**Sanjay Tibrewala**  
(Executive Director)  
DIN: 00218525

Place: Mumbai  
Date: 17th June, 2021

## 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 2020-21.

S. No	Name of Employee	Designation	Ratio of Remuneration of each Director to Median Employee	% increase in Remuneration
1.	Surendrakumar Tibrewala	CMD	18.66	-9.45%
2.	Sanjay Tibrewala	Executive Director & CFO	18.66	-9.45%
3.	Aarti Jhunjhunwala	Executive Director	6.92	-5.68%
4.	Hemant Auti	Company Secretary	1.19	NA

#### 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. The percentage increase in median employee for the financial year was 1.4%. This is not comparable as during the year there was a Salary deduction 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. The Company has total 240 employees out of which 117 are permanent employees and 123 are contract worker at the year-end. From the total permanent employees, over 20% are women.
  3. 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.
  4. 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 13%.
  5. The market capitalization has increased from Rs. 16,472.40 Lakhs on 31-03-2020 to Rs. 72,872.46 lakhs as on 31.03.2021. 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. 658.00 as on 31/03/2021.
  6. 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
  7. 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 : 17th June, 2021

## 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 : 17th June, 2021



**Annexure '5'**

**SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

**FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2021.**

[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, 2021, 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 2021, 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. The Depositories Act, 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, 2009;
  - 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;
  - 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 above except in respect of matters specified below:

1. Board bought back 5,51,580 (Five Lakhs Fifty-One Thousand Five Hundred and Eighty) equity shares during the financial year pursuant to the provisions of Section 68 of Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Buyback of Securities) Regulations 2018. However, there has been a delay of 3 days in public announcement required to be done after the closure of buyback period as per regulation 24(vi) of SEBI (Buyback of Securities) Regulations 2018. Also, there has been a delay in filing of return of buyback as required by section 68 of Companies Act, 2013 read with regulation 5(iii) of SEBI (Buyback of Securities) Regulations 2018 to SEBI and Registrar of Companies, Mumbai. As regards to requirement of Reg 15 read with Reg 20(vii) of SEBI (Buyback of Securities) Regulations 2018 there has been a shortfall in the amount earmarked for buyback, as specified in board resolution. As informed by the management, Buyback could not be pursued as the market price was above the maximum buyback price permitted and hence it was closed earlier
2. Board has not appointed an Independent Director from its Board on the Board of its Material Subsidiary Company incorporated outside India in compliance with Reg. 24(1) of SEBI (LODR) Regulations, 2015. As informed by the management, Since Malaysian Law requires the Director to obtain a work permit from the Malaysian Government and there is also the resistance of minority shareholders for such an appointment.

**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. Board accepted resignation of Mr. Manmohan Mehta (DIN:00391964) as Non-Executive Independent Director w.e.f 28th October, 2020 and appointed Dr. Sunil Waghmare (DIN:08906042) and Dr. Anand Patawardhan (DIN: 08908877) as Additional Non-Executive Independent Director w.e.f 31st October, 2020 for a period of 5 years subject to shareholders approval in the ensuing annual general meeting
2. Board incorporated Fineotex Specialities Private Limited on 5th September, 2020 a Wholly owned Indian Subsidiary Company.
3. The Company in its 17th Annual General Meeting held on Tuesday; 29th September, 2020 passed following resolutions:
  - a) A Special Resolution for re-appointment of Mr. Navin Mittal (DIN: 03555295) 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 second term of period of 5 (Five) years.
  - b) A Special Resolution for appointment of Mrs. Bindu Shah (DIN: 07131459) 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 14th July, 2020.
  - c) A Special Resolution for approval of Fineotex Chemical Limited Stock Option Scheme 2020, grant of Stock Options to the Employees of Subsidiary Companies (Present and Future) under of Fineotex Chemical Limited Stock Option Scheme 2020 and grant of Stock Options to the identified employees of the Company during 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 Stock Option Scheme 2020 pursuant to Section 62(1)(b) read with all other applicable provisions of the Companies Act, 2013 along with Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations 2014. However, as on the date of signing of this report company has not initiated any action for giving effect to aforesaid resolution.
  - d) A 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, 2021.
  - 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 for

entering into transactions with Related Parties. However, this resolution was not carried through due to inadequacy of votes required for passing the resolution as special resolution. However, as informed by the management company has entered into a related party transaction which are in ordinary course of business and at arm length basis and the actual transactions were less than 10% of the Consolidated Turnover as stipulated under Reg 23 SEBI (LODR) Regulations 2015.

4. Company ratified the Interim Dividend during the Annual General Meeting which was declared for the Financial Year 2019-20. Board transferred 1350 (One Thousand Three Hundred and Fifty) equity shares and Rs.13,337.45/- (Rupees Thirteen Thousand Three Hundred Thirty-Seven and Forty-Five Paise Only) as unpaid and unclaimed dividend to IEPF authority for the financial year ended 2012-2013 pursuant to section 124(5) of the Companies Act, 2013 read with applicable rules made thereunder.
5. The Company is in the process of transferring unclaimed shares to the demat suspense account as per Regulation 39(4) of SEBI (LODR) Regulations, 2016.
6. 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 HS Associates**  
Company Secretaries

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

Date: 17th June, 2021

Place: Mumbai

ICSI UDIN: F002827C000476003

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.
6. This report is based on data received from the Company partially through electronic mode as physical verification of the data and corresponding documents could not be accessed during the course of audit due to the ongoing nationwide lockdown on account of COVID-19 pandemic.

**For HS Associates**  
Company Secretaries

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

Date: 17th June, 2021

Place: Mumbai

ICSI UDIN: F002827C000476003

## 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 Committies 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. Earlier Mr. Manmohan Mehta, an Independent Director was a member till he resigned from the Board w.e.f 28/10/2020.

- 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>
- 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.
- 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.	2019-20	(Rs. 0.25 Lakhs)	(Rs. 0.25 Lakhs)

- Average net profit of the Company as per Section 135(5) = Rs. 2260.60 Lakh
- 2% of the average net profit of the company as per Section 135(5) = Rs. 45.21 Lakh
  - Surplus arising out of the CSR Projects or programmes or activities of the previous Financial Year = NIL
  - Amount required to be set off for the Financial Year, if any = NIL
  - CSR Obligation for the financial year (7a+7b-7c) = Rs. 45.21 Lakh
- (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.53 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.												



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

Sl. 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
NA									

(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

In Lakh

Sl. NO.	Particulars	Amount (in Rs.)
(i)	2% of the average net profit of the company as per Section 135(5)	45.21
(ii)	Total Amount Spent for the Financial year	53.00
(iii)	Excess amount spent for the financial year[ (ii)-(i)]	7.79
(iv)	Surplus arising out of the CSR Projects or Programmes or activities of the Previous Financial Years, if any	-0.25
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	7.54

**note**

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

Sl. 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	
1.	2019-2020						Rs.0.25 lakhs

(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								
Arrears of Rs. 0.25 lakhs of 2019-20 spent in current year								

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: 17th June, 2021

Annexure '7'

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31st March, 2021

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014]

**I. REGISTRATION AND OTHER DETAILS**

Company Identification Number (CIN)	L24100MH2004PLC144295
Registration Date	30th January, 2004
Name of Company	Fineotex Chemical Limited
Category/Sub-category of the Company	Company Limited By Shares
Address of the Registered Office and Contact details	42/43, Manorama Chambers, S.V Road, Bandra (West), Mumbai 400050. Tel. No. 022-26559174-77 Fax 022-26559178 investor.relations@fineotex.com; www.fineotex.com
Name, Address & Contact Details of Registrar & Transfer Agents	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp.Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai - 400059 Tel. No. : 022 – 62638200 Fax No : 022 – 62638299

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of chemical products or preparations of a kind used in the textiles, paper, leather and like industries	20297	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Manya Steels Private Limited	U24200MH2009PTC195660	Subsidiary	100	2(87)(ii)
2.	Fineotex Specialities Private Limited	U24290MH2020PTC345418	Subsidiary	100	2(87)(ii)
3.	Fineotex Malasiya Limited	Not Applicable	Foreign Subsidiary	100	2(87)(ii)
4.	Fineotex Specialities FZE	Not Applicable	Foreign Subsidiary	100	2(87)(ii)
5.	BT Chemicals Sdn Bhd	Not Applicable	Foreign Step Down Subsidiary	71.92	2(87)(ii)
6.	BT Biotex Sdn Bhd	Not Applicable	Foreign Step Down	72.38	2(87)(ii)
7.	Rovatex Sdn Bhd	Not Applicable	Foreign Step Down Subsidiary	74.76	2(87)(ii)
8.	BT Biotex Limited	Not Applicable	Foreign Step Down Subsidiary	100	2(87)(ii)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Share Holding**

Category of Shareholder	No. of Shares held at the beginning of the year (As On 01.04.2020)				No. of Shares held at the end of the year (As on 31.03.2021)				% Change during the year
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>(A) Shareholding of Promoter and Promoter Group</b>									
<b>1. Indian</b>									
(a) Individual / HUF	7,55,10,070	0	7,55,10,070	67.84	67714820	0	67714820	61.14	(6.70)
(b) Central /State government(s)	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	39,83,000	0	39,83,000	3.58	39,83,000		39,83,000	3.60	0.02
(d) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0

Category of Shareholder	No. of Shares held at the beginning of the year (As On 01.04.2020)				No. of Shares held at the end of the year (As on 31.03.2021)				% Change during the year
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(e) Any Others (Specify)	0	0	0	0	0	0	0	0	0
(f) Group Companies	0	0	0	0	0	0	0	0	0
(g) Directors Relatives	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(1) :</b>	<b>79493070</b>	<b>0</b>	<b>79493070</b>	<b>71.42</b>	<b>71697820</b>	<b>0</b>	<b>71697820</b>	<b>64.74</b>	<b>(6.68)</b>
<b>2. Foreign</b>									
(a) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
(b) Individual	0	0	0	0	0	0	0	0	0.00
(c) Institutions	0	0	0	0	0	0	0	0	0.00
(d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
(e) Any Others (Specify)	0	0	0	0	0	0	0	0	0.00
<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total holding for promoters (A) = (A)(1) + (A)(2)</b>	<b>79493070</b>	<b>0</b>	<b>79493070</b>	<b>71.42</b>	<b>71697820</b>	<b>0</b>	<b>71697820</b>	<b>64.74</b>	<b>(6.68)</b>
<b>(B) Public shareholding</b>									
<b>1. Institutions</b>									
(a) Central / State Government(S)	0	0	0	0	0	0	0	0	0.00
(b) Financial Institutions / Banks	119564	0	119564	0.11	78	0	78	0.00	(0.11)
(c) Mutual Funds / UTI	0	0	0	0	6808595	0	6808595	6.15	6.15
(d) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(e) Insurance Companies	0	0	0	0	0	0	0	0	0.00
(f) FI's	0	0	0	0	0	0	0	0	0.00
(g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0.00
(h) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
(i) Any Others (Specify)	0	0	0	0	0	0	0	0	0.00
(j) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(k) Alternate Investment Fund	0	0	0	0	0	0	0	0	0.00
<b>Sub Total (B)(1)</b>	<b>119564</b>	<b>0</b>	<b>119564</b>	<b>0.11</b>	<b>6808673</b>	<b>0</b>	<b>6808673</b>	<b>6.15</b>	<b>6.04</b>
<b>2. Non-institutions</b>									
(a) Bodies Corporate	1705814	0	1705814	1.53	4299220	0	4299220	3.88	2.35
(b) Individual									
(i) (Capital Upto To Rs. 1 Lakh)	23394018	2187	23396205	21.02	20412505	187	20412692	18.43	(2.59)
(ii) (Capital Greater Than Rs. 1 Lakh)	2903803	0	2903803	2.61	4591710	0	4591710	4.15	1.54
(C) Any Others (Specify)									
(i) Hindu Undivided Family	851868	0	851868	0.77	1256062	0	1256062	1.13	0.37
(ii) Trusts	0	0	0	0	0	0	0	0	0.00
(iii) Clearing Member	1420208	0	1420208	1.28	676381	0	676381	0.61	(0.67)
(iv) Non Resident Indians (NRI)	0	0	0	0	169579	0	169579	0.15	0.15
(v) Non Resident Indians (Repat)	1091117	0	1091117	0.98	630470	0	630470	0.57	(0.41)
(vi) Non Resident Indians (Non Repat)	317692	0	317692	0.29	203804	0	203804	0.18	(0.10)
(vii) Directors Relatives	0	0	0	0	0	0	0	0	0.00
(viii) Employee	0	0	0	0	0	0	0	0	0.00
(ix) Overseas Bodies Corporates	0	0	0	0	0	0	0	0	0.00
(x) Unclaimed Suspense Account	0	0	0	0	0	0	0	0	0.00
(xi) IEPF	659	0	659	0.00	2009	0	2009	0	0.00
(d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
(e) NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
<b>Sub Total (B)(2)</b>	<b>31685179</b>	<b>2187</b>	<b>31687366</b>	<b>28.47</b>	<b>32241740</b>	<b>187</b>	<b>32241927</b>	<b>29.11</b>	<b>0.64</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>31804743</b>	<b>2187</b>	<b>31806930</b>	<b>28.58</b>	<b>39050413</b>	<b>187</b>	<b>39050600</b>	<b>35.26</b>	<b>6.68</b>
<b>(B) Shares held by Custodians and against which Depository receipts have been issued</b>									
Shares Held By Custodians	0	0	0	0	0	0	0	0	0
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
<b>Sub Total (C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(C) = (C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A) + (B) + (C)</b>	<b>111297813</b>	<b>2187</b>	<b>111300000</b>	<b>100.00</b>	<b>110748233</b>	<b>187</b>	<b>110748420</b>	<b>100.00</b>	<b>0.00</b>



**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2020)			Shareholding at the end of the year (As on 31.03.2021)			%change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to	
1	Surendra Tibrewala DPID-CLID IN30002011592514	50190000	45.0943	0	42390000	38.2759	0	-6.8184
2	Surendrakumar Deviprasad Tibrewala DPID-CLID IN30002010511550	18465830	16.591	0	18465830	16.67	0	0.0827
3	Surendra Tibrewala (HUF)	345500	0.31	0	345500	0.31	0	0.00
4	Sanjay Tibrewala	3213990	2.89	0	3213990	2.90	0	0.00
5	Nidhi Tibrewala	1000	0.00	0	1000	0.00	0	0.00
6	Aarti Mitesh Jhunjunwala	50	0.00	0	50	0.00	0	0.00
7	Kanaklata Tibrewala	3281700	2.95	0	3281700	2.96	0	0.0147
8	Ritu Tibrewala	11000	0.01	0	11000	0.01	0	0.00
9	Mitesh Vinod Jhunjunwala	1000	0.00	0	5750	0.00	0	0.00
10	Kamal Chemicals Pvt Ltd	2954500	2.65	0	2954500	2.66	0	0.0133
11	Proton Biochem Pvt Ltd	1028500	0.92	0	1028500	0.93	0	0.00
	<b>TOTAL</b>	<b>79493070</b>	<b>71.42</b>	<b>0</b>	<b>71697820</b>	<b>64.74</b>	<b>0</b>	<b>(6.68)</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1.</b>	<b>Surendrakumar Deviprasad Tibrewala DPID-CLID IN30002011592514</b>				
	At the beginning of the year	50190000	45.0943	50190000	45.0943
	Bought during the year	0	0	0	0
	Sold during the year	7800000	7.043	42390000	38.2759
	At the end of the year	42390000	38.2759	42390000	38.2759
<b>2.</b>	<b>Mitesh Vinod Jhunjunwala</b>				
	At the beginning of the year	1000	0.00	1000	0.00
	Bought during the year	4750	0.00	5750	0.01
	Sold during the year	0	0	0	0
	At the end of the year	5750	0.01	5750	0.01

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1.</b>	<b>NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMALL CAP FUND</b>				
	At the beginning of the year	0	0	0	0
	Bought during the year	6808595	6.15	6808595	6.15
	Sold during the year	0	0	0	0
	At the end of the year	6808595	6.15	6808595	6.15

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>2.</b>	<b>ARCADIA SHARE AND STOCK BROKERS PVT LTD-PROPRIETARY A/C</b>				
	At the beginning of the year	860250	0.78	860250	0.78
	Bought during the year	2209207	1.99	3069457	2.77
	Sold during the year	(3069456)	(2.77)	0	0
	At the end of the year	1	0	1	0
<b>3.</b>	<b>CAPRI GLOBAL HOLDINGS PRIVATE LIMITED</b>				
	At the beginning of the year	0	0	0	0
	Bought during the year	760000	0.69	760000	0.69
	Sold during the year	0	0	0	0
	At the end of the year	760000	0.69	760000	0.69
<b>4.</b>	<b>MARUTI NANDAN COLONIZERS PRIVATE LIMITED</b>				
	At the beginning of the year	0	0	0	0
	Bought during the year	885612	0.80	885612	0.80
	Sold during the year	(276176)	(0.25)	609436	0.55
	At the end of the year	609436	0.55	609436	0.55
<b>5.</b>	<b>YASH MANAGEMENT AND SATELLITE LTD.</b>				
	At the beginning of the year	581296	0.52	581296	0.52
	Bought during the year	175000	0.16	756296	0.68
	Sold during the year	(581296)	(0.52)	175000	0.16
	At the end of the year	175000	0.16	175000	0.16
<b>6.</b>	<b>DISHANT MILANBHAI PARIKH</b>				
	At the beginning of the year	0	0	0	0
	Bought during the year	501641	0.45	501641	0.45
	Sold during the year	0	0	0	0
	At the end of the year	501641	0.45	501641	0.45
<b>7.</b>	<b>PRATEEK D AGRAWAL</b>				
	At the beginning of the year	410000	0.37	410000	0.37
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	410000	0.37	410000	0.37
<b>8.</b>	<b>LEXIS RESIDENCY LLP</b>				
	At the beginning of the year	0	0	0	0
	Bought during the year	401000	0.36	401000	0.36
	Sold during the year	0	0	0	0
	At the end of the year	401000	0.36	401000	0.36
<b>9.</b>	<b>UPSURGE INVESTMENT AND FINANCE LIMITED</b>				
	At the beginning of the year	59530	0.05	59530	0.05
	Bought during the year	700000	0.63	759530	0.63
	Sold during the year	(59530)	(0.05)	700000	0.63
	At the end of the year	700000	0.63	700000	0.63
<b>10.</b>	<b>ARUN DHIR</b>				
	At the beginning of the year	0	0	0	0
	Bought during the year	292500	0.26	292500	0.26
	Sold during the year	0	0	0	0
	At the end of the year	292500	0.26	292500	0.26

