

Fine Organic Industries Limited

Regd. Office

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

CIN : L24119MH2002PLC136003

Tel : + 91-22-2102 5000

Fax : + 91-22-2102 8899 / 2102 6666

Email : info@fineorganics.com

Web: www.fineorganics.com



Date: July 26, 2022

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

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

Dear Sir/Madam,

Pursuant to Regulation 34 (1) of the Listing Regulations, please find enclosed herewith the Annual Report of the Company for the financial year 2021-22 along with the Notice of the Annual General Meeting to be held on Tuesday, August 23, 2022 at 11:00 a.m. (IST) through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM).

In accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2022 read with General Circulars dated January 13, 2021, May 5, 2020, April 13, 2020 and April 8, 2020 and SEBI Circular dated May 13, 2022 read with SEBI Circulars dated January 15, 2021 and May 12, 2020, the aforesaid documents are being dispatched electronically to those Members whose email IDs are registered with the Company/ KFin Technologies Limited ("Registrar and Transfer Agents" of the Company) or the Depositories.

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

Thanking you,

Sincerely,

For Fine Organic Industries Limited

Pooja Lohor
Company Secretary and Compliance Officer



Encl: as above



Growth *and*
SUSTAINABILITY







In Memory of our dear

Kamat Saheb

20th October 1944 to 17th June 2022

Former Chairman

Fine Organic Industries Limited

A VISIONARY. A HUMANITARIAN. A LEGEND.

His life was a rich tapestry of business acumen, arts, culture and philanthropy.

A beacon of inspiration.

We live by his values.

Across the pages

For more investor related information please visit
<https://www.fineorganics.com/investor-relations>

Or Simply Scan to view online version of the report



Investor Information

Market Capitalisation	₹ 12,281 Crores
CIN	L24119MH2002PLC136003
BSE Code	541557
NSE Code	FINEORG
Bloomberg Code	FINEORG:IN
AGM Date	: August 23, 2022
AGM Mode	: Video Conferencing

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

01

Corporate Overview

Growth and Sustainability	02
Company Introduction	04
CMD's Message	06
Operating Environment	08
Business Model	12
Financial Capital	14
Manufacturing Capital	16
Certifications	18
Intellectual Capital	20
Human Capital	24
Social and Relationship Capital	26
Natural Capital	32
Meet the Board	34
Corporate Information	36

02

Statutory Reports

Management Discussions and Analysis	37
Board's Report	47
Corporate Governance Report	65
Business Responsibility Report	89

03

Financial Statements

Form AOC - 1	100
Standalone	101
Consolidated	166



Humankind is becoming more aware of the necessity of environmental preservation, and as a result, people are shifting their consumption habits to include more environmentally friendly products. Oleochemicals are gaining a significant importance in today's ever-changing world. To meet the customers' demands, manufacturers are shifting to oleochemicals, as renewable and sustainable alternative in the chemical sourcing business.

Since the business' inception, we have been enjoying a 'fine' advantage of being the first-movers in the oleochemicals space. Our 'fine' solutions act as a 'technical pinch of salt', but add a significant value to the end product. Our 'fine' approach to manufacturing practices and ability to deliver as per the customer needs drives growth and sustainability for the organisation.



About the Report

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

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

The standalone and consolidated financial statements have been prepared in accordance with and comply with Indian Accounting Standards.

Our interest groups are the Fine Organics' employees, suppliers, customers, shareholders, partners, local Governments and the communities in which we are active.



FINE ORGANICS IS WELL PROMINENT AND REPUTED INTERNATIONAL PLAYER OF GREEN PERFORMANCE ADDITIVES ROOTED IN INDIA

Our legacy

With over 50 years of operations, Fine Organic Industries Limited ('Fine Organics' or 'We') has developed a unique range of specialty additives for a wide range of applications across various industries. It is also among the top few players globally in the Oleochemicals-based Green Additives.

Our capabilities

Our state-of-the-art manufacturing facilities, located at Ambarnath, Badlapur, Dombivli and Patalganga, allow us to deliver to our customers across over 75 countries. This is aptly supported by our team of more than 20 scientists and technologists at our dedicated R&D centres, backed by our in-house developed proprietary technology.

Our niche

The Company has developed over 450 specialty additives from vegetable oils, that find its application across foods, plastics, cosmetics, coatings and other key applications in several industries.

450+
PRODUCTS

180+
DISTRIBUTORS

800+
DIRECT CUSTOMERS

750+
EMPLOYEE STRENGTH

75+
COUNTRIES GLOBAL PRESENCE

5,000+
END-USERS

Vision



To become a preferred supplier of Oleochemicals derived green additives globally

Mission



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

Values



Integrity

To display trust, responsibility and accountability in building lasting relationships with customers and stakeholders

Execution Excellence

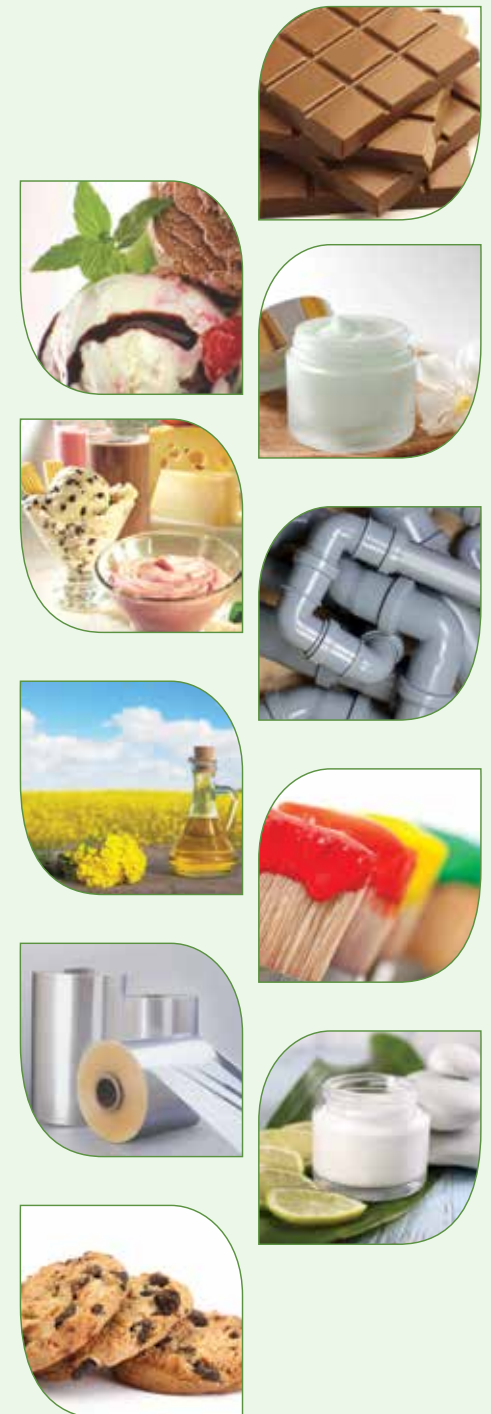
To demonstrate pride, passion and professionalism

Customer First

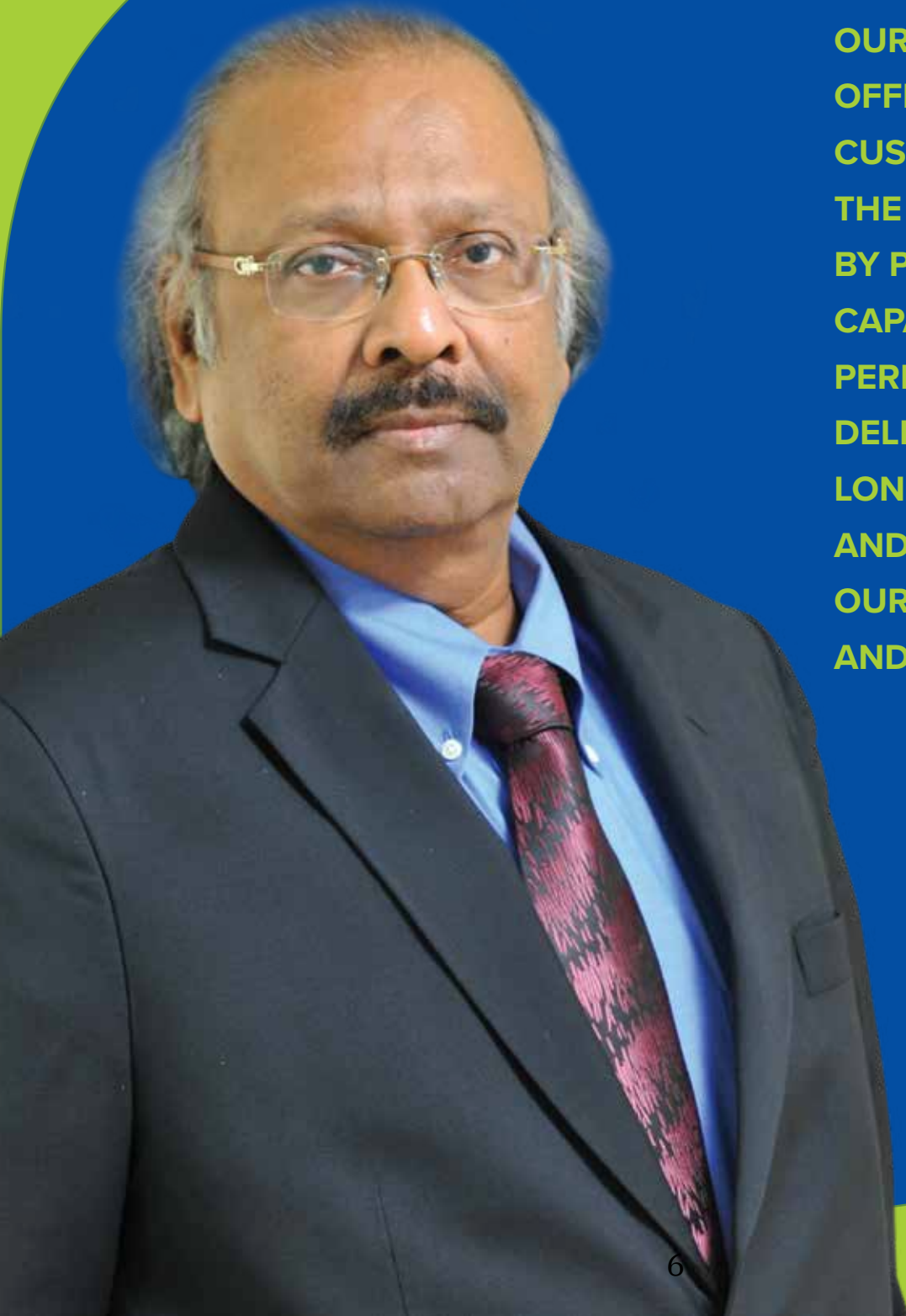
To anticipate and fulfil customer needs

Entrepreneurial Thinking

To convert unconventional ideas into action with positive impact



CMD'S MESSAGE



OUR UNIQUE OFFERINGS FOR OUR CUSTOMERS ACROSS THE GLOBE, BACKED BY PRUDENT R&D CAPABILITIES, HAS SET A PERFECT PLATFORM TO DELIVER SUSTAINABLE LONG-TERM GROWTH AND CREATE VALUE FOR OUR STAKEHOLDERS AND THE ENVIRONMENT.



Dear Shareholders,

The year 2021-22, marks the start of our transition towards Integrated Reporting journey. It expresses our commitment to both financial and non-financial indicators aligned to the IIRC reporting guidelines. Our approach puts the value and impact we create, as a company, in a broader perspective – beyond reporting, beyond financials, beyond tomorrow.

2021-22 Performance

The reporting year continued to throw up challenges in the form of successive waves of Covid-19 as well as cost inflationary challenges. Despite the turbulent environment, we achieved strong sales and improved profitability. We recorded highest YoY revenue growth of 66%, while PAT and EBIDTA witnessed 82% and 118% growth, respectively. We progressed as per our strategic goals to make Fine Organics a stronger, more agile, and higher value-creating organisation. We continued to leverage our global presence by responding to the ever-evolving customer demands and kept our capacities engaged round the year. We are further intending to expand our presence in Gujarat, also focusing on expansion of existing facilities for new and present product lines with process improvements and technology upgrades.

Growth & Sustainability

At Fine Organics, we have unlocked an exciting phase of growth. The world over, companies are aiming to drive higher levels of sustainability. Increasing consumer awareness for environment and climate change, has led to an increasing preference for 'Green' and 'Sustainable' products. As such, the demand for oleochemicals-derived additives is increasing. Our strong R&D and innovation capabilities has allowed us to deliver FINE solutions to our customers. For instance, our FINE green additives have been effectively replacing potentially hazardous chemicals in wide range of industries such as plastics, packaging, foods, cosmetics, rubbers and coatings among others, without compromising on the performance. Besides, our FINE additives are majorly bio-based, safe to use and bio-degradable, offering the most effective benefits through 'Sustainability' combined with excellence in functionality and safety. Minimised waste generation, effluent management through effective production process, usage of natural gas and stringent compliance to regulations continues to be our focus areas of sustainability.

Commitment to the People

The uncertainty and demanding conditions that came with the pandemic throughout the year was enormous, but our team was more experienced in dealing with it and could better read into the situation. We are grateful to them for their commitment to our Company and the extraordinary dedication they show

day-after-day. We consider our employees to be our most valuable assets. Thus, we ensured their safety and a secure business environment at workplace at all times, despite challenges. Apart from fostering a confidence of job security, we have also extended our assistance in providing health and insurance benefits and several other facilities. We understand our duty towards these key parameters, which encompasses all the tenets of our business and makes us the employer they can rely on.