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Shareholding		Date wise increase/decrease on Share Holding during the year specifying the reason for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc.)			Cumulative Shareholding during the year (01.04.2020 to 31.03.2021)	
		For Each of the Directors and KMP	No. of Shares at the beginning (01.04.2020)	% of total Shares of the company	Date	Increase/ (Decrease) in holding	Reason	No. of Shares
1	Surendrakumar Tibrewala	68655830	61.99	31.12.2020	7800000	Sell	60855830	54.95
2	Sanjay Tibrewala	3213990	2.89	-	-	-	3213990	2.90
3	Aarti Jhunjunwala	50	0.00	-	-	-	50	0.00
4	Navin Mittal	-	-	-	-	-	-	-
5	Manmohan Mehta	191476	0.17	03.04.2020	(5000)	Sell	-	-
				19.06.2020	(45376)	Sell		
				26.06.2020	(141100)	Sell		
				30.06.2020	186476	Buy		
				03.07.2020	(38297)	Sell		
				10.07.2020	(67324)	Sell		
				17.07.2020	106251	Buy		
				14.08.2020	(25000)	Sell		
				21.08.2020	(18424)	Sell		
				06.11.2020	(143052)	Sell	0	0.00
6	Alok Dhanuka	-	-	-	-	-	-	-
7	Bindu Shah	-	-	-	-	-	-	-
8	Dr. Anand Patwardhan	-	-	-	-	-	-	-
9	Dr. Sunil Waghmare	-	-	-	-	-	-	-
10	Hemant Auti							

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	2,94,69,955	-	-	2,94,69,955
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,94,69,955</b>	-	-	<b>2,94,69,955</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	56,83,593	-	-	56,83,593
Deletions	10,21,955	-	-	10,21,955
Net Change	46,61,638	-	-	46,61,638
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,41,31,593	-	-	3,41,31,593
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,41,31,593</b>	-	-	<b>3,41,31,593</b>

Trade deposits from customers not considered as deposits u/s 2(31) of the Companies Act, 2013. Credit is offered to them on transactions.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (Rs.)
		Surendrakumar Tibrewala (Managing Director)	Sanjay Tibrewala (WTD and CFO)	Aarti Jhunjhunwala (Executive Director)	
1.	Gross salary	75,52,500.00	75,52,500.00	28,02,500.00	1,79,07,500.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	46,800.00	46,800.00	29,250.00	1,22,850.00
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission: as % of profit others, specify	-	-	-	-
5.	Others, please specify				
	Provident Fund	2,62,200.00	2,62,200.00	1,28,250.00	6,52,650.00
	Gratuity	-	1,13,371.00	55,453.00	1,68,824.00
	<b>Total (A)</b>	<b>78,61,500.00</b>	<b>79,74,871.00</b>	<b>30,15,453.00</b>	<b>1,88,51,824.00</b>
	<b>Ceiling as per the Act</b>	<b>5,00,00,000.00</b>	<b>5,00,00,000.00</b>	<b>5,00,00,000.00</b>	<b>15,00,00,000.00</b>

### B Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Manmohan Mehta (Resigned w.e.f. 28/10/2020)	Navin Mittal	Alok Dhanuka	Mrs. Bindu Shah	Dr. Sunil waghmare	Dr. Anand Patwardhan	Total Amount (Rs.)
								NIL
<b>1.</b>	<b>Independent Directors</b>							
	Fee for attending Board / Committee meetings	10,000.00	20,000.00	10,000.00	20,000.00	10,000.00	10,000.00	80,000.00
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify							
	Reimbursement	Nil	Nil	Nil	20,000	Nil	Nil	20,000
	<b>Total (1)</b>	<b>10,000.00</b>	<b>20,000.00</b>	<b>10,000.00</b>	<b>40,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>1,00,00,000.00</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>							
	Fee for attending Board / Committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>10,000.00</b>	<b>20,000.00</b>	<b>10,000.00</b>	<b>40,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>1,00,00,000.00</b>
	<b>Total Managerial Remuneration</b>	<b>10,000.00</b>	<b>20,000.00</b>	<b>10,000.00</b>	<b>40,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>1,00,00,000.00</b>
	<b>Overall Ceiling as per the Act</b>							

**C. Remuneration to Key Managerial Personnel Other Than Manager / WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (Rs.)
		CEO	Hemant Auti (Company secretary)	Sanjay Tibrewala (CFO)	
1.	Gross salary			As in A	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,93,073	As in A	<b>4,93,073</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission: - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>4,93,073</b>	-	<b>4,93,073</b>

**VII. PENALTIES/ PUNISHMENT/ COMPUNDING OF OFFENCES:**

During the year, no penalties were levied against the Corporation, its directors or any of its officers under the Companies Act, 2013 nor was there any punishment or compounding of offences against the Corporation, its directors or any of its officers.

**For and on behalf of the Board**

**Surendrakumar Tibrewala**  
(Chairman & Managing Director)  
DIN: 00218394

**Sanjay Tibrewala**  
(Executive Director)  
DIN: 00218525

Place: Mumbai  
Dated: 17th June, 2021



## CEO / CFO CERTIFICATE

To,  
The Board of Directors  
Fineotex Chemical Limited

1. We have reviewed financial statements and the cash flow statement of Fineotex Chemical Limited (the Company) for the year ended March 31, 2021 and to the best of our knowledge and belief: these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. 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.

**Surendrakumar Tibrewala**  
Chairman and Managing Director  
DIN: 00218394

**Sanjay Tibrewala**  
Executive Director & CFO  
DIN: 00218525

Place: Mumbai  
Date: 17th June, 2021

## 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 2020-2021.

**Surendrakumar Tibrewala**  
Chairman and Managing Director  
DIN: 00218394

Place: Mumbai  
Date: 17th June, 2021

**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](http://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, 2021 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.	MANMOHAN RANJITSINGH MEHTA	00391964	31/12/2007 (Resigned w.e.f 28th October, 2020)
4.	NAVIN BHIMSEN MITTAL	03555295	02/09/2011
5.	ALOK SHASHIKANT DHANUKA	06491610	11/02/2013
6.	AARTI MITESH JHUNJHUNWALA	07759722	14/08/2018
7.	BINDU DARSHAN SHAH	07131459	14/07/2020
8.	SUNIL VASANT WAGHMARE	08906042	31/10/2020
9.	ANAND VINAYAK PATWARDHAN	08908877	31/10/2020

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 **HS Associates**  
Company Secretaries

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

ICSI UDIN: F002827C000476036

Date: 17th June, 2021  
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, 2021 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, 2021 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, 2021.

### **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, 2021, 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 certificate is shown or into whose hands it may come without our prior consent in writing.

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

**(Manish Pansari)**  
Partner  
Membership No.: 137974

Place : Mumbai  
Date : 17th June, 2021

## **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 2021, 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, 2021, 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.

### **Emphasis of Matter**

We draw attention to Note No 39 (a) (iv) of the standalone financial statements which explains the impact of COVID-19 pandemic on the Company's operations and financial statements. The actual impact is dependent on future developments, which are highly uncertain.

Our Opinion is not modified in respect of this matter.

### **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, 2016 ("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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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, 2021.

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

**(Manish Pansari)**  
**Partner**  
**Membership No. : 137974**

**Place: Mumbai**  
**Date: April 22, 2021**

## **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 2021.**

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 (v),(ix),(xii),(xiv),(xv) & (xvi) of paragraph 3 of the Companies (Auditor’s Report) Order, 2016 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) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to information and explanations given to us, the inventory, 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 discrepancies noticed on verification between the physical stock and the book records were not material and the same have been properly dealt with in the books of account.
- (iii) According to information and explanations given to us, the Company has granted Loans, unsecured, to one of its wholly owned subsidiary covered in the register maintained under section 189 of the Act, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that there is no stipulation of schedule of repayment of principal and payment of interest for the loans given by the Company. As such we are unable to make specific comment on regularity of repayment of principal and payment of interest.
- (c) According to the information and explanations given to us and based on the audit procedures conducted by us, we are unable to make any specific comment on the overdue outstanding as at year end, as the loans are given by the company without any stipulation of schedule of repayment of principal and payment of interest.
- (iv) In our opinion and 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. 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 has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee’s state insurance, income tax, sales tax, service tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues, to the extent applicable to it.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, Goods and service tax, duty of customs and duty of excise duty, value added tax as at March 31, 2021 which have not been deposited on account of any dispute.
- (vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government and has not issued any debentures.
- (viii) To the best of our knowledge and as per information and explanations given by the management, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year under review.
- (ix) According to the information and explanations given to us and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (x) 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.

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

**(Manish Pansari)**  
**Partner**

**Place: Mumbai**  
**Date: April 22, 2021**

**Membership No. : 137974**

**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 2021.**

**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, 2021 in conjunction with our audit of the standalone 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, and matter described in “Emphasis of Matter” paragraph above, 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, 2021, 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**

**Place: Mumbai**  
**Date: April 22, 2021**

**Membership No. : 137974**

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	4,809.68	2,927.76
Capital Work in Progress	3	264.53	48.35
Investment Property	3	378.57	378.57
Financial Assets			
Investments	4	4,183.07	5,331.32
Others	5	315.56	292.41
Deferred Tax Assets (Net)	6	-	55.46
Other Non - Current Assets	7	498.67	420.10
<b>Total Non - Current Assets</b>		<b>10,450.07</b>	<b>9,453.97</b>
<b>Current Assets</b>			
Inventories	8	2,173.76	1,293.14
Financial Assets			
Investments	9	86.10	849.57
Trade Receivables	10	5,792.20	3,908.27
Cash & Cash Equivalents	11	45.45	189.58
Bank Balance other than above	12	1,075.10	55.01
Other Financial Assets	13	33.70	1.69
Other Current Assets	14	892.49	661.32
		<b>10,098.80</b>	<b>6,958.58</b>
Asset Classified as Held for Sale	15	720.69	720.69
<b>Total Current Assets</b>		<b>10,819.50</b>	<b>7,679.28</b>
<b>TOTAL ASSETS</b>		<b>21,269.57</b>	<b>17,133.25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	16	2,214.97	2,226.00
Other Equity	17	15,896.20	12,526.30
<b>TOTAL EQUITY</b>		<b>18,111.17</b>	<b>14,752.30</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Financial Liabilities			
Borrowings			
Other Financial Liabilities	18	51.96	49.64
Provisions	19	5.89	5.50
Deferred Tax Liability (Net)	6	66.19	-
<b>Total Non - Current Liabilities</b>		<b>124.03</b>	<b>55.14</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	20	341.32	274.05
Trade Payables	21	-	-
Dues to Micro and Small Enterprises		-	-
Dues to Others		2,384.13	1,788.62
Other Financial Liabilities	22	9.94	17.11
Other Current Liabilities	23	275.10	224.53
Provisions	24	15.22	13.38
Current Tax Liabilities (Net)	25	8.67	8.12
<b>Total Current Liabilities</b>		<b>3,034.36</b>	<b>2,325.81</b>
<b>TOTAL LIABILITIES</b>		<b>3,158.40</b>	<b>2,380.95</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,269.57</b>	<b>17,133.25</b>
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, 22 April 2021

For and on behalf of the Board of Directors

Surendrakumar Tibrewala  
Chairman & Managing Director  
DIN : 00218394

Sanjay Tibrewala  
Executive Director & CFO  
DIN : 00218525

Mumbai, 22 April 2021

Alok Dhanuka  
Chairman - Audit Committee  
DIN : 06491610

Hemant Auti  
Company Secretary  
M.No. ACS:A51703

## FINEOTEX CHEMICAL LIMITED

### STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. In Lakhs)

Particulars	Note. No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from Operations	26	12,947.77	12,885.41
Other Income	27	1,552.32	325.62
<b>Total Income</b>		<b>14,500.10</b>	<b>13,211.03</b>
<b>Expenses</b>			
Cost of Material Consumed	28	7,403.02	7,660.41
Changes in Inventories of Finished Goods / Stock in Trade	29	(147.36)	(86.66)
Employee Benefit Expenses	30	696.42	692.35
Finance Cost	31	31.69	28.98
Depreciation and Amortization	3	141.95	111.11
Other Expenses	32	1,874.14	1,839.47
<b>Total Expenses</b>		<b>9,999.85</b>	<b>10,245.66</b>
<b>Profit Before Exceptional Item</b>		<b>4,500.25</b>	<b>2,965.37</b>
Exceptional Item - Income\Expense)	33	-	(1,262.25)
<b>Profit Before Tax</b>		<b>4,500.25</b>	<b>1,703.12</b>
<b>Tax Expenses</b>			
Current Tax		780.00	724.40
Deferred Tax		121.52	(73.54)
(Excess) / Short Provision of Earlier Years		-	(25.38)
<b>Total Tax Expense</b>		<b>901.52</b>	<b>625.48</b>
<b>Profit After Tax</b>		<b>3,598.72</b>	<b>1,077.64</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
Remeasurement of Defined Benefit Plans		0.49	(1.31)
Income Tax related to above		(0.12)	0.33
<b>Total Other Comprehensive Income for the year</b>		<b>0.37</b>	<b>(0.98)</b>
<b>Total Comprehensive Income for the year</b>		<b>3,599.09</b>	<b>1,076.66</b>
<b>Earnings Per Share - Basic &amp; Diluted (₹)</b>		<b>3.25</b>	<b>0.97</b>
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, 22 April 2021

For and on behalf of the Board of Directors

Surendrakumar Tibrewala  
Chairman & Managing Director  
DIN : 00218394

Sanjay Tibrewala  
Executive Director & CFO  
DIN : 00218525

Mumbai, 22 April 2021

Alok Dhanuka  
Chairman - Audit Committee  
DIN : 06491610

Hemant Auti  
Company Secretary  
M.No. ACS:A51703



## STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net Profit / (Loss) Before Tax	4,500.25	1,703.12
<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>		
Depreciation & Amortization	141.95	111.11
Finance Cost	31.69	28.98
Interest Income	(123.59)	(33.24)
Dividend Income	(8.76)	(181.61)
(Gain) / Loss on Fair Valuation of Investments	(1,360.60)	1,262.25
Actuarial Valuation of Gratuity	0.49	(1.31)
Unrealized Foreign Exchange Loss / (Gain)	1.05	(5.82)
<b>Operating Profit Before Changes in Working Capital</b>	<b>3,182.48</b>	<b>2,883.48</b>
<b>Adjustment for Changes in Working Capital</b>		
(Increase) / Decrease in Trade Receivables	(1,883.93)	(456.80)
(Increase) / Decrease in Inventories	(880.62)	87.68
(Increase) / Decrease in Other Current Financial Assets	(32.01)	0.24
(Increase) / Decrease in Other Current Assets	(231.17)	74.84
(Increase) / Decrease in Other Non - Current Financial Assets	(23.15)	37.57
(Increase) / Decrease in Other Non - Current Assets	(78.57)	(28.07)
Increase / (Decrease) in Trade Payables	595.51	291.86
Increase / (Decrease) in Other Current Financial Liabilities	(7.18)	(1.74)
Increase / (Decrease) in Other Current Liabilities	50.56	(64.22)
Increase / (Decrease) in Provisions	1.85	1.59
Increase / (Decrease) in Provisions- Non Current	0.39	0.99
Increase / (Decrease) in Other Non - Financial Liabilities	2.32	4.44
	(2,486.00)	(51.63)
<b>Cash Generated from Operations</b>	<b>696.48</b>	<b>2,831.85</b>
Less: Taxes Paid (Net of refund received)	(779.45)	(611.26)
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>	<b>(82.97)</b>	<b>2,220.60</b>
<b>B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Purchase of Property, Plant & Equipment & Intangible Assets	(2,240.04)	(618.47)
Investments (purchased) / sold (net) in securities	2,508.85	(1,333.65)
Movement in other bank balance	(1,020.09)	(13.68)
Interest Received	123.59	33.24
Dividend Received	8.76	181.61
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>	<b>(618.94)</b>	<b>(1,750.95)</b>

## FINEOTEX CHEMICAL LIMITED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C</b>		
<b><u>CASH FLOW FROM FINANCING ACTIVITY</u></b>		
Increase / (Decrease) in Long Term Borrowings	-	(10.22)
Buyback of Shares	(182.25)	-
Expenses on buyback	(57.97)	-
Finance Cost	(31.69)	(28.98)
Corporate Dividend paid	-	(166.95)
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>	<b>(271.91)</b>	<b>(206.14)</b>
<b>D</b>		
<b><u>NET CASH FLOW FOR THE YEAR (A + B + C)</u></b>	<b>(973.82)</b>	<b>263.50</b>
Add: Opening Balance of Cash & Cash Equivalents	765.10	495.77
Add: Effects of exchange loss/(gain) on cash and cash equivalents	(1.05)	5.82
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>(209.77)</b>	<b>765.10</b>

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, 2021	For the year ended March 31, 2020
<b>CASH AND CASH EQUIVALENT COMPRISES AS UNDER:</b>		
Balance with banks in current accounts	30.55	177.86
Cash on Hand	14.90	11.73
<b>CASH AND CASH EQUIVALENT (REFER NOTE 11)</b>	<b>45.45</b>	<b>189.58</b>
Add : Investment in liquid mutual funds (Refer Note 9)	86.10	849.57
Working Capital Facility from Bank (Refer Note 20)	(341.32)	(274.05)
<b>CASH AND CASH EQUIVALENT IN CASH FLOW STATEMENT</b>	<b>(209.77)</b>	<b>765.10</b>

As per our report of even date attached

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

(Manish Pansari)  
Partner  
Membership No. 137974

Mumbai, 22 April 2021

For and on behalf of the Board of Directors

Surendrakumar Tibrewala  
Chairman & Managing Director  
DIN : 00218394

Sanjay Tibrewala  
Executive Director & CFO  
DIN : 00218525

Mumbai, 22 April 2021

Alok Dhanuka  
Chairman - Audit Committee  
DIN : 06491610

Hemant Auti  
Company Secretary  
M.No. ACS:A51703

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

### A. Equity Share Capital

(Rs. In Lakhs)

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting year	11,13,00,000	2,226.00	11,13,00,000	2,226.00
Less: Changes in Equity Capital during the year	5,51,580	11.03	-	-
<b>Balance at the end of the reporting year</b>	<b>11,07,48,420</b>	<b>2,214.97</b>	<b>11,13,00,000</b>	<b>2,226.00</b>

### B. Other Equity

(Rs. In Lakhs)