Commitment Towards ESG

Environmental, Social and Governance (ESG) practices are integrated into our value system and the way in which we operate. The pandemic has highlighted the value of companies integrating effective ESG practices into their businesses to ensure longer-term sustainability and we welcome the increasing use of ESG metrics by investors in their Company analysis.

We believe in striking a balance between environmental sustainability and socio-economic progress. As such, we have established an ambitious sustainability strategy, with targets and action plans to accelerate our sustainability performance. Our CSR efforts strive to support communities by enhancing their economic and social well-being. Besides, our governance practices continue to be reviewed and enhanced on a regular basis. We are convinced that our endeavours in this areas will continue to create significant value for all our stakeholders.

Forward Agenda

Moving forward, we are determined to continue achieving new milestones by leveraging opportunities to further grow and improve our business. Our strategic priority to build a sustainable organisational eco-system continues to motivate us to further enhance our capabilities, empower newer growth avenues and focus on ensuring better service to our customers.

Closing Note

I would like to congratulate our team who kept relentless faith on us and have gone a long way in helping us create a value-creating organisation. I am also grateful to all of our stakeholders, including customers, shareholders, partners, governments and regulators and community at large, who have helped us grow and excel. We look into the future with optimism and are well on our way to deliver strong free cash-flow and returns for our shareholders.

Best wishes,

Mukesh Shah

Chairman and Managing Director

OPERATING ENVIRONMENT



At Fine Organics, our value-creation strategy exists in an environment influenced by internal and external factors. Our understanding of these mega-trends and associated risks, helps us find new opportunities and shape our business model. We have identified four key mega-trends over the next five years that will continue to bring new opportunities to our business:

Industry-driving forces

Growing consumer base



Rising world's population is a major factor propelling growth in the industry. With consistent product innovations in the industry, we strive to meet the growing demands by developing new and better additives.

Sustainability is of high concern



As the climate crisis looms and social inequalities rise, consumers are becoming more responsible and engaged. They support businesses they believe act responsibly and address these societal challenges. They are looking for products that are produced in a way that does not cause harm to the environment.

INDUSTRY	KEY ADDITIVES & INGREDIENTS	END-USE APPLICATIONS	GROWTH DRIVERS
FOOD ADDITIVES			
	<ul style="list-style-type: none"> Emulsifiers Anti-fungal agents Improvers for bakery products Oil blinder Anti-crystallisers 	<ul style="list-style-type: none"> Bakery, confectionary, biscuits, oils & fats, dairy products and ice creams, beverages etc. 	<ul style="list-style-type: none"> Increasing consumption of convenience foods and premium products Growing number of end-use applications due to multifunctional attributes of emulsifiers Rise in health awareness & quality consciousness of consumers



INDUSTRY	KEY ADDITIVES & INGREDIENTS	END-USE APPLICATIONS	GROWTH DRIVERS
----------	-----------------------------	----------------------	----------------

POLYMER ADDITIVES



- Lubricants
- Anti-fogging additives
- Anti-static additives
- Anti-scratch
- Processing aids
- Flow improvers
- Slip additives
- Dispersants

- Packaging films
- Bottle caps
- Wires & Cable
- Packaging
- Furniture
- Automobiles
- Pipes & Fittings

- Replacement of conventional materials by plastic in several applications
- Increasing preference for non-toxic green polymer additives
- Development of new high-performance polymer additives
- Increasing urbanization and rising purchasing power among consumers

INDUSTRY	KEY ADDITIVES & INGREDIENTS	END-USE APPLICATIONS	GROWTH DRIVERS
----------	-----------------------------	----------------------	----------------

ADDITIVES FOR COATINGS



- Dispersing agents
- Emulsifiers
- Wetting & Dispersing Agents
- Defoamers
- Anti-Mar additives
- Slip additives

- Specialty Papers
- Printing Inks
- Coating materials
- Paints

- Increasing usage in automotive and industrial protective coatings
- Growing e-commerce business
- Increased awareness and penetration of paint protection coatings
- Growth in niche products: nano & green coating packaging products
- Increased use of Specialty papers (receipt) as a result of increased cashless transactions & air travel

INDUSTRY	KEY ADDITIVES & INGREDIENTS	END-USE APPLICATIONS	GROWTH DRIVERS
----------	-----------------------------	----------------------	----------------

COSPHA ADDITIVES



- Emulsifiers & Emollients
- Green Surfactants

- Creams, Lotions & Ointments
- Skin care, Hair care, Cleansers and Cosmetics
- Home care products

- Expanding growth of organised retail in Tier II and Tier III cities
- New sub-segments to grow: Men's Cosmetics
- Growing demand for skincare cosmetics

INDUSTRY	KEY ADDITIVES & INGREDIENTS	END-USE APPLICATIONS	GROWTH DRIVERS
----------	-----------------------------	----------------------	----------------

FEED NUTRITION ADDITIVES



- Antibiotics replacer
- Nutritional additives
- Anti-fungal additives

- Poultry feeds
- Cattle feeds

- Growing health & safety awareness
- Increased demand for safer milk and milk products

INDUSTRY	KEY ADDITIVES & INGREDIENTS	END-USE APPLICATIONS	GROWTH DRIVERS
----------	-----------------------------	----------------------	----------------

SPECIALTIES



- Lube additives
- Property modifiers
- Anti-corrosive additives

- Automotive Lubricants
- Roads & Highways
- Other specialty applications

- Increase in Govt. expenditure on infra projects
- Increased use of high-power cars/trucks, requiring special friction control properties and preserve flow properties at high temperatures
- Higher industrial fluid demands due to increased rate of industrialisation/automation



BUSINESS MODEL

FINANCIAL CAPITAL



We are committed to delivering value for all our stakeholders, including employees, shareholders, governments and the communities in which we operate.

INTELLECTUAL CAPITAL

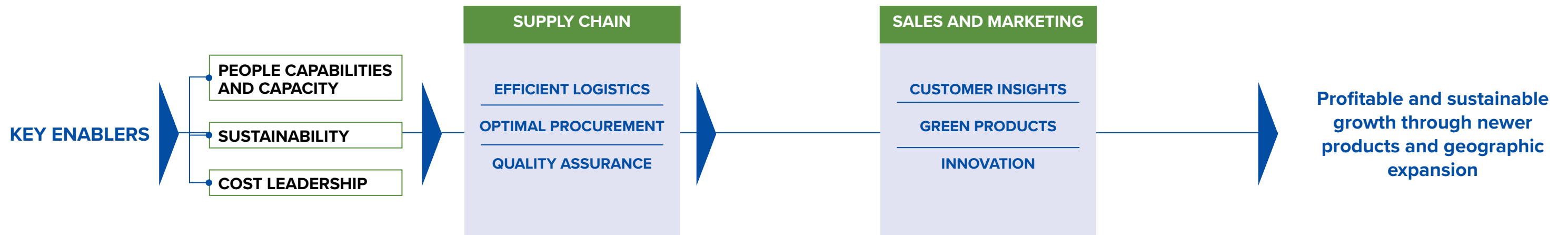


We invest in research and consumer marketing for deep insight into the changing needs of the consumers. We use our R&D capabilities and proprietary technologies to deliver innovations that supports the equity of our brand.

SOCIAL CAPITAL



Ensuring sustainability and managing our reputation are the key elements of our business model. Under an integrated approach to sustainability, we are committed to adding value to our community, business, labour and government stakeholders in our operating territories.



MANUFACTURING CAPITAL



Our manufacturing facilities are spread across 7 sites in Maharashtra with proximity to ports allowing us to cater to consumer needs efficiently globally.

HUMAN CAPITAL



We invest in wellbeing, skills and capabilities of our employees. We strive for a customer-focused and high-performance culture, underpinned by our core values.

NATURAL CAPITAL

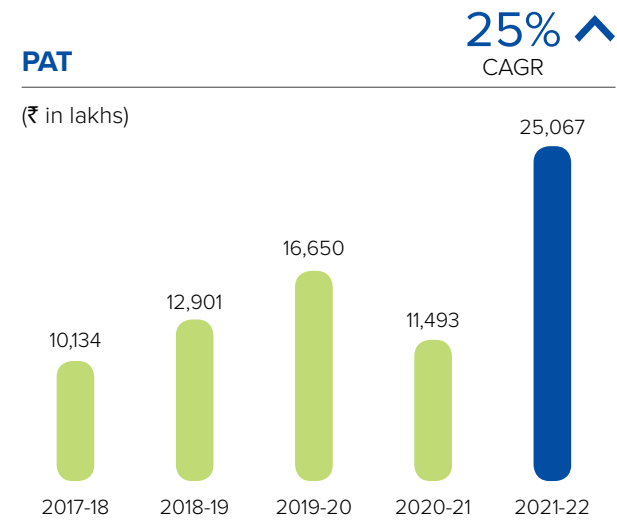
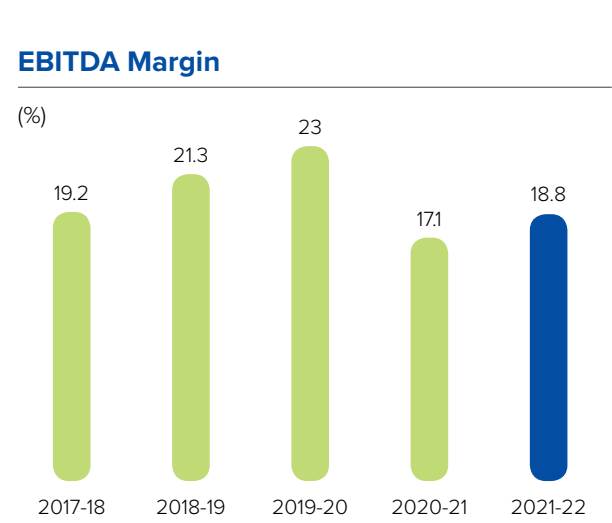
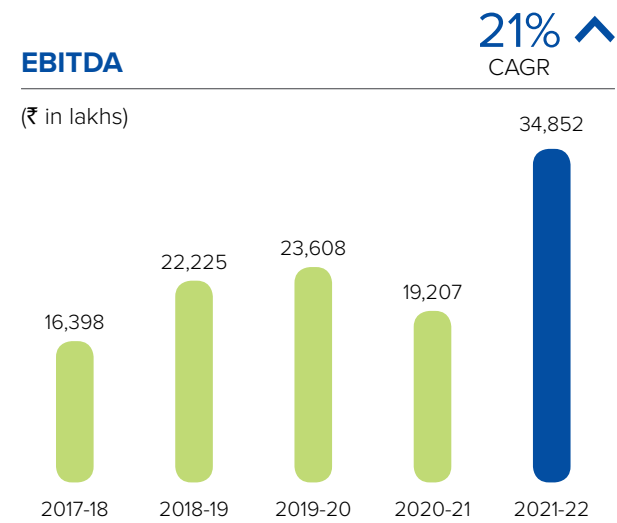
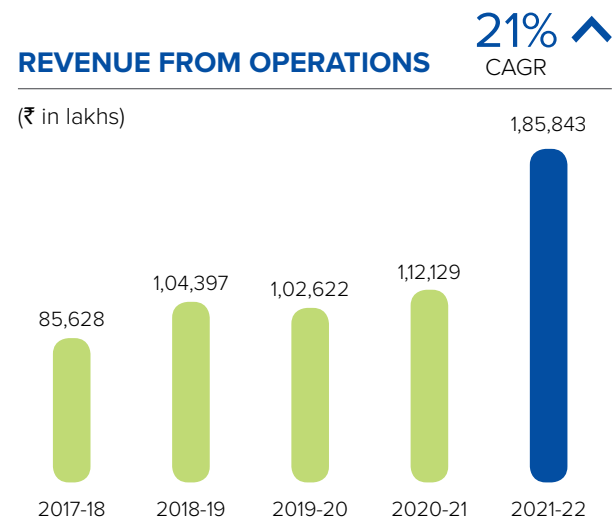


We use natural resources and commodities in manufacturing products. Our procurement strategies focus on the long-term sustainability and environmental impact of our process.

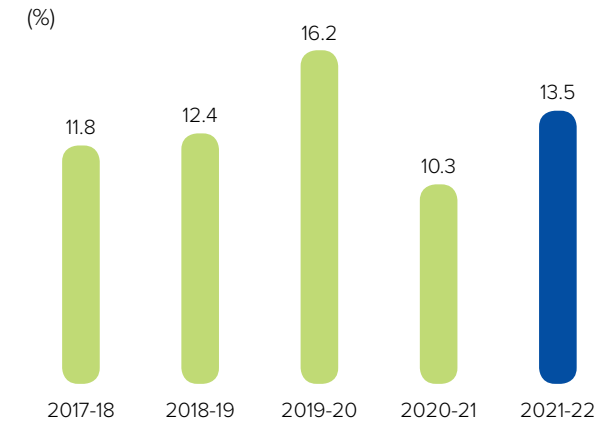
FINANCIAL CAPITAL

DRIVING GROWTH AND SUSTAINABILITY THROUGH ROBUST FINANCIAL PERFORMANCE

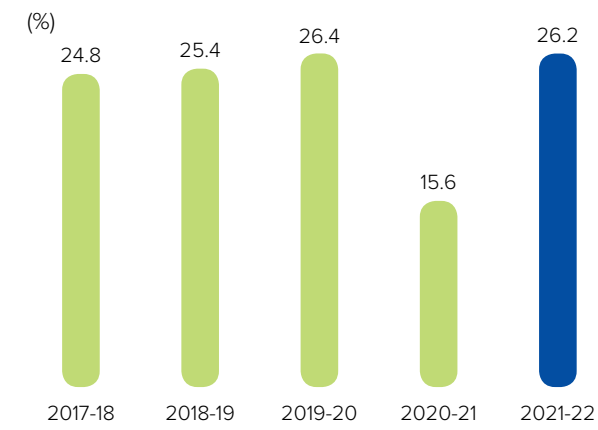
Sound financial performance is one of the important ingredients for a sustainable growth. Thus, we ensure optimum utilisation of funds in our business activities while also monitoring the value we generate.