	Reserves & Surplus				
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Total
Balance as at March 31, 2019(A)	10.85	19.96	927.56	10,658.21	11,616.59
<b>Additions during the year:</b>					
Profit for the year	-	-	-	1,077.64	1,077.64
<b>Items of OCI for the year, net of tax:</b>					
Remeasurement of the defined benefit plans	-	-	-	(0.98)	(0.98)
<b>Total Comprehensive Income for the year 2019-2020 (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,076.66</b>	<b>1,076.66</b>
<b>Reductions during the year:</b>					
<b>Transactions with Owners in their capacity as Owners:</b>					
Final Dividend for the year ended 31st March 2019				(111.30)	(111.30)
Interim Dividend for the year ended 31st March 2020				(55.65)	(55.65)
<b>Total C</b>				<b>(166.95)</b>	<b>(166.95)</b>
<b>Balance as at March 31, 2020 (D)=(A+B-C)</b>	<b>10.85</b>	<b>19.96</b>	<b>927.56</b>	<b>11,567.92</b>	<b>12,526.30</b>
<b>Additions during the year:</b>					
Profit for the year	-	-	-	3,598.72	3,598.72
<b>Items of OCI for the year, net of tax:</b>					
Remeasurement of the defined benefit plans	-	-	-	0.37	0.37
<b>Total Comprehensive Income for the year 2020-2021 (E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,599.09</b>	<b>3,599.09</b>
<b>Transactions with Owners in their capacity as Owners:</b>					
Buyback of Equity Shares (Refer Note 16 (d))	-	-	(171.22)	-	(171.22)
Transaction Cost on Buyback (Refer Note 16 (d))	-	-	-	(57.97)	(57.97)
Transfer to Capital Redemption Reserve on Buyback (Refer Note 16 (d))	-	11.03	(11.03)	-	-
<b>Total (F)</b>	<b>-</b>	<b>11.03</b>	<b>(182.25)</b>	<b>(57.97)</b>	<b>(229.18)</b>
<b>Balance as at March 31, 2021 (D+E+F)</b>	<b>10.85</b>	<b>30.99</b>	<b>745.31</b>	<b>15,109.04</b>	<b>15,896.20</b>

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, 22 April 2021

For and on behalf of the Board of Directors

Surendrakumar Tibrewala

Chairman & Managing Director

DIN : 00218394

Sanjay Tibrewala

Executive Director & CFO

DIN : 00218525

Mumbai, 22 April 2021

Alok Dhanuka

Chairman - Audit Committee

DIN : 06491610

Hemant Auti

Company Secretary

M.No. ACS:A51703

## 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 22nd April, 2021.

##### 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:

<b>Asset</b>	<b>Years</b>
Factory Building	30 Years
Office Premises	20 Years
Plant & Machinery	15 To 20 Years
Capex on Leashold 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 the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

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) Financial liabilities :- Classification**

Financial liabilities are classified as either’s at FVTPL’ or’ other financial liabilities consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these Instruments of recognized in the statements of profit and loss. Other financial liability (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

**c) Initial recognition and measurement:**

All financial liability 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 issue of these instruments.

**d) 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.

## e) **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) **Work in Progress**

Work-in-progress is valued at input material cost plus conversion cost as applicable.

### iii) **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.

## 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 reassessed 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 accounting pronouncements

#### Indian Accounting Standards:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April, 2021.

#### Schedule III of the Companies Act 2013:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## 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 March 31, 2021
	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	
<b>(A) TANGIBLE ASSETS</b>									
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
<b>Total - Tangible Assets</b>	<b>3,252.39</b>	<b>2,023.87</b>	<b>-</b>	<b>5,276.26</b>	<b>324.62</b>	<b>141.95</b>	<b>-</b>	<b>466.57</b>	<b>4,809.68</b>
<b>(B) Capital Work in Progress (c)</b>	<b>48.35</b>	<b>216.17</b>	<b>-</b>	<b>264.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264.53</b>
<b>(C) INVESTMENT PROPERTY (a,d,e,f &amp; g)</b>	<b>378.57</b>	<b>-</b>	<b>-</b>	<b>378.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378.57</b>
<b>TOTAL(A)+(B)+(C)</b>	<b>3,679.30</b>	<b>2,240.04</b>	<b>-</b>	<b>5,919.35</b>	<b>324.62</b>	<b>141.95</b>	<b>-</b>	<b>466.57</b>	<b>5,452.78</b>

- Office Premises includes fully paid unquoted shares in respect of ownership of Office Premises in 3 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.
- 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.
- The amount of Contractual Commitments for the acquisition/construction of Property, Plant & Equipments is disclosed in Note No.36
- 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 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 43.
- 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	<b>8.06</b>	<b>1.31</b>
Depreciation	-	-
Profit from investment property	<b>8.06</b>	<b>1.31</b>



## FINEOTEX CHEMICAL LIMITED

### 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 March 31, 2020
	As At April 01, 2019	Additions / Transfers	Deductions / Adjustments	As At March 31, 2020	As At April 01, 2019	For The Year	Deductions / Adjustments	As At March 31, 2020	
<b>(A) TANGIBLE ASSETS</b>									
Land - Freehold	348.77	-	-	348.77	-	-	-	-	348.77
Land - Leasehold	863.43	254.17	-	1,117.60	-	-	-	-	1,117.60
Factory Buildings	360.53	145.91	-	506.43	15.71	15.45	-	31.16	475.27
Office Premises (a)	336.81	-	-	336.81	50.30	17.45	-	67.75	269.06
Capex on Leasehold Premises	34.83	-	-	34.83	8.05	2.68	-	10.73	24.10
Plant & Machinery	499.97	85.53	-	585.50	64.65	38.02	-	102.67	482.84
Electrical Installation & Equipments	20.01	21.83	-	41.84	6.75	3.08	-	9.83	32.01
Furniture & Fixtures	27.19	28.22	-	55.41	10.19	3.43	-	13.62	41.79
Vehicles (b)	159.37	2.46	-	161.83	42.88	20.36	-	63.24	98.59
Office Equipments	17.42	15.01	-	32.43	7.16	4.40	-	11.57	20.86
Computers	13.95	16.98	-	30.93	7.83	6.24	-	14.06	16.87
<b>Total - Tangible Assets</b>	<b>2,682.27</b>	<b>570.12</b>	<b>-</b>	<b>3,252.39</b>	<b>213.51</b>	<b>111.11</b>	<b>-</b>	<b>324.62</b>	<b>2,927.76</b>
<b>(B) Capital Work in Progress (c)</b>	<b>-</b>	<b>48.35</b>	<b>-</b>	<b>48.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48.35</b>
<b>(C) INVESTMENT PROPERTY (a,d,e,f &amp; g)</b>	<b>378.57</b>	<b>-</b>	<b>-</b>	<b>378.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378.57</b>
<b>TOTAL(A)+(B)</b>	<b>3,060.84</b>	<b>618.47</b>	<b>-</b>	<b>3,679.30</b>	<b>213.51</b>	<b>111.11</b>	<b>-</b>	<b>324.62</b>	<b>3,354.68</b>

- a. Office Premises includes fully paid unquoted shares in respect of ownership of Office Premises in 2 Co-operative Society (31 March 2019: 2 Co-operative Society); 10 shares (31 March 2019: 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 2019: 1 Co-operative Housing Society); 10 shares (31 March 2019: 10 shares) of Rs.50/- each.
- b. Motor Vehicles of Original Cost Rs. 108.48 Lakhs as at 31st March 2020 (Previous Year as at 31st March 2019 Rs. 108.48 Lakhs) are in the name of the directors of the company.  
- Motor Vehicle Original Cost Rs. 53.89 Lakhs (Previous Year as at 31st March 2019 Rs. 53.89 Lakhs) has been provided as security against the term loan taken from Bank by the Company. (Also Refer Note No. 22).
- c. The amount of Contractual Commitments for the acquisition/construction of Property, Plant & Equipments is disclosed in Note No.36
- 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).
- 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, 2020	Year Ended March 31, 2019
Rental income	2.73	9.86
Direct operating expenses from property that generated rental income	(0.24)	(0.98)
Direct operating expenses from property that did not generate rental income	(0.72)	-
Impact of IND AS on Lease Rentals	(0.46)	0.31
Profit from investment properties before depreciation	<b>1.31</b>	<b>9.19</b>
Depreciation	-	-
Profit from investment property	<b>1.31</b>	<b>9.19</b>

## NOTE 4 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Units	Amount	No. of Units	Amount
<b>A. Investment in Subsidiaries (Also Refer Note (a))</b>				
<b>In Equity Instruments (Unquoted and fully paid up)</b>				
<b>Carried at Cost less provision for other than temporary impairment</b>				
Fineotex Malaysia Limited of US \$ 1.00 each	18,90,218	838.69	18,90,218	838.69
Fineotex Specialities FZE of US \$ 1.00 each	40,822	26.58	40,822	26.58
Manya Steel Private Limited of Rs.10 each	10,000	72.94	10,000	72.94
Fineotex Specialities Private Limited of Rs.10 each	1,00,000	100.00	-	-
<b>TOTAL (A)</b>		<b>1,038.21</b>		<b>938.21</b>
<b>B. Other Investments</b>				
<b>Carried at amortised Cost (Unquoted and fully paid up)</b>				
In Bonds	10	100.00	-	-
<b>TOTAL (B)</b>		<b>100.00</b>		<b>-</b>
<b>Carried at fair value through profit or loss</b>				
In Equity Instruments (Quoted and fully paid up)	4,61,949	529.03	13,51,086	683.15
In Mutual Funds (Quoted and fully paid up) (Also Refer Note (b) & (c) below )	80,99,740.59	2,515.82	1,09,84,131.54	3,709.95
<b>TOTAL (C)</b>		<b>3,044.85</b>		<b>4,393.10</b>
<b>TOTAL (A+B+C)</b>		<b>4,183.07</b>		<b>5,331.32</b>
Aggregate Amount of Quoted Investment - At Cost		2,644.91		5,285.97
Aggregate Amount of Quoted Investment - At market value		3,044.85		4,393.10
Aggregate amount of Unquoted Investments - At Cost		1,138.21		938.21
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, 2021	As at March 31, 2020
Fineotex Malaysia Limited	Malaysia	100	100
Fineotex Specialities FZE	UAE	100	100
Manya Steel Private Limited	India	100	100
Fineotex Specialities Private Limited	India	100	-

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 20)

(Rs. In Lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
<b>Investment in Mutual Fund (Quoted &amp; Fully Paid Up)</b>	45,56,688.99	1,038.28	1,134.43	10,40,152.38	500.00	545.64

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, 2021			As at March 31, 2020		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
<b>Investment in Mutual Fund (Quoted &amp; Fully Paid Up)</b>	7,177.81	275.00	305.06	7,830.37	300.00	317.31

## FINEOTEX CHEMICAL LIMITED

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.

### NOTE 5: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits (Refer Note i. Below)	298.31	278.69
Fixed Deposits maturing after 12 months (Refer Note ii. Below)	17.24	13.72
<b>Total</b>	<b>315.56</b>	<b>292.41</b>

#### Note :

- i. Security and Other deposits includes dues for Leasing of Premises from Subsidiaries, Directors and its relatives as under: (Also Refer Note No 42).

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues from Subsidiaries	109.06	101.79
Dues from Directors	65.33	60.97
Dues from relative of Directors	112.00	104.53

- 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, 2021	As at March 31, 2020
<b>I. Income Tax recognised in statement of profit &amp; loss</b>		
<b>Current Tax</b>		
Current year	780.00	724.40
(Excess) / Short Provision of Earlier Years	-	(25.38)
<b>Sub-Total</b>	<b>780.00</b>	<b>699.02</b>
<b>Deferred tax charge/ (credit)</b>		
Origination and reversal of temporary difference	121.52	(73.54)
<b>Sub-Total</b>	<b>121.52</b>	<b>(73.54)</b>
<b>Income Tax Expense recognised in Statement of Profit &amp; Loss</b>	<b>901.52</b>	<b>625.48</b>
<b>II. Income Tax Expense recognised in OCI</b>		
<b>Deferred tax charge/ (credit)</b>		
Remeasurement of the Defined Benefit Plans	0.12	(0.33)
<b>Total</b>	<b>0.12</b>	<b>(0.33)</b>

## B. RECONCILIATION OF EFFECTIVE TAX RATES

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Profit/(loss) before tax</b>	4,500.25	1,703.12
<b>Enacted Income Tax Rate in India</b>	25.17%	25.17%
Income Tax expense calculated at enacted corporate tax rate	1,132.62	428.64
Effect of income that is exempt from tax	(6.87)	(6.96)
Effect of expenses that are not deductible in determining taxable profit	7.96	5.66
Expenditure allowable at lower rate	-	6.39
Effect of income which is taxed at special rates	(199.33)	190.87
Excess Provision created for the previous year	-	(25.38)
Others	(32.74)	26.25
<b>Total</b>	<b>901.65</b>	<b>625.48</b>
<b>Effective tax rate for the year</b>	<b>20.04%</b>	<b>36.73%</b>

## C. 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
<b>Deferred tax assets/ (liabilities)</b>				
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
<b>Deferred tax assets/ (liabilities)</b>	<b>55.46</b>	<b>(121.52)</b>	<b>(0.12)</b>	<b>(66.19)</b>

## D. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2019	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2020
Property, Plant and Equipment	(73.50)	(13.42)	-	(86.92)
Investments	0.51	95.20	-	95.71
Investment Property	18.37	1.08	-	19.45
Employee benefits	4.57	(4.83)	0.33	0.07
Other Current Assets	31.64	(4.50)	-	27.15
<b>Deferred tax assets/ (liabilities)</b>	<b>(18.41)</b>	<b>73.54</b>	<b>0.33</b>	<b>55.46</b>

## E. DEFERRED TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Assets</b>		
Employee Benefits	0.06	0.07
Investment Property	24.22	19.45
Investment	-	95.71
Other Current Assets	51.76	27.15
<b>Total</b>	<b>76.04</b>	<b>142.38</b>

## FINEOTEX CHEMICAL LIMITED

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Liabilities</b>		
Investment	46.37	-
Property, Plant and Equipment	95.86	86.92
<b>Total</b>	<b>142.23</b>	<b>86.92</b>
<b>NET DEFERRED TAX ASSETS / (LIABILITIES)</b>	<b>(66.19)</b>	<b>55.46</b>

### NOTE 7: OTHER NON-CURRENT ASSETS

(Unsecured Considered Good unless stated otherwise)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances (Refer Note No 34)	379.60	407.84
<b>Advances Other than Capital Advances</b>		
Balances with Government Authorities	119.07	12.26
<b>Total</b>	<b>498.67</b>	<b>420.10</b>

### NOTE 8: INVENTORIES

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(As taken , valued and certified by the management)</b>		
Raw Materials	1,487.23	783.68
Packing Material	114.49	84.78
Work in Process	-	424.68
Finished Goods	572.05	-
<b>Total</b>	<b>2,173.76</b>	<b>1,293.14</b>

#### Note:

For Method of Valuation of Inventories refer Note No. 2.9

### NOTE 9: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Unit	Amount	No. of Unit	Amount
<b>Investment carried at fair value through profit or loss</b>				
Investment in Liquid Mutual Funds (Quoted and fully paid up)	1,58,476.15	86.10	36,25,521.65	849.57
<b>Total</b>		<b>86.10</b>		<b>849.57</b>
<b>Aggregate Amount of Quoted Investment - At Cost</b>		79.70		833.33
<b>Aggregate amount of Quoted Investments - At market value</b>		86.10		849.57

### NOTE 10: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade Receivables</b>		
Unsecured - Considered Good	5,792.20	3,908.27
<b>Total</b>	<b>5,792.20</b>	<b>3,908.27</b>



**Note:**

**i. Trade receivable includes (Also Refer Note No 42):**

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues from Subsidiaries	226.17	137.73
Dues from Private Companies in which any Director is a director or member	6.62	31.27

ii. Refer Note - 39 for information about Credit Risk and Market Risk of Trade Receivables.

**NOTE 11: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS**

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks in Current Accounts	30.55	177.86
Cash on Hand	14.90	11.73
<b>Total</b>	<b>45.45</b>	<b>189.58</b>

**NOTE 12: FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid Dividend Account (Refer Note i. Below)	2.39	2.36
Fixed Deposits maturing between 3 to 12 months (Refer Note ii. Below)	1,072.71	52.65
<b>Total</b>	<b>1,075.10</b>	<b>55.01</b>

**Note:**

- i. The Current Account balance includes unpaid dividend of Rs. 2.39 Lakhs as at 31st March 2021 (Previous Year as at 31st March 2020 Rs. 2.36 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, 2021	As at March 31, 2020
Towards Bank Guarantee (Also refer Note no 34)	31.00	11.25
Towards Overdraft facility availed (Also refer Note no 20)	650.00	41.37

**NOTE 13: FINANCIAL ASSETS - OTHERS (CURRENT)**

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on FDR (Also Refer Note No 12)	33.70	1.69
<b>Total</b>	<b>33.70</b>	<b>1.69</b>

- 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, 2021	As at March 31, 2020
Dues from Subsidiaries	0.41	-

## FINEOTEX CHEMICAL LIMITED

### NOTE 14: OTHER CURRENT ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Advances Other than capital advances</b>		
Advances to Suppliers (Refer Note Below)	252.89	124.78
Advance to Employees	2.15	1.12
Prepaid Expenses	44.32	64.08
Balances with Government Authorities	1.23	18.63
<b>Other Receivables</b>		
Export Incentives Receivable	116.05	86.52
Insurance Claim Receivable	71.70	71.70
Receivable for Sale of Mutual Fund	-	294.48
Inter Corporate Deposit	402.10	-
Others	2.07	-
<b>Total</b>	<b>892.49</b>	<b>661.32</b>

**Note :**

- i. Advance to Supplier includes Rs.33.30 Lakhs as at 31st March 2021 (Previous year Rs.55.98 Lakhs) due from Subsidiary Company (Also Refer Note No 42)."
- ii. Intercompany Loan includes Rs.46.32 Lakhs as at 31st March 2021 (Previous year Rs.NIL) due from Subsidiary Company (Also Refer Note No 42).  
Intercompany Loans are given in ordinary course of business for business activities.

### NOTE 15: ASSETS CLASSIFIED AS HELD FOR SALE

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Other Investment (At Cost)</b>		
Immovable Property (Also Refer Note No 23)	720.69	720.69
<b>Total</b>	<b>720.69</b>	<b>720.69</b>

**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 2021-2022.
- ii. Further the fair value of these asset is higher than its carrying value as on 31st March 2021 and hence no impairment loss has been recognised.