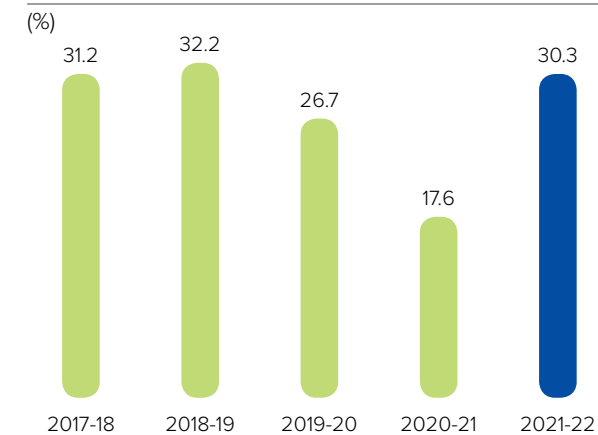
PAT MARGIN



RETURN ON NET WORTH



ROCE



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

RoCE = Return on Capital Employed

PAT = Profit after Tax

Return on net worth = Net profit after taxes / share holders' equity

Debt Equity = Net Cash and cash equivalent / shareholders' equity

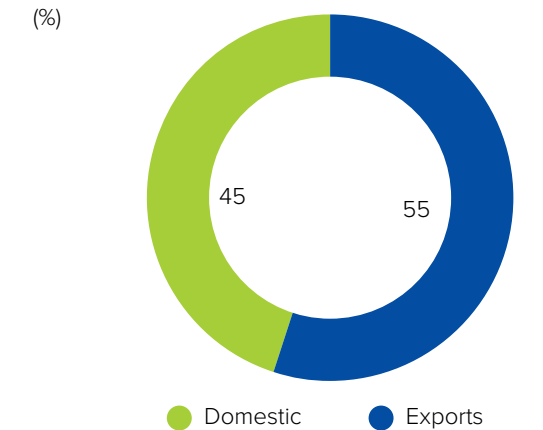
Return on Capital Employed = Operating EBIT/ (Shareholders equity + total short term and long-term debt)

Fixed Asset Turnover (Gross) = Revenue from operations / Gross amount of Fixed Assets including Intangible assets and cost of land

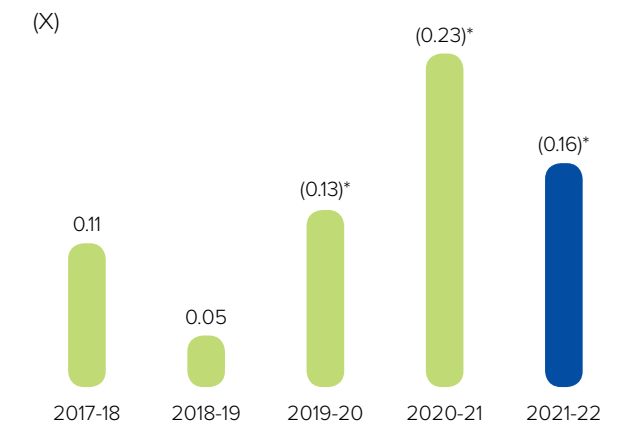
Fixed Asset Turnover (Net) = Revenue from operations / Net amount of Fixed Assets including Intangible assets and cost of land

*Net cash position

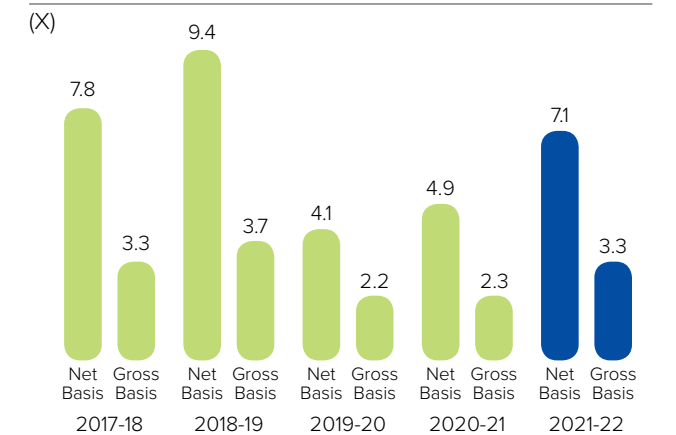
REVENUE DISTRIBUTION



DEBT : EQUITY



FIXED ASSET TURNOVER



MANUFACTURING CAPITAL

DRIVING GROWTH AND SUSTAINABILITY THROUGH EFFICIENT MANUFACTURING SETUP



MANUFACTURING CAPITAL FORMS A VITAL PART OF VALUE-CREATION. IT INCLUDES INVESTMENTS IN SETTING UP STATE-OF-THE-ART FACILITIES AS WELL AS IN IMPROVING EFFICIENCIES ACROSS PRODUCTION AND OPERATIONS FOR OPTIMISED OUTCOMES. AS A RESULT, WE HAVE BEEN ADDING VALUE TO THE CUSTOMERS BY DELIVERING BEST-IN-CLASS PRODUCTS AND MEETING GLOBAL DEMAND OF ADDITIVES.

We understand the importance of balancing our manufacturing footprint with our environment responsibility. Green technology and sustainable manufacturing are in our DNA since inception. Our in-house process design system uses latest technologies and engineering to automated processes. Our development teams design specially to suit our processes to manufacture and deliver world-class products to customers globally.

Our manufacturing facilities are strategically located around Jawaharlal Nehru Port Trust (JNPT) port that helps us deliver projects on time. Regardless of locations, these facilities adhere to high standards of safety and compliance with strong controls on quality. Our facilities are audited regularly by internal as well as external teams.

Our automated processes right from raw material to product packaging allows us to efficiently deliver high-quality products in a cost effective and timely manner. It further allows us to retain product consistency, leading to higher customer satisfaction.

Our conscious efforts towards developing products based on current & futuristic market trends allow us to stay ahead of the curve. At the same time, we also look for better opportunities and explore new geographies to widen and strengthen our reach.



CERTIFICATIONS



OUR DISCIPLINED CULTURE PRIORITISES WASTE PREVENTION OVER TREATMENT AND POLLUTION MONITORING & CONTROL

Our Existing Plants

In-house design systems

Zero-Liquid Discharge Manufacturing Sites.

Fully Automated Production Facilities.

Plant Locations



Dombivli | Badlapur | Ambernath | Patalganga

Way Forward



- Improve capability and ensuring optimum utilisation of capacities
- Explore further expansion
- Manufacture advanced sustainable products
- Implement state-of-the-art technologies
- Increase initiatives towards adopting and driving green practices

INTELLECTUAL CAPITAL

DRIVING GROWTH AND SUSTAINABILITY THROUGH STRONG R&D AND INNOVATION



OUR CONSISTENT INVESTMENTS TOWARDS STRENGTHENING OUR R&D CAPABILITIES, FORMS THE CORE OF OUR INTELLECTUAL CAPITAL. IT DRIVES INNOVATION IN THE AREAS OF PRODUCT DEVELOPMENT AS WELL AS PROCESS IMPROVEMENTS. OUR IN-HOUSE MANUFACTURING FACILITIES WITH INDIGENOUSLY DEVELOPED PROPRIETARY TECHNOLOGY HAS ALLOWED US TO INNOVATE AND FORMULATE NEWER ADDITIVES FOR DIVERSE APPLICATIONS.

We develop a range of ingredients and additives that cater to your needs by enhancing the performance of end-applications. To make it perform better, our pilot plants are equipped with ultra-modern distillation and reaction facilities. These facilities are led by a dedicated team of highly qualified scientists. This combination allows us develop chemicals for various applications with ease.

Expertise in the field of Oleochemistry and innovation-based development outlook helps us offer additive solutions that are flexible in terms of material choice. Thus, enabling us a strategic way forward to maximise the benefits of geography, capacity as well as versatile handling of various natural raw materials to offer adaptable, sustainable and suitable additive solutions for formulations.

20+

SCIENTISTS AND TECHNOLOGISTS

12

DESIGN PRINCIPLES OF GREEN CHEMISTRY PRACTISED

2

PILOT PLANTS (DOMBIVLI AND MAHAPE)

NATURAL AND RENEWABLE FEEDSTOCKS

BASED PRODUCTS



Fine Process Philosophy

- Natural and Renewable Feedstocks
- Safer Reaction Routes
- Designed for Safe Degradation
- Eliminate Hazards

Fine Engineering Principles

- Maximum Atom Economy
- Minimal Steps
- Improved Reaction Kinetics
- Enhanced Energy Efficiency

Fine Operations Culture

- Near-Zero Solvent Usage
- Enhanced Operational Safety
- Waste Prevention Over Treatment
- Pollution Monitoring and Control

Outcome

- Consistent new product developments – from 2 products in 1971 to over 450 products in 2022
- Effective and efficient technical support to customers
- Minimised capital expenditures & quicker commissioning



Way Forward

- New product developments
- Improving process technology
- Exploring newer application areas

Our New Products Sustainable by Design

GREEN SURFACTANTS



■ The majority of commercially available surfactants are made from petrochemicals. But in order to reduce the usage of goods that are hazardous to human health and the environment, researchers are looking for surfactants that are made from natural and renewable resources that are environmentally benign and biodegradable.

- Green Surfactants are environment-friendly surfactants made from bio-based raw materials and employing green chemistry.
- The green surfactants produced by us are based on similar principles employing oleochemicals derived from plant sources.
- As a result, our green surfactants are safer to use, with a lower risk of skin and eye irritation.
- Our green surfactants range is developed to accomplish outstanding emulsification, foaming, and cleansing as well as a broad spectrum of antimicrobial qualities, and thus, have a wide range of applications in the personal care and homecare industries.

SUSTAINABLE ADDITIVES FOR BIOPOLYMERS



■ Potential susceptibilities of the basic biopolymer to moisture and temperature could be a difficulty in achieving biopolymer's maximum benefits in the end-use and application.

- Our additives can help a lot by providing better melt-flow characteristics, process enhancement and effective end-properties including slip & anti-blocking capabilities, scratch resistance, effective mould release and so on. As a result, our additives help the environment by encouraging the use of biopolymers by providing processing benefits and superior functions.

HUMAN CAPITAL

DRIVING GROWTH AND SUSTAINABILITY, THROUGH COMPETENT AND CAPABLE WORKING TEAM



OUR WORKFORCE IS A KEY FOUNDATION OF OUR BUSINESS SUCCESS. OUR INVESTMENTS IN HUMAN CAPITAL ENABLES US ATTRACT AND RECRUIT TALENTS, ALLOWING US TO GAIN COMPETITIVE ADVANTAGE. THEIR SKILLSETS AND DEDICATION DRIVE THE ORGANISATIONAL GROWTH AND ALLOWS THE COMPANY TO RESPOND TO THE FAST-CHANGING MARKET AND NEEDS OF OUR CUSTOMERS.

We prioritise employee engagement and talent development to enable every employee to reach their full potential and grow in tandem with the organisation. We cherish the unique perspectives offered by employees from various backgrounds and provide our people a supportive and safe working environment, while promoting inclusion and diversity at our workplace.

Key initiatives

Attracting and Retaining Talent

We are committed towards investing in right people and talent and helping them to grow along with the organisation, through continuous learning and development and opportunities for growth. We have tie-ups with the right recruitment consultants in the industry for selecting the right candidate, also right trainings are given employees so that they can perform their duties diligently and efficiently.

Employee Benefits/Work Culture

In purview of the health concern, we have policies for every employee in the organisation, support programmes and mechanism to ensure employee safety and well-being. The Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. We also follow the policy of maternity leave for our women employees. We are an equal opportunity employer providing equal remuneration for women and men. Besides, we also promote free speech culture that encourages employees to contribute their ideas in order to help the Company grow.

Learning and Development

Learning and Development is an integral part of our people strategy. We give training to our employees and make them understand the usage of technology which further helps them to ideate and develop additives using latest technology. Numerous on-the-job training programmes at the unit-level are also provided to the employees. We have structured several annual training plans based on the identified needs of the personnel. Along with safety training, we organise other broad variety of skill-building, interpersonal skill-oriented training. We have successfully imparted various on-the-job trainings to the employees as per the TNI, Skill development training.

We also conduct various programmes in the organisation such as team building, communication and presentation skills, 5S and Quality Management System (QMS) to enhance the proficiency and expertise of our team. All these actions give us competitive edge and exemplifies our core values and nurture innovation, creativity and diversity.

Ensuring Health, Safety and Well-being

Employee health and safety is of prime importance to Fine Organics. Along with safety and security training, the Company offers a variety of training programmes for our employees

at various locations, including offices and factories, that are focused on the duties and responsibilities of employees in various grades and departments, such as:

- Prevention of sexual harassment at workplace training
- Quality Management System training
- Business ethics training
- Fire-fighting training/First-aid
- System compliance (QMS, FSSC, GMP, HALAL, RSPO, SEDEX)
- Covid-19 Preventive and control measures

To prevent workplace accidents and injuries, we promote a zero-incident philosophy. A major value is the safety of our employees, contractors, customers and visitors. Our ongoing focus on safety has allowed us to steadily lower the hazards associated with our operation.