### NOTE 16: EQUITY SHARE CAPITAL

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
14,00,00,000 (Previous year as at 31st March 2020 14,00,00,000 ) Equity Shares of Rs. 2/- each.	2,800.00	2,800.00
<b>TOTAL AUTHORIZED SHARE CAPITAL</b>	<b>2,800.00</b>	<b>2,800.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>		
11,07,48,420 (Previous year as at 31st March 2020 11,13,00,000) Equity Shares of Rs. 2/- each fully paid up .	2,214.97	2,226.00
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>2,214.97</b>	<b>2,226.00</b>

a) Reconciliation of the number of shares outstanding :

(Rs. In Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	11,13,00,000	2,226.00	11,13,00,000	2,226.00
Add: Issued during the year	-	-	-	-
Less: Shares bought back during the year	5,51,580	11.03	-	-
<b>Shares at the end</b>	<b>11,07,48,420</b>	<b>2,214.97</b>	<b>11,13,00,000</b>	<b>2,226.00</b>

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, 2021		As at March 31, 2020	
	No. of Shares	%	No. of Shares	%
1. Mr. Surendra Tibrewala (Refer Note No i. Below)	6,12,01,330	55.26%	6,90,01,330	62.00%
2. Nippon Life India Trustee Ltd. A/C. Nippon India Small Cap Fund	68,08,595	6.15%	-	0.00%

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, 2021		As at March 31, 2020	
	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, 2021

- 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.

NOTE 17: OTHER EQUITY

(Rs. In Lakhs)

	Reserves & Surplus				
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Total
<b>Balance as at March 31, 2019 (A)</b>	10.85	19.96	927.56	10,658.21	11,616.59
<b>Additions during the year:</b>					
Profit for the year	-	-	-	1,077.64	1,077.64
<b>Items of OCI for the year, net of tax:</b>					
Remeasurement of the defined benefit plans	-	-	-	(0.98)	(0.98)
<b>Total Comprehensive Income for the year 2019-2020 (B)</b>	-	-	-	<b>1,076.66</b>	<b>1,076.66</b>
<b>Reductions during the year:</b>					
<b>Transactions with Owners in their capacity as Owners:</b>					
Final Dividend for the year ended 31st March 2019	-	-	-	(111.30)	(111.30)
Interim Dividend for the year ended 31st March 2020	-	-	-	(55.65)	(55.65)
<b>Total (C)</b>	-	-	-	<b>(166.95)</b>	<b>(166.95)</b>
<b>Balance as at March 31, 2020 (D)=(A+B+C)</b>	<b>10.85</b>	<b>19.96</b>	<b>927.56</b>	<b>11,567.92</b>	<b>12,526.30</b>

## FINEOTEX CHEMICAL LIMITED

	Reserves & Surplus				
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Total
<b>Additions during the year:</b>					
Profit for the year	-	-	-	3,598.72	3,598.72
<b>Items of OCI for the year, net of tax:</b>					
Remeasurement of the defined benefit plans	-	-	-	0.37	0.37
<b>Total Comprehensive Income for the year 2020-2021 (E)</b>	-	-	-	<b>3,599.09</b>	<b>3,599.09</b>
<b>Transactions with Owners in their capacity as Owners:</b>					
Buyback of Equity Shares (Refer Note 16 (d))	-	-	(171.22)	-	(171.22)
Transaction Cost on Buyback (Refer Note 16 (d))	-	-	-	(57.97)	(57.97)
Transfer to Capital Redemption Reserve on Buyback (Refer Note 16 (d))	-	11.03	(11.03)	-	-
<b>Total (F)</b>	-	<b>11.03</b>	<b>(182.25)</b>	<b>(57.97)</b>	<b>(229.18)</b>
<b>Balance as at March 31, 2021 (D+E+F)</b>	<b>10.85</b>	<b>30.99</b>	<b>745.31</b>	<b>15,109.04</b>	<b>15,896.20</b>

### 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.

#### 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, 2021	Year ended March 31, 2020
<b>Corporate Dividend Paid During the year to Equity Share Holders</b>		
Final Dividend Paid for FY 2018-2019	-	111.30
Dividend Per Fully Paid Up Share	-	0.10
Interim Dividend Paid for FY 2019-2020	-	55.65
Dividend Per Fully Paid Up Share	-	0.05

### NOTE 18: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits from Customers	51.96	49.64
<b>Total</b>	<b>51.96</b>	<b>49.64</b>

## NOTE 19: PROVISIONS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Gratuity Payable	5.89	5.50
<b>Total</b>	<b>5.89</b>	<b>5.50</b>

## NOTE 20: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>SECURED :</b>		
<b>Loans repayable on demand</b>		
From Banks (Also Refer note below)	341.32	274.05
<b>Total</b>	<b>341.32</b>	<b>274.05</b>

### 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 & 12).

## NOTE 21: FINANCIAL LIABILITIES - TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Due to Micro, Small and Medium Enterprises (Refer Note Below)	-	-
Due to Others	2,384.13	1,788.62
<b>Total</b>	<b>2,384.13</b>	<b>1,788.62</b>

### Note:

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, 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, 2021	As at March 31, 2020
(i) Principal and interest amount remaining unpaid	-	-
(ii) Interest due thereon 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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTE 22: FINANCIAL LIABILITIES - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long Term Debts (Refer Note )	-	10.22
Interest on Trade Deposit	7.55	4.54
Unclaimed Dividend (Also Refer Note Below)	2.39	2.36
<b>Total</b>	<b>9.94</b>	<b>17.11</b>



## FINEOTEX CHEMICAL LIMITED

**Note:**

There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March 2021.

**NOTE 23: OTHER CURRENT LIABILITIES**

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customer	72.71	36.27
Advance received for Asset held for Sale (Also Refer Note No 15)	107.00	107.00
Payable to Employees (Also Refer Note No 40)	55.12	21.10
Other Payables (Also refer Note No 42)	12.14	7.51
Statutory Liabilities	28.12	52.65
<b>Total</b>	<b>275.10</b>	<b>224.53</b>

**NOTE 24: PROVISIONS (CURRENT)**

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Leave Encashment	4.06	3.81
Bonus	11.16	9.57
<b>Total</b>	<b>15.22</b>	<b>13.38</b>

**NOTE 25: CURRENT TAX LIABILITIES (NET)**

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax Payable	8.67	8.12
<b>Total</b>	<b>8.67</b>	<b>8.12</b>

**NOTE 26: REVENUE FROM OPERATIONS**

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Products	12,840.69	12,755.91
<b>Other Operating Income:</b>		
Export Incentives & Entitlements	107.08	129.49
<b>Total</b>	<b>12,947.77</b>	<b>12,885.41</b>

**NOTE 26 - A: REVENUE FROM CONTRACTS WITH CUSTOMERS**

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue from contracts with customers disaggregated based on geography</b>		
Domestic Market	9,432.03	10,268.99
Exports	3,408.66	2,486.93
<b>Total</b>	<b>12,840.69</b>	<b>12,755.91</b>

**Note:**

- i. The amounts of receivable from customers become due after expiry of credit period which on an average is less than 90 days. 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, 2021	Year ended March 31, 2020
Interest Income from Financial Asset Carried at Amortised Cost	123.59	33.24
<b>Dividend Income</b>		
Received from Subsidiary (Also Refer Note No 42)	-	172.01
Received from Quoted Investments measured at FVTPL	8.76	9.60
<b>Other Non - Operating Income</b>		
Gains on Foreign Currency transactions	49.15	88.11
Net gain on sale / measurement of financial asset at FVTPL	1,360.60	-
Other Income	10.23	22.67
<b>Total</b>	<b>1,552.32</b>	<b>325.62</b>

## NOTE 28: COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw Material Consumed	6,684.72	7,033.31
Packing Material Consumed	718.30	627.10
<b>TOTAL</b>	<b>7,403.02</b>	<b>7,660.41</b>

## NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Opening Stock :</b>		
Work in Progress	424.68	303.40
Finished Goods	-	34.63
<b>Less : Closing Stock :</b>		
Work in Progress	-	424.68
Finished Goods	572.05	-
<b>NET CHANGE IN INVENTORIES</b>	<b>(147.36)</b>	<b>(86.66)</b>

## NOTE 30: EMPLOYEE BENEFIT EXPENSES (Also Refer Note No 42)

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Bonus	668.23	663.04
<b>Contribution to P.F &amp; Other Funds</b>		
Employer's Contribution to P. F.	11.01	20.12
Employer's Contribution to ESIC	1.09	1.74
Gratuity (Refer Note 40)	6.84	5.19
Staff Welfare Expenses	9.25	2.24
<b>Total</b>	<b>696.42</b>	<b>692.35</b>

## FINEOTEX CHEMICAL LIMITED

### NOTE 31: FINANCE COST

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Interest Expenses on Financial Liabilities carried at amortised Cost</b>		
On Borrowing	17.22	13.14
Others (Including Interest on delay / deferred payment)	0.38	0.03
Bank and Other Financial Charges	14.09	15.81
<b>Total</b>	<b>31.69</b>	<b>28.98</b>

### NOTE 32: OTHER EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Toll Conversion Charges	272.92	329.59
Power, Fuel and Utilities	57.52	38.28
Lease Rent / Hire Charges	94.43	92.78
<b>Repairs &amp; Maintenance on :</b>		
Building	47.43	10.01
Plant and Machinery	42.09	36.32
Other Repairs	29.35	10.14
Insurance	40.77	51.78
Rates and Taxes	28.11	9.73
Consultancy and Professional Fees	320.40	259.59
<b>Payment to Auditors :</b>		
Audit Fees	4.00	4.00
Transfer Pricing Audit Fees	0.25	0.25
Taxation and Other Advisory Matters	-	1.42
Certification Charges and Others	2.45	-
Other Services	1.95	1.95
Travelling and Conveyance	32.64	121.75
Commission	423.38	611.09
Advertisement, Publicity & Business Promotion	24.62	21.45
Outward Freight Charges	257.47	78.01
Expenditure towards Corporate Social Responsibility (Also Refer Note No 35)	53.00	49.00
Donations	-	1.81
Miscellaneous expenses	141.36	110.52
<b>Total</b>	<b>1,874.14</b>	<b>1,839.47</b>

### NOTE 33: EXCEPTIONAL ITEMS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net (Gain)\Loss on measurement of Financial Assets at FVTPL (Also refer Note i. Below)	-	1,262.25
<b>Total</b>	<b>-</b>	<b>1,262.25</b>

#### Note:

#### i) Net (Gain)/Loss on measurement of financial asset at FVTPL

The Company at initial recognition has irrevocably exercised an option to subsequently measure Investment in Equity Instruments (other than Investment in Subsidiaries , Associates & Joint Ventures) & Mutual Funds at fair value through Profit & Loss. (Refer Note No 2.8 (I) (b) (iii)).

Consequently during the year ended 31st March 2020, due to adverse movement in the market value of aforementioned instruments held by the company resulting in huge erosion in its value, it has accounted for Loss on subsequent measurement of such Investments of Rs. NIL/- (Previous Year - Net Gain - (Rs.1211.48 Lakhs).

Net loss on measurement of financial asset at FVTPL also includes realised loss during the year Rs.NIL (Previous year Rs. 50.78 Lakhs).

Due to COVID 19 there was huge erosion in the market value of financial assets held by the company measured at FVTPL.

In the Opinion of the Board, this erosion in the value, of financial assets measured at FVTPL, was exceptional in the nature, hence disclosed as such.

## NOTE 34: CONTINGENT LIABILITIES AND COMMITMENTS

### 1 Bank Guarantee (Refer Note no 5 & 12)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding Bank Guarantees issued by Bankers	25.75	19.89
<b>Total</b>	<b>25.75</b>	<b>19.89</b>

### 2 Commitments (Refer Note No 7)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated Amount of Capital Commitments remaining to be executed on Capital account	868.00	598.36
Less: Advances Paid	379.60	407.84
<b>Net Capital Commitments</b>	<b>488.40</b>	<b>190.51</b>

## NOTE 35: CORPORATE SOCIAL RESPONSIBILITY

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Amount required to be spent as per Section 135 of the Companies Act, 2013</b>	45.21	49.25
<b>Amount Spent during the year</b>		
Construction / Acquisition of any Asset	-	-
On purposes other than above	53.00	49.00
<b>Total amount spent</b>	<b>53.00</b>	<b>49.00</b>

### Note:

The Board of Directors at their meeting held on 22nd January, 2021, approved to utilise the excess amount paid Rs.7.79 Lakhs (Previous Year Nil) as per the requirement under section 135(5) of Companies Act 2013 for FY 2020-21 for succeeding three financial years as per provisions of Rule 7(3) of CSR amendment Rules 2021.

## NOTE 36: EARNINGS PER SHARE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit after tax available for equity shareholders as per Statement of Profit & Loss	3,598.72	1,077.64
Weighted Average No. of Equity Shares for of Face Value Rs. 2/- each	11,09,70,630	11,13,00,000
<b>Earnings Per Share - Basic &amp; Diluted ₹</b>	<b>3.25</b>	<b>0.97</b>

## 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.

## FINEOTEX CHEMICAL LIMITED

The company monitors capital on the basis of the following gearing ratio :

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total interest bearing financial liabilities	393.27	333.91
Less : Cash and Cash Equivalents	45.45	189.58
<b>Adjusted Net Debt</b>	<b>347.83</b>	<b>144.32</b>
Total Equity	18,111.17	14,752.30
<b>Adjusted Equity</b>		
Net Debts to Equity Ratio	<b>0.02</b>	<b>0.01</b>

### 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, 2021 is as follows:

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets</b>		
<b>Fair Value through Profit &amp; Loss</b>		
Investments (Other than in Subsidiary)	3,130.95	5,242.67
<b>Amortised Cost</b>		
Investments (Other than in Subsidiary)	100.00	-
Trade Receivables	5,792.20	3,908.27
Cash & Cash Equivalents	45.45	189.58
Other Bank Balances	1,075.10	55.01
Other Financial Assets	349.25	294.10
Other Current Assets	402.10	-
<b>Total</b>	<b>10,492.96</b>	<b>9,689.63</b>
<b>Financial Liabilities</b>		
<b>Amortised Cost</b>		
Borrowings	341.32	274.05
Trade Payables	2,384.13	1,788.62
Other Financial Liabilities	61.90	66.75
<b>Total</b>	<b>2,787.34</b>	<b>2,129.42</b>

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, 2021	As at March 31, 2020
<b>Financial Assets</b>		
<b>Level 1</b>		
Investments in quoted equity shares	529.03	683.15
Investments in quoted mutual fund units	2,601.92	4,559.52
<b>Level 2</b>		
Security Deposit Given	292.18	206.31
<b>Total</b>	<b>3,423.14</b>	<b>5,448.98</b>
<b>Financial Liabilities</b>		
<b>Level 2</b>		
Security Deposit Accepted	7.49	-
<b>Total</b>	<b>7.49</b>	<b>-</b>

#### 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, policies 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 company's exposure to floating rate borrowings are very limited to its size of operation.

## FINEOTEX CHEMICAL LIMITED

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, 2021	As at March 31, 2020
<b>Fixed-rate instruments</b>		
Financial Liabilities - Borrowings	393.27	333.91
<b>Total</b>	<b>393.27</b>	<b>333.91</b>

### 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, 2020	As at March 31, 2019
Investments in Quoted Equity Shares	529.03	683.15
Investments in Quoted Mutual Funds	2,601.92	4,559.52
<b>Total</b>	<b>3,130.95</b>	<b>5,242.67</b>

### 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, 2021		As at March 31, 2020	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Equity Shares	52.90	(52.90)	68.31	(68.31)
Mutual Funds	260.19	(260.19)	455.95	(455.95)
<b>Total</b>	<b>313.10</b>	<b>(313.10)</b>	<b>524.27</b>	<b>(524.27)</b>

#### (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, 2021	As at March 31, 2020
<b>Financial Assets</b>			
Trade and other receivables	USD	16.38	7.19
Cash & Cash Equivalent	USD	0.04	1.30
Cash & Cash Equivalent	EURO	0.03	0.04
<b>Financial Liabilities</b>			
Trade and other payables	USD	0.80	0.54

## Sensitivity analysis to currency risk

(In Lakhs)

Foreign Currency	As at March 31, 2021		As at March 31, 2020	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	34.43	(34.43)	18.07	(18.07)
<b>Total</b>	<b>34.43</b>	<b>(34.43)</b>	<b>18.07</b>	<b>(18.07)</b>

### (a) (iv) Impact and Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

COVID-19, a global pandemic, has caused significant decline in economic activities across the globe. The Indian State Governments announced a lock-down in various forms against the second wave of the pandemic across the country, with subsequent extensions.

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued.

In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities.

The actual impact of COVID 19 on the Company's financial statements, is un-ascertainable due to high degree of uncertainty. It will depend on the future developments, new information about the severity of the pandemic and also the steps taken by the Government, to contain its spread and mitigate its impact.

Therefore impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

### (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, 2021, and 31st March, 2020 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 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 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, 2021		As at March 31, 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	-	-	10.22	-
Working Capital Loans from Banks	341.32	-	274.05	-
Trade Payables	2,384.13	-	1,788.62	-
Other Financial Liabilities	9.94	51.96	6.89	49.64
<b>Total</b>	<b>2,735.38</b>	<b>51.96</b>	<b>2,079.78</b>	<b>49.64</b>

**(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. 20 & 22 for the detailed terms and conditions of the collaterals pledged.

**(a) (iv) Impact and Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

COVID-19, a global pandemic, has caused significant decline in economic activities across the globe. The Indian Government announced a lock-down across the country with effect from 24th march 2020, with subsequent extensions.

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued.

In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities.

The actual impact of COVID 19 on the Company's financial statements, is un-ascertainable due to high degree of uncertainty. It will depend on the future developments, new information about the severity of the pandemic and also the steps taken by the Government , to contain its spread and mitigate its impact.

Therefore impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements .The Company will continue to closely monitor any material changes to future economic conditions.

**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 2021

**(A) Defined benefit plans**

**i Retiring Gratuity**

## I Components of Employer Expenses

(Rs. In Lakhs)

Particulars	31st March 2021	31st March 2020
Current Service Cost	6.67	5.06
Past Service Cost vested	-	-
Interest Cost	2.08	1.86
Expected Return on Plan Assets	(1.91)	(1.72)
Actuarial (Gain) / Loss	(0.49)	1.31
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>6.35</b>	<b>6.50</b>

## II Net Asset/ (Liability) recognized in Balance Sheet

(Rs. In Lakhs)

Particulars	31st March 2021	31st March 2020
Present value of Funded Obligation	37.41	31.42
Fair Value of Plan Assets	31.53	25.92
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>5.89</b>	<b>5.50</b>

## III Change in Defined Benefit Obligations (DBO)

(Rs. In Lakhs)

Particulars	31st March 2021	31st March 2020
Opening Balance of Present Value of Obligation	31.42	25.16
Interest Cost	2.08	1.86
Current Service Cost	6.67	5.06
Actuarial (Gain)/Loss	(1.11)	0.79
Benefit Paid	(1.64)	(1.44)
<b>Closing Balance of Present Value of Obligation</b>	<b>37.41</b>	<b>31.42</b>

## IV Changes in the Fair Value of Plan Assets

(Rs. In Lakhs)

Particulars	31st March 2021	31st March 2020
Opening Balance of Present Value of Obligation	25.92	20.65
Expected Return on Plan Assets	(0.62)	(0.52)
Interest Income	1.91	1.72
Contribution by Employer	5.97	5.51
Benefit Paid	(1.64)	(1.44)
<b>Fair Value of Plan Assets as at 31st March</b>	<b>31.53</b>	<b>25.92</b>

## V Actuarial Assumption

Particulars	31st March 2021	31st March 2020
Discount Rate (Per Annum)	6.32%	6.80%
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

(Rs. In Lakhs)

Particulars	31st March 2021	31st March 2020
Government of India Securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Insurance Company	100.00%	100.00%

## FINEOTEX CHEMICAL LIMITED

### VII Movement in net liability recognized in Balance Sheet

(Rs. In Lakhs)

Particulars	31st March 2021	31st March 2020
Net Opening Liability	5.50	4.51
P & L Charges	6.84	5.19
Contribution paid	(5.97)	(5.51)
Other Comprehensive Income (OCI)	(0.49)	1.31
<b>Closing Net Liability</b>	<b>5.89</b>	<b>5.50</b>

### VIII Gratuity - Sensitivity Analysis

(Rs. In Lakhs)

Particulars	31st March 2021		31st March 2020	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	41.84	40.85	34.08	29.17
Discount Rate (1% movement)	33.74	34.53	28.45	34.97

#### (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.12.10 Lakhs (Previous year Rs.21.87 Lakhs)

#### 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, 2021	As at March 31, 2020
(a)	In respect of operating lease on Immovable properties payments recognized in Statement of Profit and Loss.	69.73	69.21
<b>(b)</b>	<b>Future minimum lease payments under operating leases</b>		
	For a period not later than one year	74.07	69.21
	For the period later than one year and not later than five years	78.44	153.84

#### 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, 2021	As at March 31, 2020
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	8.75	2.27
<b>(b)</b>	<b>Future minimum lease payments under operating leases</b>		
	For a period not later than one year	26.89	-
	For the period later than one year and not later than five years	32.45	-

#### NOTE 42: RELATED PARTY

List of related parties and Relationship

#### A Enterprises where control exists :-

##### Subsidiaries (Extent of Holding)

1	Manya Steel Private Limited	100.00%
2	Fineotex Malaysia Limited	100.00%
3	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 :**

- 1 Proton Biochem Private Limited

**C Key Managerial Personnel :**

**a. Executive Directors :**

- 1 Surendra Tibrewala
- 2 Sanjay Tibrewala
- 3 Aarti Jhunjhunwala

**b. Company Secretary**

- 1 Pooja Kothari (Resigned wef 27-07-2019)
- 2 Hemant Auti (Appointed wef 13-08-2019)

**c. Non - Executive Directors : Independent Directors**

- 1 Navin Mittal
- 2 Manmohan Mehta (Resigned wef 28-10-2020)
- 3 Alok Dhanuka
- 4 Bindu Shah (Appointed wef 14-07-2020)
- 5 Sunil Waghmare (Appointed wef 31-10-2020)
- 6 Anand Patwardhan (Appointed wef 31-10-2020)

**d. Relatives of Key Managerial Personnel :**

- 1 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 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>SALE OF GOODS (Net of Returns)</b>								
BT Chemicals SDN BHD	122.96	211.19	-	-	-	-	122.96	211.19
BT Biotex	-	35.68	-	-	-	-	-	35.68
Rovatex	305.27	41.95	-	-	-	-	305.27	41.95
Proton Biochem Private Limited	-	-	-	-	92.45	32.31	92.45	32.31
<b>Total</b>	<b>428.23</b>	<b>288.83</b>	<b>-</b>	<b>-</b>	<b>92.45</b>	<b>32.31</b>	<b>520.67</b>	<b>321.14</b>
<b>RECEIVING OF SERVICES</b>								
Proton Biochem Private Limited	-	-	-	-	228.20	283.20	228.20	283.20
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228.20</b>	<b>283.20</b>	<b>228.20</b>	<b>283.20</b>
<b>PURCHASE OF GOODS</b>								
BT Chemicals SDN BHD	1,439.24	1,197.55	-	-	-	-	1,439.24	1,197.55
Proton Biochem Private Limited	-	-	-	-	134.33	-	134.33	-
<b>Total</b>	<b>1,439.24</b>	<b>1,197.55</b>	<b>-</b>	<b>-</b>	<b>134.33</b>	<b>-</b>	<b>1,573.58</b>	<b>1,197.55</b>

## FINEOTEX CHEMICAL LIMITED

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 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>DIVIDEND INCOME</b>								
Fineotex Malyasia Limited	-	172.01	-	-	-	-	-	172.01
<b>Total</b>	-	<b>172.01</b>	-	-	-	-	-	<b>172.01</b>
<b>RENT INCOME</b>								
Fineotex Specialities Private Limited	6.64	-	-	-	-	-	6.64	-
<b>Total</b>	<b>6.64</b>	-	-	-	-	-	<b>6.64</b>	-
<b>RENT EXPENSE</b>								
Manya Steel Private Limited	9.60	9.60	-	-	-	-	9.60	9.60
Surendra Tibrewala	-	-	9.00	9.00	-	-	9.00	9.00
Kanaklata Tibrewala	-	-	-	-	13.80	13.80	13.80	13.80
Sanjay Tibrewala	-	-	19.20	19.20	-	-	19.20	19.20
<b>Total</b>	<b>9.60</b>	<b>9.60</b>	<b>28.20</b>	<b>28.20</b>	<b>13.80</b>	<b>13.80</b>	<b>51.60</b>	<b>51.60</b>
<b>COMMISSION PAID</b>								
BT Chemicals SDN BHD	3.72	5.15	-	-	-	-	3.72	5.15
BT Biotex SDN BHD	-	0.66	-	-	-	-	-	0.66
Rovatex	-	1.07	-	-	-	-	-	1.07
<b>Total</b>	<b>3.72</b>	<b>6.87</b>	-	-	-	-	<b>3.72</b>	<b>6.87</b>
<b>INTEREST RECEIVED</b>								
Fineotex Specilities Private Limited	0.44	-	-	-	-	-	0.44	-
<b>Total</b>	<b>0.44</b>	-	-	-	-	-	<b>0.44</b>	-
<b>REMUNERATION TO DIRECTORS*</b>								
Surendra Tibrewala	-	-	75.53	83.40	-	-	75.53	83.40
Sanjay Tibrewala	-	-	75.53	83.40	-	-	75.53	83.40
Aarti Jhunjunwala	-	-	28.03	29.40	-	-	28.03	29.40
<b>DIRECTORS FEES/SITTING FEES</b>								
Navin Mittal	-	-	0.20	0.30	-	-	0.20	0.30
Manmohan Mehta	-	-	0.10	0.30	-	-	0.10	0.30
Alok Dhanuka	-	-	0.10	0.30	-	-	0.10	0.30
Bindu Shah	-	-	0.20	-	-	-	0.20	-
Sunil Waghmare	-	-	0.10	-	-	-	0.10	-
Anand Patwardhan	-	-	0.10	-	-	-	0.10	-
<b>REMUNERATION TO COMPANY SECRETARY *</b>								
Hemant Auti	-	-	4.93	3.01	-	-	4.93	3.01
Pooja Kothari	-	-	-	0.89	-	-	-	0.89
<b>EMPLOYERS CONTRIBUTION TO PF</b>								
Surendra Tibrewala	-	-	3.17	5.83	-	-	3.17	5.83
Sanjay Tibrewala	-	-	3.17	5.83	-	-	3.17	5.83
Aarti Jhunjunwala	-	-	1.55	2.70	-	-	1.55	2.70
<b>Total</b>	-	-	<b>192.71</b>	<b>215.36</b>	-	-	<b>192.71</b>	<b>215.36</b>

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 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>REIMBURSEMENT OF EXPENSES</b>								
Manya Steel Private Limited	0.03	0.02	-	-	-	-	0.03	0.02
BT Chemicals SDN BHD	43.13	-	-	-	-	-	43.13	-
Rovatex SDN BHD	8.58	-	-	-	-	-	8.58	-
<b>Total</b>	<b>51.74</b>	<b>0.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51.74</b>	<b>0.02</b>
<b>ADVANCE GIVEN TO SUPPLIER</b>								
BT Chemicals SDN BHD	33.30	55.98	-	-	-	-	33.30	55.98
<b>Total</b>	<b>33.30</b>	<b>55.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.30</b>	<b>55.98</b>
<b>INVESTMENT IN EQUITY SHARES</b>								
Fineotex Specialities Private Limited	100.00	-	-	-	-	-	100.00	-
<b>Total</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>-</b>
<b>ADVANCE GIVEN</b>								
Fineotex Specialities Private Limited	154.13	-	-	-	-	-	154.13	-
<b>Total</b>	<b>154.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154.13</b>	<b>-</b>
<b>ADVANCE GIVEN RECEIVED BACK</b>								
Fineotex Specialities Private Limited	107.81	-	-	-	-	-	107.81	-
<b>Total</b>	<b>107.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107.81</b>	<b>-</b>

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 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>OUTSTANDING BALANCES INVESTMENTS</b>								
Fineotex Malaysia Limited	838.69	838.69	-	-	-	-	838.69	838.69
Manya Steel Private Limited	72.94	72.94	-	-	-	-	72.94	72.94
Fineotex Specialities FZE	26.58	26.58	-	-	-	-	26.58	26.58
Fineotex Specialities Private Limited	100.00	-	-	-	-	-	100.00	-
<b>Total</b>	<b>1,038.21</b>	<b>938.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,038.21</b>	<b>938.21</b>
<b>RECEIVABLES</b>								
BT Chemicals SDN BHD	28.23	72.46	-	-	-	-	28.23	72.46
BT Biotex	-	22.04	-	-	-	-	-	22.04
Rovatex	197.93	43.23	-	-	-	-	197.93	43.23
Proton Biochem Private Limited	-	-	-	-	6.62	31.27	6.62	31.27
<b>Total</b>	<b>226.17</b>	<b>137.73</b>	<b>-</b>	<b>-</b>	<b>6.62</b>	<b>31.27</b>	<b>232.79</b>	<b>169.01</b>

## FINEOTEX CHEMICAL LIMITED

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 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>TRADE ADVANCE</b>								
BT Chemicals SDN BHD	33.30	55.98	-	-	-	-	33.30	55.98
<b>Total</b>	<b>33.30</b>	<b>55.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.30</b>	<b>55.98</b>
<b>SECURITY DEPOSIT GIVEN (Excluding effect of IND AS 113)</b>								
Manya Steel Private Limited	116.34	116.85	-	-	-	-	116.34	116.85
SanjayTibrewala	-	-	10.00	10.00	-	-	10.00	10.00
Surendra Tibrewala	-	-	60.00	60.00	-	-	60.00	60.00
Kanaklata Tibrewala	-	-	-	-	120.00	120.00	120.00	120.00
<b>Total</b>	<b>116.34</b>	<b>116.85</b>	<b>70.00</b>	<b>70.00</b>	<b>120.00</b>	<b>120.00</b>	<b>306.34</b>	<b>306.85</b>
<b>SECURITY DEPOSIT RECEIVED</b>								
Fineotex Specialities private Limited	5.99	-	-	-	-	-	5.99	-
<b>Total</b>	<b>5.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.99</b>	<b>-</b>
<b>PAYABLES</b>								
Proton Biochem Private Limited	-	-	-	-	72.63	7.89	72.63	7.89
Surendra Tibrewala - Rent	-	-	0.69	0.68	-	-	0.69	0.68
Kanaklata Tibrewala - Rent	-	-	-	-	1.06	1.04	1.06	1.04
Manya Steel Private Limited	0.71	0.72	-	-	-	-	0.71	0.72
Sanjay Tibrewala	-	-	1.48	1.44	-	-	1.48	1.44
<b>Total</b>	<b>0.71</b>	<b>0.72</b>	<b>2.17</b>	<b>2.12</b>	<b>73.69</b>	<b>8.92</b>	<b>76.57</b>	<b>11.76</b>
<b>RECEIVABLE</b>								
<b>Fineotex Specialities Private Limited (Int)</b>	0.41	-	-	-	-	-	0.41	-
<b>Fineotex Specialities Private Limited (Rent)</b>	2.07	-	-	-	-	-	2.07	-
<b>Total</b>	<b>2.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.48</b>	<b>-</b>
<b>REMUNERATION PAYABLE</b>								
Surendra Tibrewala	-	-	4.36	4.64	-	-	4.36	4.64
Sanjay Tibrewala	-	-	5.03	5.02	-	-	5.03	5.02
Aarti Jhunjhunwala	-	-	2.14	1.92	-	-	2.14	1.92
Hemant Auti	-	-	0.47	0.00	-	-	0.47	0.00
<b>DIRECTORS SITTING FEES PAYABLE</b>								
Navin Mittal	-	-	-	0.05	-	-	-	0.05
Manmohan Mehta	-	-	-	0.05	-	-	-	0.05
Alok Dhanuka	-	-	-	0.05	-	-	-	0.05
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12.00</b>	<b>11.71</b>	<b>-</b>	<b>-</b>	<b>12.00</b>	<b>11.71</b>
<b>LOAN GIVEN</b>								
Fineotex Specialities Private Limited	46.32	-	-	-	-	-	46.32	-
<b>Total</b>	<b>46.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46.32</b>	<b>-</b>

**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 NOTE 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 2021	Balance As at 31st March 2020	Max Balance Outstanding during YE 31st March 2021	Max Balance Outstanding during YE 31st March 2020
Fineotex Specialities Private Limited	Wholly Owned Subsidiary	46.32	-	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 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:**

**a . Dividend Proposed to be distributed:**

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	Year ended March 31, 2021	Year ended March 31, 2020
<b>Corporate Dividend for Equity Shareholders Proposed for the year</b>		
Final Dividend Proposed	332.25	-
Dividend Proposed Per Fully Paid Up Share	0.30	-

The Board of Directors at its meeting held on 22nd April, 2021 have recommended a payment of final dividend of Rs.0.30 (Rupee paise thirty only) per equity share of face value of Rs.2/- each for the financial year ended 31st March, 2021.

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.

As per our report of even date attached

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

(Manish Pansari)  
Partner  
Membership No. 137974

Mumbai, 22 April 2021

For and on behalf of the Board of Directors

Surendrakumar Tibrewala  
Chairman & Managing Director  
DIN : 00218394

Sanjay Tibrewala  
Executive Director & CFO  
DIN : 00218525

Mumbai, 22 April 2021

Alok Dhanuka  
Chairman - Audit Committee  
DIN : 06491610

Hemant Auti  
Company Secretary  
M.No. ACS:A51703

## FINEOTEX CHEMICAL LIMITED

### FORMAOC -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 Steels 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-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
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	17.81	17.81	17.81	74.13	74.13	74.13
Amounts in Rupees									
		Audited	Audited	Audited	Audited	Audited	Audited	Unaudited	Audited
6	Share Capital	1,00,000	1,00,00,000	1,57,35,135	9,42,541	95,088	14,01,21,860	30,26,135	7,41,300
7	Reserves & Surplus	19,13,825	-	8,37,32,450	8,87,73,856	60,31,054	17,39,38,261	1,54,93,149	97,10,733
8	Total Assets	1,39,93,338	2,41,14,518	26,71,90,731	10,33,60,567	4,12,80,766	34,59,43,138	1,87,41,676	2,61,22,522
9	Total Liabilities	1,19,79,513	1,41,14,518	16,77,23,146	1,36,44,170	3,51,54,625	3,18,83,016	2,22,392	1,56,70,489
10	Investments	-	-	-	-	-	-	-	-
11	Turnover	19,97,039	-	84,74,83,649	33,83,40,595	5,20,67,321	13,44,41,649	25,79,047	2,53,82,112
12	Profit before Taxation	12,28,360	-	6,34,26,771	2,43,78,114	49,45,605	4,28,75,680	(17,85,642)	97,10,733
13	Provision for Taxation	3,16,426	-	1,49,66,295	68,93,699	11,64,578	6,76,288	-	-
14	Profit after Taxation	9,11,934	-	4,84,60,476	1,74,84,415	61,10,184	4,21,99,392	(17,85,642)	97,10,733
15	Proposed Dividend	-	-	-	-	-	-	-	-
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, Rovatex SdnBhd and BT Biotex Limited are subsidiaries of Fineotex Malaysia Limited

#### Part “B” : Associates & Joint Ventures

Nil

#### For and on behalf of the Board

**Surendrakumar Tibrewala**  
(Chairman & Managing Director)  
DIN: 00218394

**Sanjay Tibrewala**  
(Executive Director)  
DIN: 00218525

Place: Mumbai

Date: 22nd April, 2021



## **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 2021, 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, 2021, 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.

### **Emphasis of Matter**

We draw attention to Note No. 41 (a) (iv) of the consolidated financial statements which explains the impact of COVID-19 pandemic on the Group's operations and financial statements. The actual Impact is

dependent on future developments, which are highly uncertain.

Our Opinion is not modified in respect of this matter.

### **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 auditors 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 ₹7,217.54 Lakhs as at 31 March 2021, total revenues of ₹14,232.67 Lakhs, total net profit/(loss) after tax of ₹1,207.38 Lakhs, and net cash inflows of ₹893.83 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 ₹184.98 Lakhs as at 31 March 2021, total revenues of ₹25.79 Lakhs, total net profit/(loss) after tax of (₹17.86) Lakhs, and net cash outflows of ₹ 170.46 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

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, 2021 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, 2021 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, 2021.