Governance and Code of Conduct

Our Code of Conduct applies to all workers with the goal of ensuring that the Company, and our operations & people act ethically and transparently at all times. The intent of this code of conduct has always been guiding and regulating administration of our employees. We also strive to engrave the Company's core values while understanding the best-in-class practices and establishing centres of excellence at Fine Organics.

Diversity and Inclusion

Diversity and inclusion are a cultural tradition to ensure equitable opportunity for all employees. Fine Organics has always been mindful of and supportive of employee diversity. Age, cultural background, physical abilities and disabilities, colour, religion, gender and sexual orientation are all considered in our workforce allocation. Our employees' qualifications, competency, knowledge, abilities, attitude and experience are everything to us.

Human Rights

We abide by all laws that represent human rights concepts such as non-discrimination, child labour prevention, sexual harassment prevention and equal employment chances, among others. Every employee, as well as third parties with whom the Company does business, is treated with dignity and respect to individual rights.

750+

EMPLOYEE STRENGTH

15%

WOMEN EMPLOYEES

12%

EMPLOYEES COMPLETED 25 YEARS OF JOURNEY WITH US

13%

COMPRISE 1ST & 2ND GENERATION OF EMPLOYEES

SOCIAL AND RELATIONSHIP CAPITAL

DRIVING GROWTH AND SUSTAINABILITY BY STRENGTHENING RELATIONSHIPS WITH KEY STAKEHOLDERS, PROPELLING THE COMPANY'S PROGRESS



AT FINE ORGANICS, WE HAVE TAKEN A HOLISTIC APPROACH IN BUILDING LASTING LEGACIES WITH OUR KEY STAKEHOLDERS. WE FIRMLY BELIEVE THAT EFFECTIVE STAKEHOLDER ENGAGEMENT MANAGEMENT HAS A DIRECT BEARING ON OUR ABILITY TO DELIVER ON OUR STRATEGY.

Our commitment towards collaborative stakeholder engagement improves our understanding of their expectations and allows us to make informed decision-making. Our stakeholder engagement process is integrated and inclusive and aims to balance the needs, interests and expectations of stakeholders with those of the Company.

We identify and prioritise our key stakeholders based on their ability to impact our business and influence decision-making, considering the material impact of our business on/in the society we operate. In this direction, we discuss critical areas of concern and modify our priorities (if required), to manage our impacts.

At Fine Organics, the Management supports and engages in healthy interaction with both our global and local stakeholders, to analyse their diverse requirements. Thereon, we review and monitor our initiatives and its relevance/ impact, for developing further sustainable solutions while overcoming challenges from the industry, society and environment.

STAKEHOLDER ENGAGEMENT

STAKEHOLDERS	ENGAGEMENT MODES	VALUES DELIVERED
CUSTOMERS		
<p>We strive to ensure strong customer engagement & relationship for understanding them better, while providing reliable solutions, further improving our offerings in line with the anticipated market trends.</p>	<ul style="list-style-type: none"> Customer sustainability requests Audits Customer and industry conferences and events Key account manager relationships – ongoing dialogue Leveraging digital capabilities for better consumer understanding 	<ul style="list-style-type: none"> Consumer wellbeing and satisfaction Product quality & servicing
SUPPLIERS		
<p>We conduct our business with reliable and genuine suppliers toward mutual value-creation. We nurture innovation, technological upgradation and ethical conduct while doing business with our suppliers, for achieving the needed end-results. A free flow of communication further allows us to bring improvement from time-to-time, bridging gaps that would hinder our business conduct with the suppliers.</p>	<ul style="list-style-type: none"> Assessment Collaborations to improve performance Supplier events focusing on capacity building and issue resolutions 	<ul style="list-style-type: none"> Timely availability of raw materials Reliable sourcing Quality assurance
EMPLOYEES		
<p>We encourage and initiate honest communication with our employees for increased productivity and to efficiently resolve areas of conflict. We nurture unity and inclusivity in our team to bring in a collective sense of fulfilment when achieving business goals.</p>	<ul style="list-style-type: none"> Employee engagement surveys Annual performance dialogue Talent management processes Learning and development opportunities 	<ul style="list-style-type: none"> Fostering diversity & inclusion Employee health & safety Identifying individual goals and providing upskilling/developmental training Honest communication Human rights Enhanced management and problem-solving ability Improved job security Reward and recognition

STAKEHOLDERS	ENGAGEMENT MODES	VALUES-DELIVERED
<p>INVESTORS & SHAREHOLDERS</p> <p>We ensure transparency and active dialogue with our investors and shareholders. Our professional and ethical relationship with investors, banks and credit rating agencies enables us to attain timely support and funding for tapping better investment opportunities.</p>	<ul style="list-style-type: none"> Annual General Meeting Quarterly investors/analysts meetings Conferences with investors Investor presentation, annual report 	<ul style="list-style-type: none"> Return on investments Long-term sustainability of business Comprehensive and transparent reporting Effective risk management, and ethical conduct and corporate governance Regular dividends Good corporate citizenship
<p>COMMUNITIES</p> <p>We find ways to give back to the community we operate with and within. Facilitating open dialogue, good relations, and sense of collective benefit, enable us to serve the society at large. We take care of the environment as well as the underserved section, in proximity to our facilities. We initiate projects aimed at the well-being of the local communities, protecting local ecosystems and supporting livelihoods. Our focus is on providing equal opportunity in the field of education and healthcare facilities for the needy ones.</p>	<ul style="list-style-type: none"> Community development programme surveys Regular CSR initiatives Local partners (NGOs or cooperatives) appointed by Fine Organics 	<ul style="list-style-type: none"> Conserving biodiversity Climate awareness Local community development Education for the underprivileged students
<p>GOVERNMENT/REGULATORS</p> <p>We engage with local authorities to determine and prioritise the policy and strategic issues at place. Our planning assists us in framing strategy, which results in ensuring compliance, interpretation of regulations and uninterrupted operations</p>	<ul style="list-style-type: none"> Meetings, reports Networking in different forums organised by regulatory authorities Regular visits and applications Mandatory regulatory filing Improved internal systems and activities to meet requirements of regulatory changes 	<ul style="list-style-type: none"> Contribution to economy through payment of duties and taxes. Local community development Timely compliance with rules and regulation

CONTRIBUTING CONSISTENTLY TOWARDS SOCIETY

At Fine Organics, we consider Corporate Social Responsibility (CSR) as an integral part of our business that emphasises on community development. In this direction, we are leveraging our scale and expertise to bring about a positive change. Thus, the Company engages with associations for conducting programmes that focusses on education, health and women empowerment. Through these endeavors, we foster holistic and inclusive growth for our community, delivering upon our commitments as a socially responsible organisation.

EDUCATION INITIATIVE

Education is the fundamental right of every human being, and we believe in making it accessible to each and every person regardless of any sort for discrimination. We recognise that education is an important step in nation building and towards an empowered future. At Fine Organics, we consider education to be an important

element for bridging the socio-economic gaps that pushes us behind. We support education initiatives and aid in operating of school through our NGO partners, to disseminate education among the underserved sections for our society.



HEALTH INITIATIVE

At Fine Organics, we implement healthcare initiatives for improving life and provide adequate measures for better health among the needy and underserved sections. Ensuring good health is also an important step for the establishment of overall prosperity. Our overall healthcare

initiatives provide medical support to the communities lacking in resources to ensure a healthy livelihood. Thus, we support them in attaining sound health and safety of the people.



WOMEN EMPOWERMENT

We focus on improving the lives of women & children in local communities through education, economic empowerment and social amenities. Thereby, raising the standard of living among women & children. Additionally,

we help in providing and building better opportunities to women belonging to economically weaker sections of the society. Therefore, helping them to become self-reliant and enjoy a dignified, sustainable and quality life.



NATURAL CAPITAL

DRIVING GROWTH AND SUSTAINABILITY BY BEING ENVIRONMENTALLY RESPONSIVE



SUSTAINABILITY IS AT THE CORE OF OUR BUSINESS PROCESSES AND FORMS OUR STRATEGIC PRIORITY. WE FOCUS ON PRUDENT UTILISATION OF RESOURCES TO REMAIN AN ENVIRONMENTALLY CONSCIENTIOUS COMPANY THAT ENCOURAGES MEASURES IN THE DIRECTION OF NATURAL CONSERVATION.

We comply with all applicable rules and assure environment-friendly manufacturing processes, taking appropriate efforts to conserve and save energy and natural resources regularly. Our actions contribute to a better world, protecting our natural capital. All of our raw materials are vegetable-based and derived from a variety of sustainable plant sources. As a result, we are able to manufacture and cater our finished products as 'Green additives' in a variety of applications. Our plants are fully automated and work precisely and accurately in order to save energy to the fullest extent possible.

Reduction in Carbon Footprint/ Promoting Low-Carbon Economy

We focus on reducing carbon footprint and environment conservation through the following initiatives:

- o Installed solar lights and sky pipes to replace electric lamps
- o Installed LED lighting in the facility, administrative area and streets to save electricity
- o Shifted from using furnace oil to natural gas to reduce CO₂ emissions and eliminate SOx levels
- o Increased tree plantation within and around our production locations, with strong participation from the plant staff
- o Developed and maintained green belt and landscaping around our facilities by renting open space land/areas from MIDC to improve O₂ release into the surrounding environment
- o Encouraged employees to take carpooling facilities and reduce less use of individual vehicles; our employees living in Dombivli, Badlapur, and Ambarnath have been provided with daily bus transportation, leading to reduction in usage of gasoline and diesel, further reduces CO₂ emissions and greenhouse gases

250+
TREES PLANTED IN 2021-22

Reduction in Energy Consumption

Our plants are fully automated and work precisely and accurately in order to save energy to the greatest extent possible. In all warehouses, renewable energy such as solar energy is used in the form of 'Sky pipes'. They function on the premise of using solar light as an inside lighting source. Thus, throughout the day, we do not need any electricity to light the LED bulbs in warehouses, resulting in reduced electricity usage and energy conservation. The machineries are operated at more than 90% efficiency, and energy conservation is highly important in such processes. We have designed a production process that uses creative approaches to conserve a significant amount of water, fuel and electricity. We are in the process of procuring suitable renewable energy sources like solar farms or any similar renewable source. We use VFD for motors and pumps to get

the desired performance at optimum consumption of energy. We have installed LED lighting throughout plant area, admin area and streets to conserve energy.

We have greenfield projects that can meet Leadership in Energy and Environmental Design (LEED) certification requirements, allowing us to save resources while also assisting us in achieving long-term growth in the Manufacturing industry.

Waste Management

At Fine Organics, we ensure that the use of plastic packing materials is reduced through innovative approaches. Also, good practises are followed across all facilities to encourage our employees to decrease the use and generation of plastic waste, which has a direct or indirect impact on the environment. Similarly, facility-generated plastic waste is strategically collected and then disposed of by sending it to authorised recyclers, for which we receive a certificate from the authorised recycler certifying that the plastic waste was treated appropriately in accordance with Central and State regulatory compliance requirements.

All of our facilities are Zero Liquid Discharge (ZLD) units, which means we don't emit a single drop of effluent, resulting in zero-environmental effect.

Water Conservation

Our manufacturing facilities follows best practises such as 'R3 - Reduce, Reuse, and Recycle', which allows us to save natural resources. Among them, 'Water Resource' has attracted widespread attention, and we have taken different measures to reduce our daily water use, including the use of new technology, employee safety, and other measures to prevent water loss in day-to-day activities. Also, we use scientifically built ETP & STP systems to treat all waste water created within our plant, and the treated water is reused and recycled within the facility. As a result, water is being conserved as a valuable natural resource.

34,500 Cubic M/Annum
WATER USAGE

MEET THE BOARD



Mr. Mukesh Shah, *Chairman and Managing Director*

- Joined in 1973, holds a Bachelor's degree in Science
- Played a key role in establishing quality control and global sales & marketing



Mr. Jayen Shah, *Executive Director and CEO*

- Joined in 1986, holds a Master's Degree in Science from ICT, Mumbai
- Played an instrumental role in creating a strong vendor-partner network
- Played a key role in developing and managing channel partners for the organisation's products in India



Mr. Tushar Shah, *Executive Director & CFO*

- Joined in 1989, led several initiatives like ERP, CRM and Logistics among others
- Played a key role in the development of the first automated additive manufacturing facility



Mr. Bimal Shah, *Executive Director*

- Joined in 2009, holds a Bachelor's Degree in Science from Purdue University and a Master's Degree in Management from Boston College
- Led initiatives for new projects, processes and additional capacities



Mr. Nikhil Kamat, *Executive Director (w.e.f. June 27, 2022)*

- Joined in 1987, holds a Master's of Science Degree in Biochemistry from ICT, Mumbai
- Played a key role in operations, productions, planning, handling technical, environmental and regulatory tasks



Mr. Prakash Apte, *Independent Director*

- On Board since November, 2017, holds a Bachelor's degree in Mechanical Engineering, Diploma in Business Management
- Previously served as the Managing Director of Syngenta India



Mr. Mahesh Sarda, *Independent Director*

- On Board since November 2017, holds a Bachelor's Degree in Commerce and a Degree in Law
- A Chartered Accountant and Company Secretary
- Previously served as a Partner at Deloitte Haskins & Sells LLP



Mr. Thiruvengadam Parthasarathi, *Independent Director*

- On Board since November 2017, holds a B.Tech Degree in Chemical Engineering from IIT, Madras and a Post Graduate Diploma in Industrial Engineering and fellow member of the Institute of Cost Accountants of India
- Previously served as a Senior Director at Deloitte Touche Tohmatsu India Pvt. Ltd.



Mr. Kaushik Shah, *Independent Director*

- On Board since January 2018, holds a Bachelor's Degree in Commerce, a Chartered Accountant, Company Secretary and Law Graduate
- Previously served as the Managing Director of Fulford (India) Limited



Ms. Pratima Umarji, *Independent Director*

- On Board since November 2017; holds a Bachelor's Degree in Law and Economics
- Previously held the position of Principal Secretary Law (Legislation) with the Govt of Maharashtra for 10 years
- Current panel member of the 'Lok Adalat', Bombay High Court

CORPORATE INFORMATION

Board of Directors

Mr. Mukesh Maganlal Shah	Chairman and Managing Director (Chairman w.e.f. June 27, 2022)
Mr. Jayen Ramesh Shah	Executive Director & Chief Executive Officer
Mr. Tushar Ramesh Shah	Executive Director & Chief Financial Officer
Mr. Bimal Mukesh Shah	Executive Director
Mr. Nikhil Dattatraya Kamat	Executive Director (w.e.f. June 27, 2022)
Mr. Prakash Krishnaji Apte	Independent Director
Mr. Kaushik Dwarkadas Shah	Independent Director
Mr. Mahesh Pansukhlal Sarda	Independent Director
Mr. Thiruvengadam Parthasarathi	Independent Director
Ms. Pratima Madhukar Umarji	Independent Director

Board Committees

Audit Committee

Mr. Mahesh Pansukhlal Sarda , Chairman
Mr. Prakash Krishnaji Apte
Mr. Kaushik Dwarkadas Shah
Mr. Thiruvengadam Parthasarathi
Mr. Jayen Ramesh Shah
Mr. Tushar Ramesh Shah

Nomination & Remuneration Committee

Mr. Thiruvengadam Parthasarathi , Chairman
Ms. Pratima Madhukar Umarji
Mr. Mahesh Pansukhlal Sarda
Mr. Mukesh Maganlal Shah

Corporate Social Responsibility Committee

Mr. Jayen Ramesh Shah , Chairman
Mr. Prakash Krishnaji Apte
Mr. Kaushik Dwarkadas Shah
Mr. Mukesh Maganlal Shah
Mr. Tushar Ramesh Shah

Stakeholders' Relationship Committee

Ms. Pratima Madhukar Umarji , Chairperson
Mr. Prakash Krishnaji Apte
Mr. Kaushik Dwarkadas Shah
Mr. Mukesh Maganlal Shah
Mr. Jayen Ramesh Shah
Mr. Tushar Ramesh Shah

Risk Management Committee

Mr. Prakash Krishnaji Apte , Chairman
Mr. Thiruvengadam Parthasarathi
Mr. Jayen Ramesh Shah
Mr. Nikhil Dattatraya Kamat
Ms. Sonali Bhadani , Sr. VP - Finance

Executive committee

Mr. Mukesh Maganlal Shah , Chairman
Mr. Jayen Ramesh Shah
Mr. Tushar Ramesh Shah
Mr. Bimal Mukesh Shah
Mr. Nikhil Dattatraya Kamat

Principal Bankers

Union Bank of India
Citibank, N.A.

Auditors

B Y & Associates,
Chartered Accountants.

Company Secretary and Compliance Officer

Ms. Pooja Bhavesh Lohar

Registered Office

Fine House, Anandji Street, Off M.G. Road,
Ghatkopar East, Mumbai 400077,
Maharashtra, India
CIN: L24119MH2002PLC136003
Tel: +91 (22) 2102 5000
Fax: +91 (22) 2102 8899
Email: investors@fineorganics.com
Web: www.fineorganics.com

Registrar & Transfer Agents

KFin Technologies Limited
Selenium, Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Rangareddi – 500032, Telangana
CIN: U72400TG2017PLC117649
Toll free number: 1-800-309-4001
Email: einward.ris@kfintech.com
Website: https://ris.kfintech.com

Works

Additional MIDC, Ambarnath (E) 421501
Khervai MIDC, Badlapur (E) 421503
Additional MIDC, Ambarnath (E) 421506
Millennium Business Park, MIDC, Mahape,
Navi Mumbai 400710
MIDC, Dombivli (E) 421204
MIDC, Dombivli (E) 421203
MIDC, Chemical Zone, Ambarnath (W) 421501
Additional Patalganga MIDC Industrial Area,
Panvel, Raigad, 410220

MANAGEMENT DISCUSSION & ANALYSIS

INDIAN ECONOMY

The last two years have been difficult for the economies worldwide. In India, the economic damage caused by multiple waves of the COVID-19 pandemic and the resultant lockdowns slowed down economic growth significantly. However, the economy witnessed a rebound momentum from H1 FY 2020-21, owing to increased vaccination rates and reduced mobility restrictions. In the fiscal year 2021-22 the Gross Domestic Product (GDP) grew 8.7%, making India the fastest growing major economy. The 2021-2022 GDP was 1.5% higher than the pre pandemic level in 2019-2020.

(Source :- The Economic Survey 2022 released on January, 2022)

(Source: <https://economictimes.indiatimes.com/news/economy/indicators/gdp-grows-by-8-7-in-fy22-q4-gdp-slows-to-4-1/articleshow/91914997.cms>)

The pandemic directly impacted several industries, particularly those that required human interaction. As public finances were impacted by a cyclical slowdown in revenues, which was exacerbated by Covid-19, while pandemic-induced fiscal measures pushed up expenditure. This disruption was further intensified in the fourth quarter with the rising geopolitical tension. The Russia-Ukraine war and economic sanctions imposed, rapidly translated into escalated energy costs, supply chain disruptions, and high inflation. This resulted in a surge in prices of key commodities right from oil & gas to wheat, fertilisers and metals among others in India.

Agriculture and related sectors have been the least affected by the pandemic, and the industry is predicted to increase by 3.9% in 2021-22, up from 3.6% in the previous year (Source: Economic Survey 2021-22). Exports of both goods and services have been robust in 2021-22. However, imports also increased substantially, owing to a resurgence in domestic demand and increased international commodity prices. Even after the disruption caused by the pandemic, India's balance of payments remained in surplus in the fiscal year 2022. This resulted in the Reserve Bank of India's continuation of amassing foreign exchange reserves – which reached USD 600 billion in April 2022, The fiscal stimulus provided to the economy increased the budget deficit and Government debt in 2020-21. However, a positive recovery in government revenue would allow the government to comfortably meet its goals for the year 2021-22.

(Source: <https://www.moneycontrol.com/news/business/economy/forex-reserves-sizeable-outlook-for-external-sector-resilient-rbi-governor-8452701.html>)

Outlook

India is expected to be the third-largest consumer economy with its consumption anticipated to triple to USD 4 trillion by 2025. Global macroeconomic events such as the Russia-Ukraine conflict, rising global commodity and food prices, and monetary policy tightening by global central banks will all have an impact on India's long-term economic development. Economists predict that India's GDP would increase between 7% and 8% in 2022-2023, despite the fact that it will remain the world's fastest growing major economy.

(Source: https://www.business-standard.com/article/news-ians/india-may-become-3rd-largest-consumer-economy-by-2025-vice-president-119030800035_1.html#:~:text=India%20is%20expected%20to%20be,Naidu%20said%20here%20on%20Thursday)

(Source: <https://www.financialexpress.com/economy/gdp-2022-growth-slows-to-4-1-in-q4-india-to-face-global-heat-this-year-yet-remain-fastest-growing-economy/2544202/>)

Private sector investment increased in 2021-22, and India's lowering of borrowing requirements is likely to encourage private investment, which would help to cushion the country's economic development in 2022-2023. With the infusion of Capex in the economy by the government with the support of Central Bank would support the economy's recovery. Furthermore, multiple critical factors, including as extensive vaccine coverage, benefits from strategic supply-side reforms, regulatory relaxation, solid export growth, and an increase in capital spending, are anticipated to boost growth in 2022-23.

INDUSTRY STRUCTURE & DEVELOPMENTS

Specialty Chemicals

Specialty Chemicals are typically defined as the chemical compounds used in formulations of various finished products. These are specially formulated to offer specific functions or performance in the end-application, which plays a crucial role in corresponding industry.

Some of the categories of Specialty Chemicals include Automotive, Aerospace, Foods, Colors, Cosmetics, Construction Chemicals, Flavors, Fragrances, Paints, Polymers and Textile Auxiliaries among others.

Specialty chemicals are developed and produced after extensive research and development, which differentiates them from the commodity chemicals. They have limited and specially identified suitable applications, unlike commodity chemicals, which have multiple common applications and uses as intermediates etc.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Indian Specialty Chemicals Market

The Specialty Chemicals market in India is one of the fastest-growing sectors. It is recognised globally for adherence to quality, compliance, availability of raw material and skilled resources. The Specialty Chemicals segment comprises 22% of India's total chemicals and petro-chemical market. The market is valued at USD 18 billion in 2014 to USD 32 billion in 2019 and is poised to reach worth USD 64 billion by 2025 – registering an impressive of CAGR 12.4%. India's market share in the global specialty chemicals grew from 3% in 2015 to 4% in 2019, further this is anticipated to grow to 5.5% by 2025. The growth of the Specialty Chemical segment is anticipated to be primarily driven by a number of factors like i) Tailwinds from the shift in global supply and ii) Recovery in demand from the end-user industry. This is attributed to the growing end-use markets such as construction, textile, automotive and consumer durables, increased raw material availability amongst others. India is expected to grow at second highest rate after China and is competing well on factors such as low labor cost, global trade dynamics and uncertainties, relatively lenient environmental norms and regulatory policies to name a few.

(Source: JM Financial Report, Moneycontrol, <https://www.moneycontrol.com/news/business/markets/indias-chemical-industry-will-continue-on-growth-path-says-jm-financial-7841371.html>)

(Source: <https://www.crisil.com/en/home/newsroom/press-releases/2022/03/india-to-double-specialty-chemicals-market-share-in-5-years.html>)

Oleochemistry

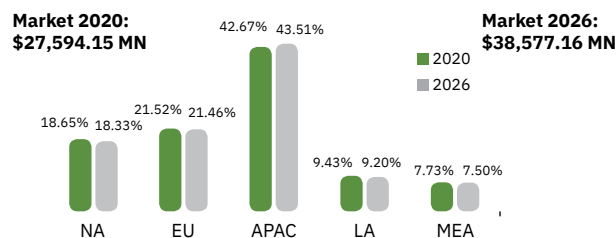
The global oleochemicals market is valued at USD 22.5 billion in 2021 and it is estimated to reach at USD 33.9 billion by 2027. Household consumption of oleochemical products is expected to increase; thereby vigorously driving the demand for the oleochemicals. Although many household products come from the industry today; soaps & detergents have been the traditional mainstay. The global oleochemicals industry has been hit by the COVID-19 pandemic and has caused disruption in the supply chain and labor crises. Most of the production happened through the refineries; however, there have been widespread closures of refineries and labor shortages due to the lockdown restrictions. The industry has positively responded to the crisis, with manufacturers switching to more sustainable approaches like sourcing feedstocks, establishing a value chain and integrating local farmers with product development. Manufacturers have

responded to the pandemic by increasing their production through more sustainable raw materials and introducing a more eco-friendly approach.

The fast-growing demand for biodiesel as well as the Fast-Moving Consumer Goods (FMCG) industry, are the key determinants driving the market's expansion. Furthermore, the growing adoption of oleochemicals by chemical manufacturers to produce bio-surfactants, bio-lubricants and biopolymers as sustainable alternatives to the petrochemicals is a major growth driver. The market is driven by rising consumer demand for natural items such as organic soaps, food additives, cosmetics and so on. Additionally, Rapid industrialisation around the world is another key driving market expansion. Furthermore, the manufactures are keen to introduce sustainable oleochemicals and reduce carbon footprint in order to create the brand-image of environmentally responsible businesses.

(Source: www.imarcgroup.com/oleochemicals-market)

REGIONAL CONTRIBUTION 2020-2026 (% SHARE)



Global Oleochemicals Market by Segment 2020 (% share)

(Source: Arizton)

INDUSTRY SEGMENTS

1) Foods

Food additives are used to preserve the freshness, taste, texture and appearance of various food items for an extended duration in order to ensure adequate shelf-life of the food products while they reach the end-consumers. Therefore, Food additives play a critical role in case of the high-volume products such as breads, biscuits, rusks to high-value ready-to-eat food items such as desserts, chocolates, spreads, cheese and more. Growing demand of packaged/canned food has been positively translating in increased consumption of Food additives in the past and is expected to continue favorably in the coming years as elaborated in the next section capturing the Global scenario.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Global Scenario

The global Food additives market is projected to increase at a CAGR of 4.93%, during the forecast period (2022-2027). Rising demand for processed, packaged and convenience foods, specifically in developing economies, is one of the major driving factors of the global Food additives market. Changing consumer taste and preferences rising demand for ready-to-eat food is helping the food additives market to grow at a remarkable speed. Increasingly industrious lifestyle of people and increasing workforce population, particularly the expanding female workforce, changing consumer lifestyle, increasing sales of packaged frozen foods and ready-to-eat meals are collectively fueling the demand for Food additives globally.