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

**(Manish Pansari)**  
**Partner**  
**Membership No. : 137974**

**Place: Mumbai**  
**Date: April 22, 2021**



## **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 2021.**

### **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, 2021 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 matter described in “Emphasis of Matter” paragraph above, 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, 2021, 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 22, 2021**



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	4,947.82	3,068.00
Capital Work - In - Progress	3	459.50	62.65
Investment Property	3	378.57	378.57
Goodwill on Consolidation		613.85	613.85
Financial Assets			
Investments	4	3,151.86	4,397.92
Others	5	193.22	190.63
Deferred Tax Assets (Net)	6	-	53.79
Non - Current Tax Assets	7	16.76	60.48
Other Non - Current Assets	8	533.43	420.10
<b>Total Non - Current Assets</b>		<b>10,295.02</b>	<b>9,245.98</b>
<b>Current Assets</b>			
Inventories	9	2,875.36	2,108.59
Financial Assets			
Investments	10	86.10	849.57
Trade Receivables	11	8,267.04	5,384.65
Cash & Cash Equivalents	12	2,315.52	1,738.04
Bank Balance other than above	13	1,075.10	55.01
Other Financial Assets	14	33.82	2.26
Other Current Assets	15	1,039.05	680.17
Asset classified as Held for Sale	16	720.69	720.69
<b>Total Current Assets</b>		<b>16,412.69</b>	<b>11,538.97</b>
<b>TOTAL ASSETS</b>		<b>26,707.71</b>	<b>20,784.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	2,214.97	2,226.00
Other Equity	18	18,718.84	14,743.44
<b>Equity attributable to owners of the parent</b>		<b>20,933.81</b>	<b>16,969.44</b>
<b>Non-controlling Interest</b>		<b>674.85</b>	<b>628.69</b>
<b>Total Equity</b>		<b>21,608.66</b>	<b>17,598.13</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
Other Financial Liabilities	19	51.96	49.64
Provisions	20	5.89	5.50
Deferred Tax Liabilities (Net)	6	67.19	-
<b>Total Non - Current Liabilities</b>		<b>125.03</b>	<b>55.14</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	21	341.32	284.48
Trade Payables	22	3,683.55	2,337.72
Other Financial Liabilities	23	16.19	89.93
Other Current Liabilities	24	905.73	395.56
Provisions	25	15.22	13.38
Current Tax Liabilities (Net)	26	12.01	10.61
<b>Total Current Liabilities</b>		<b>4,974.02</b>	<b>3,131.68</b>
<b>TOTAL LIABILITIES</b>		<b>5,099.05</b>	<b>3,186.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,707.71</b>	<b>20,784.95</b>
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3 to 50		

As per our report of even date attached

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

(Manish Pansari)  
Partner  
Membership No. 137974

Mumbai, 22 April 2021

For and on behalf of the Board of Directors

Surendrakumar Tibrewala  
Chairman & Managing Director  
DIN : 00218394

Sanjay Tibrewala  
Executive Director & CFO  
DIN : 00218525

Mumbai, 22 April 2021

Alok Dhanuka  
Chairman - Audit Committee  
DIN : 06491610

Hemant Auti  
Company Secretary  
M.No. ACS:A51703

## FINEOTEX CHEMICAL LIMITED

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. In Lakhs)

Particulars	Note. No.	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Income</b>			
Revenue from Operations	27	21,850.64	19,633.58
Other Income	28	1,749.35	160.86
<b>Total Income</b>		<b>23,599.99</b>	<b>19,794.44</b>
<b>Expenses</b>			
Cost of Material Consumed	29	9,187.46	9,276.50
Purchase of Stock In Trade	30	4,960.22	2,837.79
Changes in Inventories of Finished Goods / Stock in Trade	31	(90.29)	199.90
Employee Benefit Expenses	32	885.57	873.19
Finance Cost	33	72.39	63.02
Depreciation and Amortisation	3	147.47	116.91
Other Expenses	34	2,850.80	2,967.59
<b>Total Expenses</b>		<b>18,013.62</b>	<b>16,334.89</b>
<b>Profit Before Tax and Exception item</b>		<b>5,586.37</b>	<b>3,459.55</b>
Exceptional Item - Income\Expense)	35	-	(1,263.44)
<b>Profit Before Tax</b>		<b>5,586.37</b>	<b>2,196.11</b>
<b>Tax Expenses</b>			
Current Tax	6	1,009.91	864.05
Deferred Tax	6	120.84	(73.54)
(Excess) / Short Provision of Earlier Years		-	(25.38)
<b>Total Tax Expense</b>		<b>1,130.76</b>	<b>765.13</b>
<b>Profit After Tax</b>		<b>4,455.61</b>	<b>1,430.98</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
Remeasurement of Defined Benefit Obligation / Asset		0.49	(1.31)
Income Tax related to above		(0.12)	0.33
<b>Total Other Comprehensive Income for the year</b>		<b>0.37</b>	<b>(0.98)</b>
<b>Total Comprehensive Income for the year</b>		<b>4,455.98</b>	<b>1,430.00</b>
<b>Profit Attributable to:</b>			
Owners of the Company		4,258.75	1,307.61
Non Controlling Interest		196.86	123.38
		<b>4,455.61</b>	<b>1,430.98</b>
<b>Other Comprehensive Income Attributable to:</b>			
Owners of the Company		0.37	(0.98)
Non Controlling Interest		-	-
		<b>0.37</b>	<b>(0.98)</b>
<b>Total Other Comprehensive Income Attributable to:</b>			
Owners of the Company		4,259.12	1,306.63
Non Controlling Interest		196.86	123.38
		<b>4,455.98</b>	<b>1,430.00</b>
<b>Earnings Per Share - Basic &amp; Diluted (₹)</b>	38	<b>3.84</b>	<b>1.17</b>
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3 to 50		

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, 22 April 2021

Surendrakumar Tibrewala  
Chairman & Managing Director  
DIN : 00218394

Sanjay Tibrewala  
Executive Director & CFO  
DIN : 00218525

Mumbai, 22 April 2021

Alok Dhanuka  
Chairman - Audit Committee  
DIN : 06491610

Hemant Auti  
Company Secretary  
M.No. ACS:A51703

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. In Lakhs)

<b>Particulars</b>		<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>A</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit / (Loss) Before Tax	5,586.37	2,196.11
	<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>		
	Depreciation & Amortisation	147.47	116.91
	Finance Cost	72.39	63.02
	Interest Income	(154.57)	(59.26)
	Dividend Income	(8.76)	(9.60)
	(Net gains) / Losses on fair value changes	(1,381.66)	1,263.44
	Actuarial Valuation of Gratuity	0.49	(1.31)
		<b>(1,324.64)</b>	<b>1,373.19</b>
	<b>Operating Profit Before Changes in Working Capital</b>	<b>4,261.73</b>	<b>3,569.31</b>
	<b>Adjustment for Changes in Working Capital</b>		
	(Increase) / Decrease in Trade Receivables	(2,882.39)	(471.49)
	(Increase) / Decrease in Inventories	(766.78)	399.93
	(Increase) / Decrease in Other Current Financial Assets	(31.56)	(95.20)
	(Increase) / Decrease in Other Current Assets	(358.88)	22.27
	(Increase) / Decrease in Other Non - Current Financial Assets	(2.60)	37.07
	(Increase) / Decrease in Other Non - Current Assets	(113.32)	(28.07)
	Increase / (Decrease) in Trade Payables	1,345.83	109.83
	Increase / (Decrease) in Other Current Financial Liabilities	(73.74)	68.72
	Increase / (Decrease) in Other Current Liabilities	510.17	18.54
	Increase / (Decrease) in Provisions	2.23	2.58
		<b>(2,371.04)</b>	<b>64.19</b>
	<b>Cash Generated from Operations</b>	<b>1,890.68</b>	<b>3,633.49</b>
	Less: Taxes Paid (Net of refund received)	(964.79)	(797.77)
	<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>	<b>925.90</b>	<b>2,835.72</b>
<b>B</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	Purchase of Property, Plant & Equipment & Intangible Assets	(2,420.72)	(627.03)
	FCTR on PPE	(3.42)	(0.77)
	Investments during the year	2,627.72	(1,339.65)
	Increase in Investment in Subsidiary	-	-
	Investments in Property	-	-
	Interest Received	154.57	59.26
	Dividend Received	8.76	9.60
	Movement in Other Bank balances	(1,020.09)	(2.36)
	<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>	<b>(653.19)</b>	<b>(1,900.95)</b>

## FINEOTEX CHEMICAL LIMITED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C</b>		
<b><u>CASH FLOW FROM FINANCING ACTIVITY</u></b>		
Receipt / (Repayment) of Long Term Borrowings	-	(10.22)
Buyback of Shares	(182.25)	-
Expenses for Buyback	(57.97)	-
Deposits and Margin Money	2.32	4.44
Finance Cost	(72.39)	(63.02)
Corporate Dividend paid (incl. Dividend Distribution Tax)	(133.88)	(319.00)
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>	<b>(444.17)</b>	<b>(387.79)</b>
<b>D</b>		
<b><u>EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS (D)</u></b>	<b>(71.36)</b>	<b>38.25</b>
<b>E</b>		
<b><u>NET CASH FLOW FOR THE YEAR (A + B + C+D)</u></b>	<b>(242.82)</b>	<b>585.23</b>
Add: Opening Balance of Cash & Cash Equivalents	2,303.13	1,717.90
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>2,060.30</b>	<b>2,303.13</b>

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, 2021	For the year ended March 31, 2020
<b>CASH AND CASH EQUIVALENT COMPRISES AS UNDER:</b>		
Balance with banks in current accounts	2,299.60	1,725.09
Cash on Hand	15.92	12.95
<b>CASH AND CASH EQUIVALENT</b>	<b>2,315.52</b>	<b>1,738.04</b>
Add : Investment in liquid mutual funds (Refer Note 10)	86.10	849.57
Working Capital Facility from Bank (Refer Note 21)	(341.32)	(284.48)
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>2,060.30</b>	<b>2,303.13</b>

As per our report of even date attached

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

(Manish Pansari)  
Partner  
Membership No. 137974

Mumbai, 22 April 2021

For and on behalf of the Board of Directors

Surendrakumar Tibrewala  
Chairman & Managing Director  
DIN : 00218394

Sanjay Tibrewala  
Executive Director & CFO  
DIN : 00218525

Mumbai, 22 April 2021

Alok Dhanuka  
Chairman - Audit Committee  
DIN : 06491610

Hemant Auti  
Company Secretary  
M.No. ACS:A51703

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

### A. Equity Share Capital

(Rs. In Lakhs)

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting period	11,13,00,000	2,226.00	11,13,00,000	2,226.00
Less: Changes in Equity Capital during the year	5,51,580	11.03	-	-
<b>Balance at the end of the reporting period</b>	<b>11,07,48,420</b>	<b>2,214.97</b>	<b>11,13,00,000</b>	<b>2,226.00</b>

### B. Other Equity

(Rs. In Lakhs)

Particulars	Attributable to Owners					Total Other Equity	Non controlling Interest
	Reserves & Surplus				Other Reserves		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Foreign Currency Translation		
Balance as at March 31, 2019 (A)	10.85	19.96	988.45	12,545.58	89.68	13,654.53	568.34
<b>Additions during the year:</b>							
Profit for the period	-	-	-	1,307.61	-	1,307.61	123.38
Currency Translation Reserve	-	-	-	-	(50.77)	(50.77)	89.02
<b>Items of OCI for the year, net of tax:</b>							
Remeasurement of the defined benefit plans	-	-	-	(0.98)	-	(0.98)	-
<b>Total Comprehensive Income for the year 2019-2020 (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,306.63</b>	<b>(50.77)</b>	<b>1,255.86</b>	<b>212.40</b>
<b>Reductions during the year:</b>							
<b>Transactions with Owners in their capacity as Owners:</b>							
Final Dividend for the year ended 31st March 2019	-	-	-	(111.30)	-	(111.30)	-
Interim Dividend for the year ended 31st March 2020	-	-	-	(55.65)	-	(55.65)	(152.05)
<b>Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(166.95)</b>	<b>-</b>	<b>(166.95)</b>	<b>(152.05)</b>
<b>Balance as at March 31, 2020 (D)=(A+B+C)</b>	<b>10.85</b>	<b>19.96</b>	<b>988.45</b>	<b>13,685.26</b>	<b>38.92</b>	<b>14,743.44</b>	<b>628.69</b>
<b>Additions during the year:</b>							
Profit for the period	-	-	-	4,258.75	-	4,258.75	196.86
Currency Translation Reserve	-	-	-	-	(54.54)	(54.54)	(16.82)
<b>Items of OCI for the year, net of tax:</b>							
Remeasurement of the defined benefit plans	-	-	-	0.37	-	0.37	-
<b>Total Comprehensive Income for the year 2020-2021 (E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,259.12</b>	<b>(54.54)</b>	<b>4,204.58</b>	<b>180.04</b>
<b>Transactions with Owners in their capacity as Owners:</b>							
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)	-	-	-	(133.88)
<b>Total (F)</b>	<b>-</b>	<b>11.03</b>	<b>(182.25)</b>	<b>(57.97)</b>	<b>-</b>	<b>(229.18)</b>	<b>(133.88)</b>
<b>Balance as at March 31, 2021 (D+E+F)</b>	<b>10.85</b>	<b>30.99</b>	<b>806.20</b>	<b>17,886.42</b>	<b>(15.62)</b>	<b>18,718.84</b>	<b>674.85</b>

CORPORATE INFORMATION 1

SIGNIFICANT ACCOUNTING POLICIES 2

NOTES ON ACCOUNTS 3 to 50

As per our report of even date attached

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

(Manish Pansari)  
Partner  
Membership No. 137974

Mumbai, 22 April 2021

For and on behalf of the Board of Directors

Surendrakumar Tibrewala  
Chairman & Managing Director  
DIN : 00218394

Sanjay Tibrewala  
Executive Director & CFO  
DIN : 00218525

Mumbai, 22 April 2021

Alok Dhanuka  
Chairman - Audit Committee  
DIN : 06491610

Hemant Auti  
Company Secretary  
M.No. ACS:A51703

## **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 22nd April , 2021.

##### **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, 2021	As at March 31, 2020
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 Specialties FZE	UAE	100.00%	100.00%
Manya Steels 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 2021 for details with regards to other significant accounting policies.

## NOTE 3: PROPERTY, PLANT & EQUIPMENT AND INVESTMENT PROPERTY

(Rs. In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT (AT COST)					ACCUMULATED DEPRECIATION / AMORTIZATION				NET CARRYING AMOUNT As At March 31, 2021
	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	
<b>(A) TANGIBLE ASSETS</b>										
Land - Freehold	442.20	-	-	-	442.20	-	-	-	-	442.20
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
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	46.39	14.78	9.66	1.90	22.54	23.86
Capex on Leasehold Premises	39.97	-	0.44	-	40.41	12.11	2.99	-	15.10	25.30
Office Equipment	21.16	28.31	0.13	1.94	47.66	8.38	7.87	1.94	14.31	33.35
<b>Total - Tangible Assets</b>	<b>3,413.25</b>	<b>2,023.87</b>	<b>3.42</b>	<b>5.90</b>	<b>5,434.64</b>	<b>345.26</b>	<b>147.47</b>	<b>5.90</b>	<b>486.82</b>	<b>4,947.82</b>
<b>(B) CAPITAL WORK IN PROGRESS (c)</b>	<b>62.65</b>	<b>396.85</b>	-	-	<b>459.50</b>	-	-	-	-	<b>459.50</b>
<b>(C) INVESTMENT PROPERTY (a,d,e,f &amp; g)</b>	<b>378.57</b>	-	-	-	<b>378.57</b>	-	-	-	-	<b>378.57</b>
<b>TOTAL(A)+(B)+(C)</b>	<b>3,854.47</b>	<b>2,420.72</b>	<b>3.42</b>	<b>5.90</b>	<b>6,272.71</b>	<b>345.26</b>	<b>147.47</b>	<b>5.90</b>	<b>486.82</b>	<b>5,785.89</b>

- 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)
- 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.36.
- 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).
- 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 43.
- 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	<b>8.06</b>	<b>1.31</b>
Depreciation	-	-
Profit from investment property	<b>8.06</b>	<b>1.31</b>

**NOTE 3: PROPERTY, PLANT & EQUIPMENT AND INVESTMENT PROPERTY**

(Rs. In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT (AT COST)				ACCUMULATED DEPRECIATION / AMORTIZATION				NET CARRYING AMOUNT As At March 31, 2020	
	As At April 01, 2019	Additions / Transfers	Exchange Differences	Deductions	As At March 31, 2020	As At April 01, 2019	For The Year	On Deductions		As At March 31, 2020
<b>(A) TANGIBLE ASSETS</b>										
Land - Freehold	442.20	-	-	-	442.20	-	-	-	-	442.20
Land - Leasehold	863.43	254.17	-	-	1,117.60	-	-	-	-	1,117.60
Factory Buildings	360.53	145.91	-	-	506.43	15.71	15.45	-	31.16	475.27
Office Premises (a)	336.81	-	-	-	336.81	50.30	17.45	-	67.75	269.06
Plant & Machinery	560.62	93.53	0.32	-	654.47	85.23	40.90	-	126.12	528.35
Furniture & Fixture	28.84	50.05	0.01	-	78.90	10.92	6.73	-	17.65	61.25
Vehicles (b)	179.94	2.46	0.28	-	182.68	45.35	21.96	-	67.30	115.38
Computers	15.46	17.54	0.02	-	33.03	8.32	6.46	-	14.78	18.25
Capex on Leasehold Premises	39.86	-	0.10	-	39.97	8.94	3.17	-	12.11	27.86
Office Equipment	6.12	15.01	0.03	-	21.16	3.59	4.79	-	8.38	12.78
<b>Total - Tangible Assets</b>	<b>2,833.80</b>	<b>578.68</b>	<b>0.77</b>	<b>-</b>	<b>3,413.25</b>	<b>228.35</b>	<b>116.90</b>	<b>-</b>	<b>345.26</b>	<b>3,068.00</b>
<b>(B) CAPITAL WORK IN PROGRESS (c)</b>	<b>14.30</b>	<b>48.35</b>	<b>-</b>	<b>-</b>	<b>62.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.65</b>
<b>(C) INVESTMENT PROPERTY (a,d,e,f &amp; g)</b>	<b>378.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378.57</b>
<b>TOTAL(A)+(B)+(C)</b>	<b>3,226.67</b>	<b>627.03</b>	<b>0.77</b>	<b>-</b>	<b>3,854.47</b>	<b>228.35</b>	<b>116.90</b>	<b>-</b>	<b>345.26</b>	<b>3,509.21</b>