(source:<https://www.mordorintelligence.com/industry-reports/global-food-additives-marketindustry#:~:text=The%20global%20food%20additive%20market,the%20production%20of%20end%20products.>)

Global Food Additives Market (2021-2028)		
2020	2028	CAGR
USD 36.01 billion	USD 57.04 billion	5.7%

(The figures include all generally used Food Additives and not just Fine Organic's products)

(Source: <https://www.verifiedmarketresearch.com/product/food-additives-market/>)

Indian Scenario

The Indian food emulsifiers market was valued at USD 104.72 million in 2020, and it is projected to reach USD 159.23 million by 2026 while recording a CAGR of 7.25% during the forecast period, 2021-2026. In Asian countries, like India, with higher disposable incomes and more engaging lifestyles, the demand for packaged, processed and ready-to-eat foods is increasing. The manufacturers of food emulsifiers are seeing an increased demand from food manufacturers to preserve the freshness, safety, taste, appearance and texture of the processed foods. Furthermore, the Indian food and beverage industry is continually looking for additives and ingredient options that aid the nutritive value of food products and have a longer shelf-life, better structure and high stability. Therefore, the usage of better-quality and more efficient additives presents growth

opportunities for various market players. The increasing consumer inclination toward nutritional products, including multi-grain breads, yogurts, energy and dairy-based drinks is expected to foster the applications for food emulsifiers. India has been a prominent milk producer in the world. Thus, the demand for flavored milk and recombined milk, made from milk powder and chocolate milk drives the emulsifier market further in the thriving dairy industry.

(Source: Morder Intelligence Report)

Opportunities for Food Additives

- Rising demand for processed, packaged and ready-to-eat convenience foods are the driving factors of food additives market.
- Rising demand for malt drinks, premium ice creams, frozen desserts and other dairy products are the factors of growth of food additives market.
- Changing and diversifying consumer tastes, as well as increasing demand for food and beverages with higher nutritional value, necessitated the use of food additives by food companies.

2) Plastics and Packaging

Additives form an integral part of the Plastics industry. They are extensively used to modify the properties of the plastic products during the compounding and processing stages. Plastics manufacturing and processing has evolved with time especially in terms of achieving maximised process & performance benefits and integrating 'sustainability' by progressively preferring bio-based Polymer additives. Some of the major trends observed in the Plastics industry have been to encourage the use of bio-based raw materials, maximum recycling/reprocessing of used plastics with the target of promoting 'circular' economy and thereby, successfully address the issues caused due to plastics waste management. Therefore, the role of Plastic additives has become more prominent and imperative.

Global Scenario

Valued around USD 24,587.37 million in 2021 (expected), the global plastic additives market is projected to reach USD 30,874.56 million by 2026, at a CAGR of 4.66%. This growth factor mainly include increased demand in the packaging industry as it is used in a variety of industrial and household applications.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Additionally, owing to the growing population, rapid urbanisation and rising middle-class incomes, APAC countries are expected to witness robust demand for Plastic additives in Automotive, Electronic & Electrical goods manufacturing and other specialty applications. Thus, the growing demand for the Plastic additives expected to remain stable. Also, with the excellence in innovation, the usability and application of additives for plastics have also increased optimistically.

(Source: Mordor intelligence analysis 2020)

Volume growth of the Plastics additives market is underpinned by increasing penetration of plastic products across different end-use industries as efficient and more sustainable alternative material including construction, consumer goods, automotive and packaging among others. Although the COVID-19 pandemic severely disrupted the overall plastic additives market in 2020, consumption has started to improve in 2021, followed by economic recovery and resumption of manufacturing activities. However, pre-pandemic levels of consumption will be attained only by 2023.

(Source: <https://www.businesswire.com/news/home/20211027005880/en/Global-Plastic-Additives-Growth-Opportunities-Report-2021---ResearchAndMarkets.com>)

Indian Scenario

The Indian plastic additives market is predicted to be worth USD 1190.60 million in 2021, rising to USD 1643.51 million by 2026, at a CAGR of 6.66 percent. India is a leading Country in South Asia in terms of consumption of plastic additives, owing to the extensive usage of plasticisers, flame retardants, stabilisers, impact modifiers, slip & antiblocks and antistatic additives. Demand in India primarily comes from the end-products such as wires and cables, pipes and fittings, rigid and flexible packaging films and automotive components, largely due to growing urbanisation and middle class population, coupled with strong economic growth and presence of cost-effective manufacturing hubs.

The packaging industry is also functioning as a catalyst in the massive growth of the plastics additives market in India. The packaging industry, which is India's largest end-user of plastic additives, is expanding rapidly. The packaging sector was relatively immune to the COVID-19 pandemic and the related additive market

experienced a growth which is mainly promoted by increasing demand for food and beverage packaging products not only in India but also worldwide.

(Source: Mordor intelligence report 2020)

(Note:- The above figures include all generally used Plastic additives and not just Fine Organic's products)

Opportunities

- Development of sustainable and value-added Plastic additives will gain momentum worldwide; thereby driving the revenue growth of the Plastic additives market.
- Growth in other Plastic additives is mainly reinforced by the high demand from packaging-related applications, including flexible/rigid films/sheets, rigid bottles and containers (moulded/thermoformed). The packaging sector is anticipated to experience robust consumption of Plastic additives for manufacturing various rigid and flexible packaging films and end-products worldwide.
- Growth in the consumer goods segment is mainly backed by the extensive usage of plasticisers, flame retardants and impact modifiers and processing aids for toys, child-care products, sports and leisure products and upholstered furniture among other consumer goods-related applications.
- There has been demand shift in consumer preference towards eco-friendly plastic products and increasing use in food packaging and compostable bag applications in emerging markets such as APAC, EU and USA.

3) Cosmetics and Pharmaceuticals

Cosmetic emulsifiers and emollients are used in various personal care products generally to mix water with oil. Surface active agents that act as the interface between two immiscible liquids along with maintaining the stability of mixture are called emulsifiers. Cosmetic emulsifiers help reduce the surface tension between lipophilic and hydrophilic constituents, resulting into finely dispersed mixtures. This, in turn, improves shelf life and increases performance properties of personal care products

(Source: <https://www.transparencymarketresearch.com/cosmetic-emulsifier-market.html>)

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Global Scenario

The world cosmetics market is anticipated to increase at a CAGR of 5.3% from 2021 to 2027. The growth has been driven by a growing consumer base due to strikingly increased awareness, rising disposable income, the surge in cosmetics manufacturing, expanding urbanisation and rapid adoption of cosmetic products among millennials and increasing e-commerce sales.

The global cosmetic chemicals market is primarily driven by the increasing disposable income of individuals in developing countries such as China and India, along with the desire of better self-grooming and self-care to improve the external appearance of an individual. Presently, cosmetics have become an indispensable feature of modern lifestyle of individuals. In addition, growth in consciousness about external beauty along with individual's internal intellect has become one of the major driving factors for use of cosmetics in the global market. Stringent government regulations against the use of toxic chemicals and increased demand for organic products made from natural ingredients limit the growth of the global cosmetic chemical market. A surge in R&D activities from market leaders with the aim to develop an advanced and diverse product portfolio is likely to offer fresh opportunities for the growth of the global cosmetic chemicals market.

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

(source:<https://www.researchandmarkets.com/reports/3275915/world-cosmetics-market-opportunities>)

Indian Scenario

India Cosmetics Products Market is projected to rise at a CAGR of 4.23% during the forecast period 2021-2022.

The booming Indian Cosmetics products Market is stormed by home-grown brands that promise to pamper Indian skin with the goodness of local, natural and organic products. The growing concern for health and personal wellness has enhanced the demand for natural or organic products. These factors have compelled manufacturers to improve their product offerings to match the dynamically changing consumer requirements. Amid the growing prevalence of hair thinning, loss of volume, dryness and several other hair-related concerns among consumers among the younger

consumer population of Asians, have led to the growth of the hair care market. Asian countries, such as Indian hair care products have emerged as widely accepted word-wide to make them the most cost-effective and functional products.

The pandemic has influenced the spending habits of consumers and purchase decisions, leading to a slight drop in the market growth, owing to the lockdown and closing of various retail stores. Nevertheless, an enhanced awareness of hygiene and personal wellness has made consumers more concerned about the potential damages of pollution and stress in their current lifestyle; thereby, opting for various cosmetics products as a remedy.

(source: <https://www.mordorintelligence.com/industry-reports/india-cosmetics-products-market-industry>)

(source:<https://www.ibef.org/industry/pharmaceuticalindia.aspx#:~:text=According%20to%20the%20Indian%20Economic,120%2D130%20billion%20by%202030.>)

Opportunities

- Growing demand for various skin care products and hair products like shampoos or oils
- Rise in demand for high value cosmetics with improved performance properties due to the increase in awareness about the benefits of skin care products among end-users is positively impacting the demand for cosmetic emulsifiers
- Significant rise in demand for numerous skin care products such as facial skincare, face cleansers, body care and sun protection products is also anticipated to fuel the demand for cosmetic emulsifiers across the globe
- rise in popularity of natural cosmetic ingredients owing to the increase in awareness regarding the harmful impact of synthetic ingredients among end-users is anticipated to boost the demand for natural cosmetic emulsifiers across the globe

4) Coating Additives

Specialty Coating additives play a critical role in the Coating applications through improving the product quality and stability resulting in maximised benefits in the end-applications by imparting overall improved quality. Although, the use levels of these additives

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

are typically modest, the functional improvement is significantly noteworthy. These additives are used in the printing process to provide the necessary slip and antiblocking qualities, resulting in a high quality printed surface for extended duration. Printed surfaces often include various materials such as rubber, cardboard, papers and metals. Inks are also used in printing for plastic cards, and films among others.

The additives designed for ink applications facilitate the performance of printed surface by rendering effective slip & antiblocking properties, high-quality pigment dispersion with sufficient stability, anti-clogging properties and more required functions.

Global Scenario

The global coating additives market is expected to grow at the rate of 5.5% CAGR from 2021 to 2030. The coating additives is anticipated to grow in Automotive sector and Paint industry among others. Chemical formulation of coating additives is being increasingly well-accepted due to the performance enhancements that these materials offer in the end-application.

(Source: <https://www.alliedmarketresearch.com/coating-additives-market>)

Indian Scenario

India has emerged as one of the largest consumers and producers of inks in the Asia Pacific region. The burgeoning middle-class has propelled ink usage in most of the sub-segments of the industry. India is among the fastest-growing printing ink markets in the world, spurred by the rapid expansion of domestic print markets. The printing ink market in India has registered a strong growth in the recent years due to the strong demand from key end user segments such as package printing, publishing and other commercial printing.

The demand for industrial coatings can be propelled by the rapid industrialisation in a developing economy like India. This will consequently be a significant driving factor for this market. It is expected to exhibit increasing production of paints and coatings in the applications such as interior, exterior coatings/paints, industrial coatings and other high-end protective coating (corrosion inhibitor action).

Opportunities:

- The continuously growing demand for e-commerce business, increasing applications, technological advancements are future growth drivers for the industry.
- Increasing demand for plastics across industries like packaging, automobiles, and durables among others, will grow the market and hence demand for inks and coatings additives in India.
- The growing packaging sales are increasing both consumption and demand for consumer goods like paints.
- The growing influence of eco-friendly coating additives will add extra growth to the environment-friendly coating additives market.
- The production of paints and coatings is expected to be high due to its increasing application in construction, automotive, equipment manufacturing and consumer durables which, in turn will lead to the increasing demand for additives.

CHALLENGES & THREATS

Climate Conditions

We are engaged in the manufacture of oleochemical based green additives which are basically derived from vegetable oils. Production output of various vegetable oil seeds is sensitive to weather conditions, such as drought, floods, extreme heat, harsh weather, cyclones and natural disasters. Adverse weather conditions may also cause volatility in the prices of commodities, which may affect farmers' decisions about the types and quantum of crops to plant and may consequently affect the sales of our Additives.

Extended product approval process

The regulatory approvals received from the different industry institutions are generally granted for a limited duration; further there are regular revisions in the regulatory compliances depending on the geographical region, industry, end-use and more. Upon approval at the immediate customer, it further can take three to five years to approve the additives before the manufacturer gets the nod as an additive supplier by an end-customer. This means the additive end-users are likely to source tested additives from established suppliers to avoid expensive and lengthy validation tests. This process creates a high entry barrier for a Company in new customers, geography and applications.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Stringent customer specification

Our Specialty additives are subject to strict customer specification requirements in terms of manufacturing processes and products. Any failure on the part of the manufacturer or supplier to comply with the applicable customer specifications may lead to cancellation of existing and future orders, recalls or warranty claims or civil claims. If products fail to meet customers' quality standards, it could be removed from end-user customers' 'approved supplier' list. This would have a material adverse effect on our business, finance and operations.

Vegetable Oil Prices

The prices of vegetable oil are determined by global and domestic demand-supply output, other climatic/crop factors, extensive usage in making bio diesel and sustainable aviation fuel and tariff changes implemented by the Indian Government and exporting countries may cause price volatility and swings. Recent Russia invasion on Ukraine has also fueled up prices and disrupted supplies.

Supply Chain disruption

Covid 19 pandemic has caused global supply chain disruption and it is still continuing due to current geo political issues. We use a combination of land, water and air transport and typically rely on third party transportation providers for such purposes, which are subject to various bottlenecks and other hazards beyond our control, including customs, weather, strikes or civil disruptions. Disruption in logistics, including transportation services, could impair our ability to procure raw materials and/or deliver manufactured products on time. Any such disruption could materially and adversely affect our business, financial condition and results of operations.

Travel restrictions

Travelling is an integral part of our line of business. After the devastating COVID-19 surge disrupted supply chains in key regions, travel restrictions made the situation worse. There have been border controls, lockdowns and travel restrictions imposed by various countries, as a result of the COVID-19 outbreak. Our team was not being able to travel to demonstrate newer applications to our existing and new customers. Even the manufacturing plant inspection by some of our prospective clients also came to a halt due to the travel restrictions. Such travel restrictions will have a impact on our ability to travel, interact with potential customers, pursue partnerships and other business transactions and eventually on growth prospects.

BUSINESS OVERVIEW

Fine Organic Industries Limited ('Fine Organics' or 'FOIL' or 'The Company'), is an well-established and reputed internationally recognised manufacturer of Oleochemical-based green additives rooted in India. The Company is a pioneer in developing unique specialty additives for various applications. With over 450 specialty additives catering to foods, plastics, cosmetics, coatings, feed nutrition and other key applications in several industries.

Our state of the art production facilities are located in Ambernath, Badlapur, Dombivli and Patalganga. With more than 20 scientists, engineers and technologists in a dedicated R&D centre, the Company serves as a platform to develop suitable and optimum solutions based on consumers' and clients' requirements.

Backed by in-house manufacturing and design/engineering facilities, well-equipped R&D and a techno-commercial approach, the Company provides specialised products and technical services to the end user industry.

Food Additives

The Company caters to the food industry requirements with its additives such as Emulsifiers, Antifungal Additives and other additives/ blends. These food additives help maintain food quality, keep food fresh, impart improved product structural integrity and increase the shelf life of foods like breads, cakes and bakery products – preventing spoilage or hazardous growth of bacteria and yeast and moulds.

Plastic Additives

The Company develops a huge range of additives such as dispersing agents, multifunctional processing aids, antistats, melt flow improvers, lubricants, antifogging additives for the applications ranging from polymers, polymer compounds/ masterbatches, foamed products, PVC products and engineering plastics. These plastic additives provide a variety of functionalities: Slip additives that reduce surface friction between plastic film-to-film surfaces and film-to-metal surfaces; antistats help to dissipate static charges to make plastic safer to handle; and anti-fogs that improve visibility through plastic films.

FINANCIAL HIGHLIGHTS (STANDALONE)

The Company posted net revenue from operation ₹ 1,85,842.83 lakhs in 2021-22 as against ₹ 1,12,129.01 lakhs in 2020-21 representing increase of 65.74% over the previous year. EBIDTA of the Company recorded increase of

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

81.46% from ₹ 19,206.95 lakhs in 2020-21 to ₹ 34,852.40 lakhs in 2021-22. The EBIDTA margin improved from 17.13% in 2020-21 to 18.75% in 2021-22. PAT of the Company increased by 120.46% from ₹ 11,493.58 lakhs in 2020-21 to ₹ 25,338.43 lakhs in 2021-22. The PAT margins improved from 10.25% in 2020-21 to 13.63% in 2021-22.

Key Ratios	FY 2020-21	FY 2021-22
Inventory Turnover (X) Net Credit Sales/Average Inventories	9.82	11.97
Interest Coverage Ratio (X) (Earnings Before Interest and Taxes(-) Other Income/ Finance Cost)	23.86	61.04
Current Ratio(X) (Current Assets/Current Liabilities)	3.93	3.56
Debt Equity Ratio (X) (Total Debt/Shareholders Equity)	0.12	0.06
Debtors Turnover (X) (Net Sales/Average Accounts Receivables)	7.00	7.33
Operating Profit Margin (%) (Profit Before Interest and Taxes(-) Other Income/Net Sales)	12.96%	16.61%
Net Profit Margin(%) (Net Profit after Taxes/Net Sales)	10.25%	13.49%
Return on Net-worth(%) (Net Profit after Taxes/ Average Shareholders Equity)	16.97%	29.54%

RISK MANAGEMENT

Fine organics recognises that business activities may be threatened by a wide range of implicit and explicit risks. Our success, as an organisation, depends on our ability to identify and capitalise on business opportunities, especially in the markets we compete within. Hence, we take an integrated approach to minimise risk and run proper assessments to maximise growth. By managing the associated risks, we strive to balance our plan of action, returns and related risks.

Economic risk:

Our business depends substantially on global economic conditions. A significant number of our Export Customers and the end users of our products are located and primarily operating in Europe, North and South America, Middle East

and Asia and some of them were adversely impacted by the economic downturn in these economies, disruption in banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence and political uncertainty. Although economic conditions are different in each country. The Company's business operations may be impacted due to global slowdown, the impacts may be credit market risk, weakening consumer and business confidence, fluctuating commodity prices, volatile exchange rates and other challenges. The Company constantly monitor macro-environmental situation, making detailed and timely assessment to ensure business continuity. Fine organics wide range of products and impeccable global presence with diversified customers base lets Company limiting its risk related to a particular sector.

Commodity price risk:

Agricultural commodity prices are very volatile, and are affected by factors such as weather, government policies, global demographic changes and competition from substitute products. India is a net importer of edible oils. India imports around 60% of its consumption of edible oils such as Palm oil, Soyabean oil and Sunflower oil among others. In sourcing the raw materials and selling finished product to various industries, price fluctuations in the commodities market would affect the profitability of the business. The Company is exposed to commodity price risk for its business operations. Currently the Company does not engage in any direct commodity hedging activities. However, the Company has internal systems through which price for our raw materials derived from commodities is monitored to the possible extent. The Company also manages the associated commodity price risks through short term periodical contracts with vendors and customers.

Raw materials unavailability:

Since the Company manufactures products for specialty applications, it intends to procure raw materials from different vendors due to large volumes. Also, the Company does not enter into contracts for duration exceeding three to six months with any of its supplier base depending upon products, Suppliers and prevailing situation. Any disruption in the supply of the raw materials can disrupt the Company's manufacturing operations, which can have a material adverse effect on our business, results of operations and financial condition. Since the Company has long-standing relationships with its suppliers, which helps to minimise risk of procuring raw materials.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Foreign exchange risks:

The Company is exposed to foreign exchange risks emanating from business, assets and liabilities denominated in foreign currency. Our export sales constitute approx.60% of our Revenue from Operations in value term. Most of our sales to overseas customers are denominated, predominantly in USD and Euro. We import goods, primarily Raw materials which is approx. 30% in value term of our total Raw material procurement and mainly denominated in USD. In order to hedge foreign currency exposure, the Company uses forward contracts as hedging instruments from time to time for exports as well as imports.

Regulatory risks:

Food products and their ingredients, food contact packaging materials, pharma packaging, Feed nutrition additives and cosmetic substances are subject to high regulatory standards. This helps protect consumers from health hazards in all countries where we manufacture or distribute our products. Similar regulations also apply to plastic additives used in manufacturing packaging materials used for food packaging and medical products. In addition to Indian laws, rules, and regulations, we must also comply with the laws, rules, and regulations in each country where we sell our products like all chemical companies, Fine Organics is also subjected to foreign, central, state, local laws and regulations related to pollution, environment, generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Changes in environmental regulations could also inhibit or interrupt the Company's operations. For this, the Company abides by the necessary requirements of regulatory bodies and environment-friendly manufacturing processes.

Quality risk:

Additives, although used in minor quantities, are very critical in terms of performance in end-use material, be it food, plastic or any other products. This makes it imperative for the customer using the additive to validate the additive's quality and performance thoroughly. In addition to performance, as many of these additives are used in food, feeds and food packaging materials, they also need to comply with stringent health and environment-related regulations globally. Any failure in quality standards may lead to loss of reputation and goodwill of the Company, order cancellation and customer loss. The Company has remained focused on strengthening the quality standards through its in-house process development and management. Thus helping it maintain the highest level of quality consistency.

Human resource risk:

Our success is largely dependent on the efforts and abilities of our employees. Also, a big part of our future performance will be determined by our ability to retain our key Management Personnel. The loss of one or more of our Key Management Personnel, or a reduction in their services, could have a negative impact on our business, financial condition, and results of operations. Failure to attract and retain the right talent will stifle the Company's growth even further. The Company has a competitive remuneration strategy in place, as well as an adequate incentives and recognition, to prevent such attrition. The Company also carry out employee training on a regular basis to keep their abilities up to date.

Environment, Health and Safety (EHS):

We are subject to safety, health, environmental, labour, workplace and related laws and regulations. Any failure to comply with any current, or future laws or regulations, could have a material adverse effect on our business, financial condition and results of operations. To mitigate these, we have EHS policies. Our decisions are based on the framework that these policies suggest, thereby avoiding such risks.

Risk Governance:

Our risk governance structure comprises the Risk Management Committee at the Board level, the Executive Risk Committee and risk management by the respective operating units. The Board level Risk Management Committee, chaired by the Independent Director, oversees the Executive Risk Committee, reviews the overall risk management guidelines/framework, reviews and recommends risk limits as well as assesses the adequacy and effectiveness of the risk management policies and systems.

HUMAN RESOURCES

We believe that human capital is a valuable asset for the success of any business, and losing them could have an adverse effect on the Company's performance. At Fine Organics, we promote and initiate skill development and preparedness against major challenges. Thereon, facilitating high employee morale and a healthy work environment.

Our human capital is our most incredible tool that helps us in shaping a sustainable future for the Company. It is critical for our smooth functioning. Hence, discovering talented people and retaining them is the key aim of our HR policy. As on March 31, 2022, the Company's workforce strength stood at 760.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

INTERNAL CONTROL SYSTEM

The Company implements and manages efficient internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, by maintaining proper records and reports in a timely manner. This is supplemented by an extensive programme of internal audit, reviewed by the Management and relevant policies, guidelines and procedures. The internal control is designed to ensure the reliability of financial and other records for preparing precise financial statements, maintaining accountability of assets and more. The Management is committed to regularly reviewing and making relevant amendments to the internal control system, as and when required.

The Company's process framework provides well-documented standard operating procedures and authorities with adequate built-in controls. The internal control is further enhanced by an extensive programme of internal, external audits and periodic reviews by the Management.

The Company adopts and follows a risk mitigation strategy and reviews risk occurrence to find probable mitigation strategies. The Company's Risk Management Committee reviews risks and mitigation measures at regular intervals, and accordingly initiates corrective steps at times of need.

CAUTIONARY STATEMENTS

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

BOARD'S REPORT

Dear Members,

The Directors hereby present their twentieth Annual Report along with the audited Standalone as well as Consolidated financial statements for the financial year ended March 31, 2022.

FINANCIAL RESULTS:

(₹ In lakhs)

Particulars	Standalone		Consolidated	
	for the year ended March 31, 2022	for the year ended March 31, 2021	for the year ended March 31, 2022	for the year ended March 31, 2021
REVENUE & PROFITS				
Total Revenue from operations	1,85,842.83	112,129.01	1,87,625.92	113,321.84
Profit before Interest, Tax & Depreciation	38,172.37	20,909.36	39,653.96	21,504.80
Less: Interest & Finance Charges	505.64	608.99	510.91	612.98
Less: Depreciation	3,990.01	4,676.49	3,990.28	4,676.91
Profit for the year before Tax	33,676.72	15,623.88	35,152.77	16,214.91
Less: Provision for Taxation				
- Current	8,750.00	4,320.00	9,313.85	4,380.61
- Deferred	(140.21)	(190.89)	(131.99)	(201.42)
Short (Excess) provision for earlier years	-	1.59	-	1.59
Net Profit/(Loss) after Tax	25,066.93	11,493.18	25,970.91	12,034.13
Other Comprehensive Income	271.50	232.90	271.50	232.90
Total Comprehensive Income	25,338.43	11,726.08	26,242.41	12,267.03
RETAINED EARNINGS				
Opening Balance of Retained Earnings	71,666.38	61,092.96	71,540.99	60,428.45
Add: Profit for the year	25,066.93	11,493.18	26,091.64	12,034.13
Less: Appropriations:	-	-	-	-
Final Dividend	3,372.60	919.76	3,372.60	919.76
Transferred to Other Reserve/ Non-Controlling Interest	-	-	9.92	1.83
Balance as at end of the Year	93,360.71	71,666.38	94,250.11	71,540.99

The financial results have been further discussed in detail in the Management Discussion and Analysis Report which forms a part of this Annual Report.

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

SHARE CAPITAL:

During the year under review, there was no change in the share capital of the Company. The Paid-up share capital of the Company as on March 31, 2022 is ₹ 1,533.00 lakhs divided into 3,06,59,976 equity shares of ₹ 5 each.

DIVIDEND:

Your Directors are pleased to recommend a Final Dividend of ₹ 9 per equity share of the face value of ₹ 5 each fully paid-up for the financial year ended March 31, 2022.

If the dividend, as recommended above, is declared by the Members at the ensuing Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 2,759.40 lakhs. The dividend will be paid to those members whose names appear in the register of beneficial owners/register of members as at the close of business hours on August 16, 2022.

BOARD'S REPORT (Contd.)

TRANSFER TO RESERVES:

The closing balance of the retained earnings of the Company for the financial year 2021-22, after all appropriations and adjustments was ₹ 93,360.71 lakhs.

SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES:

As on March 31, 2022, the Company has two subsidiaries i.e. Fine Organics (USA), Inc. and Fine Organics Europe BV and three joint venture companies i.e. Fine Zeelandia Private Limited, FineADD Ingredients GmbH and Fine Organic Industries (Thailand) Co., Ltd.