- a. - Office Premises includes fully paid unquoted shares in respect of ownership of Office Premises in 2 Co-operative Society (31 March 2019: 2 Co-operative Society); 10 shares (31 March 2019: 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 2019: 1 Co-operative Housing Society); 10 shares (31 March 2019: 10 shares) of Rs.50/- each.
- b. - Motor Vehicles of Original Cost Rs. 108.48 Lakhs as at 31st March 2020 (Previous Year as at 31st March 2019 Rs. 108.48 Lakhs) are in the name of the directors of the company.
- Motor Vehicle Original Cost Rs. 53.89 Lakhs (Previous Year as at 31st March 2019 Rs. 53.89 Lakhs) has been provided as security against the term loan taken from Bank by the Company.
- c. The amount of Contractual Commitments for the acquisition/construction of Property, Plant & Equipments is disclosed in Note No.36.
- 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).
- 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 43.
- g. Amount recognised in Profit & Loss for Investment Properties:**

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Rental income	2.73	9.86
Direct operating expenses from property that generated rental income	(0.24)	(0.98)
Direct operating expenses from property that did not generate rental income	(0.72)	-
Impact of IND AS on Lease Rentals	(0.46)	0.31
Profit from investment properties before depreciation	<b>1.31</b>	<b>9.19</b>
Depreciation	-	-
Profit from investment property	<b>1.31</b>	<b>9.19</b>

## NOTE 4 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Units	Amount	No. of Units	Amount
<b>A. Other Investments</b>				
<b>Carried at amortised Cost (Unquoted and fully paid up)</b>				
In Bonds	10	100.00	-	-
<b>TOTAL (A)</b>		<b>100.00</b>		<b>-</b>
<b>Carried at fair value through profit or loss</b>				
In Equity Instruments (Quoted and fully paid up)	4,61,949	529.03	13,51,086	683.15
In Mutual Funds (Quoted and fully paid up) (Also Refer Note (a) & (b) )	81,14,339.13	2,522.83	1,09,98,730.00	3,714.77
<b>TOTAL (B)</b>		<b>3,051.86</b>		<b>4,397.92</b>
<b>Total (A+B)</b>		<b>3,151.86</b>		<b>4,397.92</b>
<b>Aggregate Amount of Quoted Investment - At Cost</b>		2,650.91		5,291.97
<b>Aggregate Amount of Quoted Investment - At market value</b>		3,051.86		4,397.92
<b>Aggregate amount of Unquoted Investments - At Cost</b>		100.00		-
<b>Aggregate amount of impairment in value of Investments</b>		-		-

- 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, 2021			As at March 31, 2020		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
<b>Investment in Mutual Fund (Quoted &amp; Fully Paid Up)</b>	45,56,688.99	1,038.28	1,134.43	10,40,152.38	500.00	545.64

- 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, 2021			As at March 31, 2020		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
<b>Frankling India Short Term Income Plan Growth Direct</b>	7,177.81	275.00	305.06	7,830.37	300.00	317.31

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.

## NOTE 5: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Security Deposits (Refer Note i. Below)	175.98	176.90
Fixed Deposits maturing after 12 months (Refer Note ii. Below)	17.24	13.72
<b>Total</b>	<b>193.22</b>	<b>190.63</b>

### Note :

- i. Security deposits (for Leasing of Premises) includes dues from Directors and its relatives as under: (Also Refer Note No 44).

## FINEOTEX CHEMICAL LIMITED

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues from Directors	65.33	60.97
Dues from relative of Directors	112.00	104.53

ii. Receipts Pledged/Lien with Bank towards Bank Guarantee (Also refer Note No 36).

### NOTE 6: INCOME TAX

#### A. COMPONENTS OF INCOME TAX EXPENSE

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>I. Tax expense recognised in statement of profit &amp; loss</b>		
<b>Current Tax</b>		
Current year	1,009.91	864.05
(Excess) / Short Provision of Earlier Years	-	(25.38)
<b>Sub-Total</b>	<b>1,009.91</b>	<b>838.67</b>
<b>Deferred tax charge/ (credit)</b>		
Origination and reversal of temporary difference	120.84	(73.54)
<b>Sub-Total</b>	<b>120.84</b>	<b>(73.54)</b>
<b>Total</b>	<b>1,130.76</b>	<b>765.13</b>
<b>II. Tax on other comprehensive income</b>		
<b>Items that will not be reclassified to Profit and Loss</b>		
Remeasurement of the Defined Benefit Plans	0.12	(0.33)
<b>Total</b>	<b>0.12</b>	<b>(0.33)</b>

#### B. RECONCILIATION OF EFFECTIVE TAX RATES

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Profit/(loss) before tax</b>	5,586.37	2,196.11
<b>Enacted Income Tax Rate in India</b>	25.17%	25.17%
Income Tax expense calculated at enacted corporate tax rate	1,406.09	552.76
Effect of income that is exempt from tax	(6.87)	(6.96)
Effect of expenses that are not deductible in determining taxable profit	7.96	5.66
Expenditure allowable at lower rate	-	6.39
Effect of income which is taxed at special rates	(199.33)	190.87
Effect of difference between India and foreign tax rates and non taxable subsidiaries	1,020.18	(1.65)
Excess Provision created for the previous year	-	(25.38)
Others	(87.37)	43.42
<b>Total</b>	<b>2,140.66</b>	<b>765.13</b>
<b>Effective tax rate for the year</b>	<b>38.32%</b>	<b>34.84%</b>



## C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particulars	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
<b>Deferred tax assets/ (liabilities)</b>				
Property, plant and equipment	(88.59)	(8.26)	-	(96.85)
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	25.77	-	51.76
<b>Deferred tax assets/ (liabilities)</b>	<b>53.79</b>	<b>(119.69)</b>	<b>(0.12)</b>	<b>(67.17)</b>

## MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particulars	Net deferred tax asset / (liabilities) as on 1st April, 2019	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2020
<b>Deferred tax assets/ (liabilities)</b>				
Property, plant and equipment	(74.89)	(13.69)	-	(88.59)
Investments	0.51	95.20	-	95.71
Investment Property	18.37	1.08	-	19.45
Employee benefits	4.57	(4.83)	0.33	0.07
Other Current Assets	31.64	(4.50)	-	27.15
<b>Deferred tax assets/ (liabilities)</b>	<b>(19.80)</b>	<b>73.26</b>	<b>0.33</b>	<b>53.79</b>

## D. DEFERRED TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Assets</b>		
Investments	-	95.71
Employee Benefits	0.06	0.07
Investment Property	24.22	19.45
Other Current Assets	51.76	27.15
<b>Total</b>	<b>76.04</b>	<b>142.38</b>
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	96.85	88.59
Investments	46.37	-
<b>Total</b>	<b>143.22</b>	<b>88.59</b>
<b>NET DEFERRED TAX ASSETS / (LIABILITIES)</b>	<b>(67.17)</b>	<b>53.79</b>

## NOTE 7: NON - CURRENT TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance payment of Income Tax (Net of Provision)	16.76	60.48
<b>Total</b>	<b>16.76</b>	<b>60.48</b>

## FINEOTEX CHEMICAL LIMITED

### NOTE 8: OTHER NON-CURRENT ASSETS

(Unsecured Considered Good unless stated otherwise)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances (Refer Note No 36)	380.82	407.84
<b>Advances Other than Capital Advances</b>		
Balances with Government Authorities	152.61	12.26
<b>Total</b>	<b>533.43</b>	<b>420.10</b>

### NOTE 9: INVENTORIES

(At Lower of Cost and Net Realisable Value)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(As taken, valued and certified by the management)</b>		
Raw Materials	1,887.65	1,278.76
Work In Progress	-	424.68
Finished Goods (including in Transit)	873.23	320.36
Others (Packing Material)	114.49	84.78
<b>Total</b>	<b>2,875.36</b>	<b>2,108.59</b>

### NOTE 10: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Units	Amount	No. of Units	Amount
<b>Investment in Liquid Mutual Funds (At Fair value through Profit &amp; Loss)</b>	1,58,476.15	86.10	36,25,521.65	849.57
Investment in Liquid Mutual Funds (Quoted and fully paid up)				
<b>Total</b>		<b>86.10</b>		<b>849.57</b>
<b>Aggregate Amount of Quoted Investment - At Cost</b>		79.70		833.33
<b>Aggregate amount of Quoted Investments - At market value</b>		86.10		849.57

### NOTE 11: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade Receivables</b>		
Unsecured - Considered Good	8,267.04	5,384.65
<b>Total</b>	<b>8,267.04</b>	<b>5,384.65</b>

#### Note:

- i. Trade receivable includes (Also Refer Note No 44):
  - Dues from Private Companies in which any Director is a director or member - Rs. 6.62 Lakhs as at 31st March 2021 (Previous Year Rs. 31.27 Lakhs)
- ii. Refer Note - 41 for information about Credit Risk and Market Risk of Trade Receivables.

### NOTE 12: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks in Current Accounts	1,361.40	678.34
Cash on Hand	15.92	12.95
Fixed Deposits maturing within 3 months	938.20	1,046.75
<b>Total</b>	<b>2,315.52</b>	<b>1,738.04</b>

## NOTE 13: FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid Dividend Account (Refer Note i. Below)	2.39	2.36
Fixed Deposits maturing between 3 to 12 months (Refer Note ii. Below)	1,072.71	52.65
<b>Total</b>	<b>1,075.10</b>	<b>55.01</b>

### Note:

- i. The Current Account balance includes unpaid dividend of Rs. 2.39 Lakhs as at 31st March 2021 (Previous Year as at 31st March 2020 Rs. 2.36 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.31.00 Lakhs/- as at 31st March 2021 (Previous Year Rs.11.25 Lakhs) - Towards Bank Guarantee ; (Also Refer Note no 36).
  - Rs. 650.00 Lakhs as at 31st March 2021 (Previous Year Rs.41.38 Lakhs) - towards Overdraft Facility availed. (Also Refer Note no 21).

## NOTE 14: FINANCIAL ASSETS - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued (Also Refer Note No 13)	33.82	2.26
<b>Total</b>	<b>33.82</b>	<b>2.26</b>

## NOTE 15: OTHER CURRENT ASSETS

(Unsecured Considered Good unless stated otherwise)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Advances Other than capital advances</b>		
Advance to Employees	2.15	1.12
Advances to Suppliers	368.72	77.23
Prepaid Expenses	85.56	79.07
Balances with Government Authorities	1.23	47.90
<b>Other Receivables</b>		
Export Incentive Receivable	116.05	86.52
Insurance Claim Receivable	71.70	71.70
Preliminary Expenses	2.23	-
Pre Operative Expenses	8.38	-
Inter Corporate Loan	376.21	-
Receivable for Sale of Mutual Fund	-	294.48
Other Loans and Advances	6.84	22.15
<b>Total</b>	<b>1,039.05</b>	<b>680.17</b>

## NOTE 16: ASSETS CLASSIFIED AS HELD FOR SALE

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Other Investment (At Cost)</b>		
Immovable Property (Also Refer Note No 24)	720.69	720.69
<b>Total</b>	<b>720.69</b>	<b>720.69</b>

## FINEOTEX CHEMICAL LIMITED

### 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 2021-2022.

- ii. Further the fair value of these asset is higher than its carrying value as on 31st March 2021 and hence no impairment loss has been recognised.

### NOTE 17: EQUITY SHARE CAPITAL

(Rs. In Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
14,00,00,000 (Previous year as at 31st March 2020 14,00,00,000 ) Equity Shares of Rs. 2/- each		2,800.00		2,800.00
<b>TOTAL AUTHORISED SHARE CAPITAL</b>		<b>2,800.00</b>		<b>2,800.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>				
11,07,48,420 (Previous year as at 31st March 2020 11,13,00,000 ) Equity Shares of Rs. 2/- each fully paid up		2,214.97		2,226.00
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		<b>2,214.97</b>		<b>2,226.00</b>

#### a) Reconciliation of the number of shares outstanding :

(Rs. In Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	11,13,00,000	2,226.00	11,13,00,000	2,226.00
Add: Issued during the year	-	-	-	-
Less: Shares bought back during the year	5,51,580	11.03	-	-
<b>Shares at the end</b>	<b>11,07,48,420</b>	<b>2,214.97</b>	<b>11,13,00,000</b>	<b>2,226.00</b>

#### 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, 2021		As at March 31, 2020	
	No. of Shares	%	No. of Shares	%
1. Mr. Surendrakumar Tibrewala (Refer Note No i. Below)	6,12,01,330	55.26%	6,90,01,330	62.00%
2. Nippon Life India Trustee Ltd. A/C. Nippon India Small Cap Fund	68,08,595	6.15%	0.00	0.00%

### 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, 2021		As at March 31, 2020	
	No. of Shares	%	No. of Shares	%
Mr. Surendrakumar 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, 2021

- 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.

## NOTE 18: Other Equity

(Rs. In Lakhs)

Particulars	Reserves & Surplus				Other Reserves	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Foreign Currency Translation	
<b>Balance as at March 31, 2019 (A)</b>	<b>10.85</b>	<b>19.96</b>	<b>988.45</b>	<b>12,545.58</b>	<b>89.68</b>	<b>13,654.53</b>
<b>Additions during the year:</b>						
Profit for the period	-	-	-	1,307.61	-	1,307.61
Currency Translation Reserve	-	-	-	-	(50.77)	(50.77)
<b>Items of OCI for the year, net of tax:</b>						
Remeasurement of the defined benefit plans	-	-	-	(0.98)	-	(0.98)
<b>Total Comprehensive Income for the year 2019-2020 (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,306.63</b>	<b>(50.77)</b>	<b>1,255.86</b>
<b>Reductions during the year:</b>						
<b>Transactions with Owners in their capacity as Owners:</b>						
Interim Dividend for the year ended 31st March 2019	-	-	-	(111.30)	-	(111.30)
Interim Dividend for the year ended 31st March 2020	-	-	-	(55.65)	-	(55.65)
<b>Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(166.95)</b>	<b>-</b>	<b>(166.95)</b>
<b>Balance as at March 31, 2020 (D)=(A+B+C)</b>	<b>10.85</b>	<b>19.96</b>	<b>988.45</b>	<b>13,685.26</b>	<b>38.92</b>	<b>14,743.44</b>
<b>Additions during the year:</b>						
Profit for the period	-	-	-	4,258.75	-	4,258.75
Currency Translation Reserve	-	-	-	-	(54.54)	(54.54)
<b>Items of OCI for the year, net of tax:</b>						
Remeasurement of the defined benefit plans	-	-	-	0.37	-	0.37
<b>Total Comprehensive Income for the year 2020-2021 (E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,259.12</b>	<b>(54.54)</b>	<b>4,204.58</b>
<b>Transactions with Owners in their capacity as Owners:</b>						
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)	-	-	-
<b>Total (F)</b>	<b>-</b>	<b>11.03</b>	<b>(182.25)</b>	<b>(57.97)</b>	<b>-</b>	<b>(229.18)</b>
<b>Balance as at March 31, 2021 (D+E+F)</b>	<b>10.85</b>	<b>30.99</b>	<b>806.20</b>	<b>17,886.41</b>	<b>(15.62)</b>	<b>18,718.84</b>

### 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.

## 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	As at March 31, 2021	As at March 31, 2020
<b>Corporate Dividend Paid During the year to Equity Share Holders</b>		
Final Dividend Paid for FY 2018-2019	-	111.30
Dividend Per Fully Paid Up Share	-	0.10
Interim Dividend Paid for FY 2019-2020	-	55.65
Dividend Per Fully Paid Up Share	-	0.05

#### NOTE 19: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposit Received from Customers	51.96	49.64
<b>Total</b>	<b>51.96</b>	<b>49.64</b>

#### NOTE 20: PROVISIONS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Gratuity Payable	5.89	5.50
<b>TOTAL</b>	<b>5.89</b>	<b>5.50</b>

#### NOTE 21: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>SECURED :</b>		
<b>Loans repayable on demand</b>		
From Banks (Refer note below)	341.32	284.48
<b>Total</b>	<b>341.32</b>	<b>284.48</b>

#### 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, 2021	As at March 31, 2020
Due to Micro, Small and Medium Enterprises (Refer Note Below)	-	-
Due to Others	3,683.55	2,337.72
<b>Total</b>	<b>3,683.55</b>	<b>2,337.72</b>

#### Note:

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2020-21, 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, 2021	As at March 31, 2020
(i) Principal and interest amount remaining unpaid		
(ii) Interest due thereon 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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### NOTE 23: FINANCIAL LIABILITIES - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long Term Debts	6.25	19.19
Interest on Trade Deposit	7.55	4.54
Unclaimed / Unpaid Dividend	2.39	66.21
<b>Total</b>	<b>16.19</b>	<b>89.93</b>

#### Note:

There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March 2021.

#### NOTE 24: OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customer	72.71	36.27
Advance received for Asset held for Sale (Also Refer Note No 16)	107.00	107.00
Payable to Employees (Also Refer Note No 44)	55.12	21.10
Statutory Payments	28.69	52.65
Other Payables	525.40	25.61
Accrual	116.81	152.92
<b>Total</b>	<b>905.73</b>	<b>395.56</b>

#### NOTE 25: PROVISIONS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Provision for Leave Encashment	4.06	3.81
Provision for Bonus	11.16	9.57
<b>Total</b>	<b>15.22</b>	<b>13.38</b>

#### NOTE 26: CURRENT TAX LIABILITIES (NET)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax Payable	12.01	10.61
<b>Total</b>	<b>12.01</b>	<b>10.61</b>

## FINEOTEX CHEMICAL LIMITED

### NOTE 27 A: REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Products	21,717.81	19,480.22
<b>Other Operating Income:</b>		
Technical Fees	25.75	23.87
Export Incentives & Entitlements	107.08	129.49
<b>Total</b>	<b>21,850.64</b>	<b>19,633.58</b>

### NOTE 27 - B: REVENUE FROM CONTRACTS WITH CUSTOMERS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue from contracts with customers disaggregated based on geography</b>		
Domestic Market	10,463.25	9,693.81
Exports	11,254.57	9,786.40
<b>Total</b>	<b>21,717.81</b>	<b>19,480.22</b>

#### Note:

- i. The amounts of receivable from customers become due after expiry of credit period which on an average is less than 90 days. 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, 2021	Year ended March 31, 2020
Interest Income from Financial Asset Carried at Amortised Cost	154.57	59.26
<b>Dividend Income</b>		
Received from Quoted Investments measured at FVTPL	8.76	9.60
Agency services	111.20	-
Consultancy charges	5.98	-
<b>Other Non - Operating Income</b>		
Foreign Exchange Fluctuation	50.30	49.54
Net gains / (losses) on fair value changes	1,381.66	-
Miscellaneous Income	36.88	42.46
<b>Total</b>	<b>1,749.35</b>	<b>160.86</b>

### NOTE 29: COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw Material Consumed	8,420.15	8,581.69
Packing Material Consumed	767.31	694.81
<b>TOTAL</b>	<b>9,187.46</b>	<b>9,276.50</b>

### NOTE 30: PURCHASE OF STOCK IN TRADE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of Stock in Trade	4,960.22	2,837.79
<b>Total</b>	<b>4,960.22</b>	<b>2,837.79</b>

## NOTE 31: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Opening Stocks :</b>		
Finished Goods (including goods in transit)	684.26	526.46
Work in Progress	-	303.40
Stock In Trade	504.76	591.79
<b>Less : Closing Stocks :</b>		
Finished Goods	875.51	314.12
Work in Progress	-	424.68
Stock In Trade	403.80	482.95
<b>NET CHANGE IN INVENTORIES</b>	<b>(90.29)</b>	<b>199.90</b>

## NOTE 32: EMPLOYEE BENEFIT EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Bonus	820.36	807.31
Contribution to Provident and Other Funds	29.06	37.58
Gratuity (Refer Note No 42)	6.84	5.19
Staff Welfare Expenses	11.46	23.11
Levy fees	0.36	-
Allowances	17.49	-
<b>Total</b>	<b>885.57</b>	<b>873.19</b>

## NOTE 33: FINANCE COST

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Interest Expenses on Financial Liabilities carried at amortised Cost</b>		
On Borrowing	17.22	13.14
Others (Including Interest on delay / deferred payment)	1.05	0.03
Bank and Other Financial Charges	54.13	49.85
<b>Total</b>	<b>72.39</b>	<b>63.02</b>

## NOTE 34: OTHER EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of Stores and Spares	15.79	23.73
Toll Conversion Charges	272.92	329.59
Power, Fuel and Utilities	67.30	51.05
Lease Rent / Hire Charges	143.02	157.45
Outward Freight Charges	560.18	356.15
<b>Repairs &amp; Maintenance on :</b>		
Building	47.43	10.01
Plant and Machinery	42.09	36.32
Other Repairs	29.35	10.14

## FINEOTEX CHEMICAL LIMITED

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Insurance	53.03	71.59
Rates and Taxes	28.11	9.73
Consultancy and Professional Fees	594.93	672.73
<b>Payment to Auditors :</b>		
Audit Fees	10.79	9.52
Transfer Pricing Audit Fees	0.25	0.25
Taxation and Other Advisory Matters	1.39	2.73
Certification Charges and Others	2.45	-
Other Services	1.95	1.95
Travelling and Conveyance	62.37	168.34
Commission	419.66	604.22
Advertisement, Publicity & Sales Promotion	24.62	21.57
Foreign Exchange Fluctuation (Net)	66.40	-
Expenditure towards Corporate Social Responsibility (Refer Note 37)	53.00	49.00
Donations	0.17	1.96
Miscellaneous Expenses	353.60	379.55
<b>Total</b>	<b>2,850.80</b>	<b>2,967.59</b>

### NOTE 35: EXCEPTIONAL ITEMS

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Net (Gain)/Loss on measurement of Financial Assets at FVTPL (Also refer Note i. Below)	-	1,263.44
<b>Total</b>	<b>-</b>	<b>1,263.44</b>

#### Note:

##### i Net (Gain)/Loss on measurement of financial asset at FVTPL

The Company at initial recognition has irrevocably exercised an option to subsequently measure Investment in Equity Instruments (other than Investment in Subsidiaries , Associates & Joint Ventures) & Mutual Funds at fair value through Profit & Loss.

Consequently during the year ended 31st March 2020, due to adverse movement in the market value of aforementioned instruments held by the company resulting in huge erosion in its value, it has accounted for Loss on subsequent measurement of such Investments of Rs. NIL/- (Previous Year - Net Gain - (Rs.1211.48 Lakhs)).

Net loss on measurement of financial asset at FVTPL also includes realised loss during the year Rs.NIL (Previous year Rs. 50.78 Lakhs).

Due to COVID 19 there was huge erosion in the market value of financial assets held by the company measured at FVTPL .

In the Opinion of the Board , this erosion in the value , of financial assets measured at FVTPL , was exceptional in the nature, hence disclosed as such.

### NOTE 36: CONTINGENT LIABILITIES AND COMMITMENTS

#### 1 Bank Guarantee (Refer Note no 5 & 13)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding Bank Guarantees issued by Bankers	25.75	19.89
<b>Total</b>	<b>25.75</b>	<b>19.89</b>

## 2 Commitments (Refer Note No 8)

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated Amount of Capital Commitments remaining to be executed on account of	868.00	598.36
Less: Advances Paid	380.82	407.84
<b>Net Capital Commitments</b>	<b>487.18</b>	<b>190.51</b>

## NOTE 37: CORPORATE SOCIAL RESPONSIBILITY

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Amount required to be spent as per Section 135 of the Companies Act, 2013</b>	45.21	49.25
<b>Amount Spent during the year</b>		
On purposes other than above	53.00	49.00
<b>Total amount spent</b>	<b>53.00</b>	<b>49.00</b>

### Note:

The Board of Directors at their meeting held on 22nd January, 2021, approved to utilise the excess amount paid Rs.7.79 Lakhs (Previous Year Nil) as per the requirement under section 135(5) of Companies Act 2013 for FY 2020-21 for succeeding three financial years as per provisions of Rule 7(3) of CSR amendment Rules 2021.

## NOTE 38: EARNINGS PER SHARE

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Profit attributable to the owners of the company	4,258.75	1,307.61
Weighted Average Number of Equity Shares Face Value of Rs. 2/- each	11,09,70,630	11,13,00,000
<b>Earnings Per Share - Basic &amp; Diluted ₹</b>	<b>3.84</b>	<b>1.17</b>

## NOTE 39: 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, 2021	As at March 31, 2020
Total interest bearing financial liabilities	399.53	353.31
Less : Cash and Cash Equivalents	2,315.52	1,738.04
<b>Adjusted Net Debt</b>	<b>(1,915.99)</b>	<b>(1,384.74)</b>
Total Equity	20,933.81	16,969.44
<b>Adjusted Equity</b>		
Net Debts to Equity Ratio	<b>(0.09)</b>	<b>(0.08)</b>

## FINEOTEX CHEMICAL LIMITED

### NOTE 40: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

#### (a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets</b>		
<b>Fair Value through Profit &amp; Loss</b>		
Investments Other than Investment in Bonds	3,137.97	5,247.48
<b>Amortised Cost</b>		
Investments in Bonds	100.00	-
Trade Receivables	8,267.04	5,384.65
Cash & Cash Equivalents	2,315.52	1,738.04
Other Bank Balances	1,075.10	55.01
Other Financial Assets	227.05	192.88
<b>Total</b>	<b>15,122.67</b>	<b>12,618.07</b>
<b>Financial Liabilities</b>		
<b>Amortised Cost</b>		
Borrowings	341.32	284.48
Trade Payable	3,683.55	2,337.72
Other Financial Liabilities	68.15	139.57
<b>Total</b>	<b>4,093.02</b>	<b>2,761.77</b>

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, 2021	As at March 31, 2020
<b>Financial Assets</b>		
<b>Level 1</b>		
Investments in quoted equity shares	529.03	683.15
Investments in quoted mutual fund units	2,608.93	4,564.34
<b>Level 2</b>		
Security Deposit Given	183.12	170.98
<b>Total</b>	<b>3,321.09</b>	<b>5,418.46</b>
<b>Financial Liabilities</b>		
<b>Level 2</b>		
Security Deposit Accepted	7.49	-
<b>Total</b>	<b>7.49</b>	<b>-</b>



## 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 41: 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, 2021	As at March 31, 2020
<b>Fixed-rate instruments</b>		
Financial Liabilities - Borrowings	399.53	353.31
<b>Total</b>	<b>399.53</b>	<b>353.31</b>

### 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, 2021	As at March 31, 2020
Investments in Quoted Equity Shares	529.03	683.15
Investments in Quoted Mutual Funds	2,608.93	4,564.34
<b>Total</b>	<b>3,137.97</b>	<b>5,247.48</b>

**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, 2021		As at March 31, 2020	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Equity Shares	52.90	(52.90)	68.31	(68.31)
Mutual Funds	260.89	(260.89)	456.43	(456.43)
<b>Total</b>	<b>313.80</b>	<b>(313.80)</b>	<b>524.75</b>	<b>(524.75)</b>

**(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, 2021	As at March 31, 2020
<b>Financial Assets</b>			
Trade and other receivables	USD	27.83	22.36
Cash & Cash Equivalent	USD	0.04	1.30
Cash & Cash Equivalent	EURO	0.03	0.04
<b>Financial Liabilities</b>			
Trade and other payables	USD	7.00	0.82

**Sensitivity analysis to currency risk**

(In Lakhs)

Foreign Currency	As at March 31, 2021		As at March 31, 2020	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	47.17	(47.17)	47.41	(47.41)
<b>Total</b>	<b>47.17</b>	<b>(47.17)</b>	<b>47.41</b>	<b>(47.41)</b>

**(a) (iv) Impact and Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

COVID-19, a global pandemic, has caused significant decline in economic activities across the globe. The Indian State Governments announced a lock-down in various forms against the second wave of the pandemic across the country, with subsequent extensions.

The Group has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued.

In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information. Having reviewed the underlying data and based on current estimates, the Group does not expect any material impact on the carrying amount of these assets and liabilities.

The actual impact of COVID 19 on the Group's financial statements, is un-ascertainable due to high degree of uncertainty.

It will depend on the future developments, new information about the severity of the pandemic and also the steps taken by the Government, to contain its spread and mitigate its impact.

Therefore impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic conditions.

## **(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 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 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, 2019 and 2018 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 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 Group's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

## FINEOTEX CHEMICAL LIMITED

(Rs. In Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	6.25	-	19.19	-
Working Capital Loans from Banks	341.32	-	284.48	-
Trade Payables	3,683.55	-	2,337.72	-
Other Financial Liabilities	9.94	51.96	70.75	49.64
<b>Total</b>	<b>4,041.06</b>	<b>51.96</b>	<b>2,712.13</b>	<b>49.64</b>

**(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. 19 and Refer Note No. 22 for the detailed terms and conditions of the collaterals pledged.

**NOTE 42: 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 2021.

**(A) Defined benefit plans**

**i Retiring Gratuity**

**I Components of Employer Expenses**

(Rs. In Lakhs)

Particulars	March 31, 2021	March 31, 2020
Current Service Cost	6.67	5.06
Interest Cost	2.08	1.86
Expected Return on Plan Assets	(1.91)	(1.72)
Actuarial (Gain) / Loss	(0.49)	1.31
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>6.35</b>	<b>6.50</b>

**II Net Asset/ (Liability) recognized in Balance Sheet**

(Rs. In Lakhs)

Particulars	March 31, 2021	March 31, 2020
Present value of Funded Obligation	37.41	31.42
Fair Value of Plan Assets	31.53	25.92
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>5.89</b>	<b>5.50</b>

**III Change in Defined Benefit Obligations (DBO)**

(Rs. In Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening Balance of Present Value of Obligation	31.42	25.16
Interest Cost	2.08	1.86
Current Service Cost	6.67	5.06
Actuarial (Gain)/Loss	(1.11)	0.79
Benefit Paid	(1.64)	(1.44)
<b>Closing Balance of Present Value of Obligation</b>	<b>37.41</b>	<b>31.42</b>

## IV Changes in the Fair Value of Plan Assets

(Rs. In Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening Balance of Present Value of Obligation	25.92	20.65
Expected Return on Plan Assets	(0.62)	(0.52)
Interest Income	1.91	1.72
Contribution by Employer	5.97	5.51
Benefit Paid	(1.64)	(1.44)
<b>Fair Value of Plan Assets as at 31st March</b>	<b>31.53</b>	<b>25.92</b>

## V Actuarial Assumption

Particulars	March 31, 2021	March 31, 2020
Discount Rate (Per Annum)	6.32%	6.80%
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

(Rs. In Lakhs)

Particulars	March 31, 2021	March 31, 2020
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	March 31, 2021	March 31, 2020
Net Opening Liability	5.50	4.51
P & L Charges	6.84	5.19
Contribution paid	(5.97)	(5.51)
Other Comprehensive Income (OCI)	(0.49)	1.31
<b>Closing Net Liability</b>	<b>5.89</b>	<b>5.50</b>

## VIII Gratuity - Sensitivity Analysis

(Rs. In Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	41.84	40.85	34.08	29.17
Discount Rate (1% movement)	33.74	34.53	28.45	34.97

## (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.29.06 Lakhs (Previous year Rs.37.58 Lakhs)

## FINEOTEX CHEMICAL LIMITED

### NOTE 43: 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, 2021	As at March 31, 2020
(a)	In respect of operating lease on Immovable properties payments recognized in Statement of Profit and Loss.	60.13	59.61
<b>(b)</b>	<b>Future minimum lease payments under operating leases</b>		
	For a period not later than one year	64.47	59.61
	For the period later than one year and not later than five years	68.84	134.64

#### 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, 2021	As at March 31, 2020
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	3.00	2.27
<b>(b)</b>	<b>Future minimum lease payments under operating leases</b>		
	For a period not later than one year	1.50	-
	For the period later than one year and not later than five years	-	-

### NOTE 44: 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 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>REMUNERATION TO DIRECTORS</b>						
Sonai Kedha Sankar	26.12	23.38	-	-	26.12	23.38
<b>Total</b>	26.12	23.38	-	-	26.12	23.38



## 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 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
NIL						

### 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

### NOTE 45: 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	
<b>Parent</b>									
<b>Fineotex Chemical Limited</b>									
31-Mar-21	86.52%	18,111.17	84.50%	3,598.72	100.00%	0.37	84.50%	3,599.09	
31-Mar-20	81.57%	14,752.30	82.40%	1,077.64	100.00%	(0.98)	82.40%	1,076.66	
<b>Subsidiaries</b>									
<b>Indian</b>									
<b>Manya Steels Private Limited</b>									
31-Mar-21	0.10%	20.14	0.21%	9.12	0.00%	-	0.21%	9.12	
31-Mar-20	0.06%	11.02	0.53%	6.97	0.00%	-	0.53%	6.97	
<b>Fineotex Specialities Private Limited</b>									
31-Mar-21	0.48%	100.00	0.00%	-	0.00%	-	0.00%	-	
31-Mar-20	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
<b>Foreign</b>									
<b>Fineotex Specialities FZE</b>									
31-Mar-21	0.87%	182.78	(0.42%)	(17.86)	0.00%	-	(0.42%)	(17.86)	
31-Mar-20	1.22%	206.44	(0.12%)	(1.63)	0.00%	-	(0.12%)	(1.63)	
<b>Fineotex Malaysia Limited</b>									
31-Mar-21	14.81%	3,099.76	9.91%	422.01	0.00%	-	9.91%	422.01	
31-Mar-20	16.40%	2,782.25	29.55%	386.45	0.00%	-	29.55%	386.45	
<b>BT Chemicals SDN BHD</b>									
31-Mar-21	4.71%	986.39	11.38%	484.63	0.00%	-	11.38%	484.63	
31-Mar-20	6.43%	972.03	28.96%	378.40	0.00%	-	28.96%	378.40	

## FINEOTEX CHEMICAL LIMITED

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
<b>BT Biotex SDN BHD</b>								
31-Mar-21	4.25%	889.69	4.11%	174.85	0.00%	-	4.11%	174.85
31-Mar-20	3.68%	708.54	4.84%	63.18	0.00%	-	4.84%	63.18
<b>Rovatex SDN BHD</b>								
31-Mar-21	0.29%	60.75	0.89%	37.81	0.00%	-	0.89%	37.81
31-Mar-20	0.16%	23.00	(0.22%)	(2.88)	0.00%	-	(0.22%)	(2.88)
<b>BT Biotex Limited</b>								
31-Mar-21	0.49%	103.16	2.28%	97.11	0.00%	-	2.28%	97.11
31-Mar-20	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Non-Controlling interests in all subsidiaries</b>								
31-Mar-21	0.00%	(0.01)	(4.62%)	(196.86)	0.00%	-	(4.62%)	(196.86)
31-Mar-20	(3.70%)	(628.69)	(9.44%)	(123.38)	0.00%	-	(9.44%)	(123.38)
<b>Intercompany Elimination &amp; Consolidation Adjustment</b>								
31-Mar-21	(12.52%)	(2,620.02)	(8.24%)	(350.79)	0.00%	-	(8.24%)	(350.79)
31-Mar-20	(5.82%)	(985.73)	(35.12%)	(458.89)	0.00%	-	(35.12%)	(458.89)
<b>Total</b>								
31-Mar-21	100.00%	20,933.81	100.00%	4,258.75	100.00%	0.37	100.00%	4,259.12
31-Mar-20	100.00%	16,969.44	100.00%	1,307.61	100.00%	(0.98)	100.00%	1,306.63

#### 46 SEGMENT REPORTING

As the company has only one primary business activity, Segment Reporting is not applicable as per Ind AS 108 - Operating Segments

47 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.

48 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation

#### 49 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

##### a. Dividend Proposed to be distributed:

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Corporate Dividend for Equity Shareholders Proposed for the year</b>		
Final Dividend Proposed	332.25	-
Dividend Proposed Per Fully Paid Up Share	0.30	-

The Board of Directors of the Holding Company, at its meeting held on 22nd April, 2021 have recommended a payment of final dividend of Rs.0.30 (Rupee paise thirty only) per equity share of face value of Rs.2/- each for the financial year ended 31st March, 2021.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

**50** 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.

CORPORATE INFORMATION	1
SIGNIFICANT ACCOUNTING POLICIES	2
NOTES ON ACCOUNTS	3 to 50

---

As per our report of even date attached

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

**(Manish Pansari)**  
Partner  
Membership No. 137974

**Mumbai, 22 April 2021**

---

**For and on behalf of the Board of Directors**

**Surendrakumar Tibrewala**  
Chairman & Managing Director  
DIN : 00218394

**Sanjay Tibrewala**  
Executive Director & CFO  
DIN : 00218525

**Mumbai, 22 April 2021**

**Alok Dhanuka**  
Chairman - Audit Committee  
DIN : 06491610

**Hemant Auti**  
Company Secretary  
M.No. ACS:A51703