During the year, a joint venture company, Fine Organic Industries (Thailand) Co., Ltd. was incorporated on May 31, 2021. Further, the Board in its meeting held on November 11, 2021 approved the termination of Joint Venture Agreement with Adcotech GmbH for the Company i.e. FineADD Ingredients GmbH subject to the completion of applicable regulatory formalities. The said Company is presently under the process of liquidation.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give

a true and fair view of the state of affairs of the Company as on March 31, 2022 and of the profit of the Company for that period;

- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Presently, the Board of Directors of the Company comprises 5 (five) Executive Directors and 5 (five) Non-Executive Independent Directors including one woman Independent Director. During the financial year ended March 31, 2022, there has been no change in the Board of Directors.

Mr. Mukesh Shah (DIN: 00106799) retires by rotation and being eligible offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice. The brief details of Mr. Mukesh Shah, who is proposed to be re-appointed as required under Secretarial Standard 2 (**"SS-2"**) and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the **"Listing Regulations"**) is being provided in the Notice convening the Annual General Meeting (**"AGM"**) of the Company.

During the year under review, the Non-Executive Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

Cessation

On account of sad demise of Mr. Prakash Kamat, Chairman and Executive Director of the Company, he ceased to be a Director of the Company w.e.f. June 17, 2022.

BOARD'S REPORT (Contd.)

Mr. Prakash Kamat was a Co-founder of the Company and the Company has immensely benefited from his vision, guidance and support during his long association. The Board of Directors and employees of Fine Organic Industries Limited deeply mourn this irreparable loss.

Re-appointment of Directors

The Board at its meeting held on June 27, 2022 approved the appointment of Mr. Mukesh Shah as the Chairman of the Board of the Company in addition to him being a Managing Director. Further, based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its Meeting held on May 27, 2022 has proposed to re-appoint Mr. Mukesh Shah as a Managing Director of the Company for a further period of 5 years w.e.f. November 6, 2022. The Board recommends his re-appointment as the Managing Director for which the approval of the Members is being sought in the Notice convening the AGM of the Company.

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its Meeting held on May 27, 2022 has proposed to re-appoint Mr. Jayen Shah as a Whole Time Director and Chief Executive Officer of the Company for a further period of 5 years w.e.f. November 6, 2022. The Board recommends his re-appointment as the Whole Time Director and Chief Executive Officer for which the approval of the Members is being sought in the Notice convening the AGM of the Company.

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its Meeting held on May 27, 2022 has proposed to re-appoint Mr. Tushar Shah as a Whole Time Director and Chief Financial Officer of the Company for a further period of 5 years w.e.f. November 6, 2022. The Board recommends his re-appointment as the Whole Time Director and Chief Financial Officer for which the approval of the Members is being sought in the Notice convening the AGM of the Company.

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its Meeting held on May 27, 2022 has proposed to re-appoint Mr. Bimal Shah as a Whole Time Director of the Company for a further period of 5 years w.e.f. November 6, 2022. The Board recommends his re-appointment as the Whole Time Director for which the approval of the Members is being sought in the Notice convening the AGM of the Company.

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its Meeting held on May 27, 2022 has proposed to re-appoint Mr. Prakash Apte as an Independent Non-Executive Director of the Company for a further period of 5 years w.e.f. November 13, 2022. The Board recommends his re-appointment as an Independent Non-Executive Director for which the approval of the Members is being sought in the Notice convening the AGM of the Company.

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its Meeting held on May 27, 2022 has proposed to re-appoint Mr. Mahesh Sarda as an Independent Non-Executive Director of the Company for a further period of 5 years w.e.f. November 13, 2022. The Board recommends his re-appointment as an Independent Non-Executive Director for which the approval of the Members is being sought in the Notice convening the AGM of the Company.

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its Meeting held on May 27, 2022 has proposed to re-appoint Mr. Thiruvengadam Parthasarathi as an Independent Non-Executive Director of the Company for a further period of 5 years w.e.f. November 13, 2022. The Board recommends his re-appointment as an Independent Non-Executive Director for which the approval of the Members is being sought in the Notice convening the AGM of the Company.

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its Meeting held on May 27, 2022 has proposed to re-appoint Ms. Pratima Umarji as an Independent Non-Executive Director of the Company for a further period of 5 years w.e.f. November 13, 2022. The Board recommends her re-appointment as an Independent Non-Executive Director for which the approval of the Members is being sought in the Notice convening the AGM of the Company.

Based on the recommendation of the Nomination and Remuneration Committee of the Company the Board of Directors of the Company at its Meeting held on May 27, 2022 has proposed to re-appoint Mr. Kaushik Shah as an Independent Non-Executive Director of the Company for a further period of 5 years w.e.f. January 24, 2023. The Board

BOARD'S REPORT (Contd.)

recommends his re-appointment as an Independent Non-Executive Director for which the approval of the Members is being sought in the Notice convening the AGM of the Company.

Pursuant to the provisions of Section 149(7) of the Act, the Independent Directors have submitted declarations stating that they meet the criteria of independence as provided in Section 149 (6) of the Act along with Rules framed there under and Regulation 16 (1) (b) of the Listing Regulations. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

Appointment

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its Meeting held on June 27, 2022 has appointed Mr. Nikhil Kamat as an Additional Director of the Company w.e.f. June 27, 2022 and further he was designated as the Whole Time Director of the Company for a period of 5 years w.e.f. June 27, 2022. The resolution seeking approval of the Members for regularisation of his directorship and appointment as Whole Time Director have been included in the Notice convening the AGM of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel ('KMP') of the Company as on March 31, 2022 were: Late Mr. Prakash Kamat, Chairman and Whole Time Director (since deceased on June 17, 2022); Mr. Mukesh Shah, Managing Director; Mr. Jayen Shah, Whole Time Director and Chief Executive Officer; Mr. Tushar Shah, Whole Time Director and Chief Financial Officer; Mr. Bimal Shah, Whole Time Director and Ms. Pooja Lohor, Company Secretary.

NUMBER OF BOARD MEETINGS:

The Board met four times during the year under review. The maximum gap between two Board meetings did not exceed 120 days. The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report forming part of the Annual Report.

COMMITTEES OF THE BOARD:

As required pursuant to the Act and the Listing Regulations, the Company has formed all the statutory committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, the Corporate Social Responsibility Committee

and the Risk Management Committee. In addition, the Company has an Executive Committee.

There have been no instances where the Board did not accept the recommendations of the Audit Committee.

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

ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD:

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

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

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

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

The Board and NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting and the feedback received from the Directors on the performance of the Board and its Committees was also discussed. The Board was satisfied

BOARD'S REPORT (Contd.)

with the performance of the Board, Board Committees and individual Directors.

NOMINATION AND REMUNERATION POLICY:

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

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

AUDITORS:

I. Statutory Auditors

M/s. B Y & Associates, Chartered Accountants, Mumbai (Firm Registration No. 123423W) were appointed as the Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of the 15th AGM held on July 10, 2017 until the conclusion of the 20th AGM of the Company to be held in the year 2022. The Audit Committee and the Board at their meetings held on May 26, 2022 and May 27, 2022 respectively, has approved and recommended the re-appointment of M/s. B Y & Associates, Chartered Accountants as the Statutory Auditors of the Company for a further term of 3 years from the conclusion of the 20th AGM of the Company to be held on August 23, 2022 up to the conclusion of the 23rd AGM to be held in the year 2025. Accordingly, a resolution seeking approval of the shareholders for the re-appointment of the Statutory Auditors is listed as Item No. 5 of the AGM Notice as an Ordinary Resolution. As per the provisions of Section 139 of the Act, they have confirmed that they are not disqualified from continuing as the Auditors of the Company.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

II. Cost Accounts and Cost Auditors

The Company is required to make and maintain cost records for its products as specified by the Central Government under sub-section (1) of section 148 of the Act. Accordingly, the Company has been making and maintaining the records as required.

The Board, on the recommendation of the Audit Committee has approved the appointment of M/s Y. R. Doshi & Associates, Cost Accountants, Mumbai (Firm Registration No. 000286) as the Cost Auditors of the Company to audit the cost records for the financial year 2022-23. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders. Accordingly, a resolution seeking ratification by the members for the remuneration is listed as Item No. 6 of the AGM Notice as an Ordinary Resolution.

III. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. KS & Associates - Company Secretaries, Mumbai (Certificate of Practice Number 5163) to undertake the Secretarial Audit of the Company for the financial year 2022-23. Further, the report of the Secretarial Auditor for the financial year 2021-22 is appended as "Annexure A" to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

AUDIT COMMITTEE

During the year, there was no change in the composition of the Audit Committee. Accordingly, as on March 31, 2022, the Audit Committee comprised of Independent Directors Mr. Mahesh Sarda (Chairman), Mr. Thiruvengadam Parthasarathi (Member), Mr. Prakash Apte (Member), Mr. Kaushik Shah (Member) and Executive Directors Mr. Jayen Shah (Member) and Mr. Tushar Shah (Member). The terms of reference of the Audit Committee are included in Corporate Governance Report, which forms an integral part of the Annual Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

BOARD'S REPORT (Contd.)

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

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

RISK MANAGEMENT FRAMEWORK:

Risk Management is an integral part of the Company's operations. The Board of Directors has constituted Risk Management Committee (RMC) to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks. Mechanisms for identification and prioritization of risks include scanning the business environment and continuous monitoring of internal risk factors. Major risks identified by the Company's business and functions are systematically addressed through mitigating actions on a continuing basis. A detailed note on risk management is given under financial review section of the Management Discussion and Analysis of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Particular of loans, guarantees and investments covered under Section 186 of the Act forms part of the notes to the Standalone Ind AS financial statements provided in this Annual Report.

RELATED PARTY TRANSACTIONS:

None of the transactions with related parties fall under the scope of Section 188 (1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134 (3) (h) of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 in Form No. AOC-2 is not applicable to the Company for the financial year 2021-22 and hence, does not form part of this report. Details of the related party transactions are given in the notes to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY:

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

The Board of Directors has constituted Corporate Social Responsibility Policy of the Company and it is available at <https://www.fineorganics.com/investor-relations/corporate-governance/policies>.

The Report on Corporate Social Responsibility (CSR) including constitution of the Corporate Social Responsibility Committee and activities undertaken during the financial year 2021-22 as per Rule 8 of the Companies (CSR Policy) Amendment Rules, 2021 is enclosed as **"Annexure B"** to this Report.

ANNUAL RETURN:

As per the requirements of Section 92 (3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return for the financial year 2021-22 will be available on <https://www.fineorganics.com/investor-relations/compliance/annual-general-meeting-documents>.

PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION:

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

The statement containing particulars of employees as required under section 197 of the Act read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Act, this Report and accounts are being sent to the members and others entitled thereto, excluding the information on particulars of employees which is available for inspection by members at the Registered Office of the Company during business hours on all working days. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

CORPORATE GOVERNANCE:

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

BOARD'S REPORT (Contd.)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report, capturing your Company's performance, industry trends and other material changes with respect to your Company and its subsidiaries, wherever applicable, is presented in a separate section forming an integral part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT:

A Business Responsibility Report pursuant to Regulation 34(2)(f) of the Listing Regulations is presented in a separate section forming an integral part of this Annual Report.

DIVIDEND DISTRIBUTION POLICY:

Pursuant to Regulation 43A of the Listing Regulations, the Company has adopted a Dividend Distribution Policy, setting out the parameters and circumstances that the Board will take into account, in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy is available on the website of the Company and the web link thereto is:

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

WHISTLE BLOWER POLICY AND VIGIL MECHANISM:

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

PREVENTION OF SEXUAL HARASSMENT:

The Company has zero tolerance towards sexual harassment at workplace and has adopted policy on Prevention of Sexual Harassment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to provide protection to the employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. The Company has not received any complaint of sexual harassment during the financial year 2021-22.

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

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

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

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

DEPOSITS FROM PUBLIC:

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

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

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

ACKNOWLEDGEMENTS:

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

For and On Behalf of the Board

Mukesh Shah

Chairman and Managing Director
Mumbai: June 27, 2022

ANNEXURE A

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members,
Fine Organic Industries Limited

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

Based on our verification of the Company’s books, papers, minute books, forms and based on returns filed, Statutory Auditor’s Report, Audited & signed Annual Accounts for financial year ended March 31, 2022, Board’s Report for the financial year ended March 31, 2022 and other records maintained by the Company and also the information provided by the Company, its Board of Directors, its officers, agents and authorized representatives as well as the Management Representations and Management Certifications made by the Company during the conduct of secretarial audit, we hereby report that in our opinion and as per our understanding and belief, the Company has, during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions as mentioned hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and based on returns filed, Statutory Auditor’s Report, Audited and signed Annual Accounts for the financial year ended March 31, 2022, Board’s Report for the financial year ended March 31, 2022 and other records maintained by the Company and also the information provided by the Company, its Board of Directors, its officers, agents and authorized representatives as well as the Management Representations and Management Certifications made by the Company during the conduct of secretarial audit, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under, wherever applicable for the referred financial year;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under, wherever applicable for the referred financial year;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under, wherever applicable for the referred financial year;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable for the referred financial year;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’), wherever applicable for the referred financial year:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever applicable for the referred financial year;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, wherever applicable for the referred financial year;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, wherever applicable for the referred financial year;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, wherever applicable for the referred financial year;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, wherever applicable for the referred financial year;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, wherever applicable for the referred financial year;

ANNEXURE A (Contd.)

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, wherever applicable for the referred financial year;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, wherever applicable for the referred financial year;
- (vi) We have relied on the representation made by the Company, its Board of Directors, its officers, agents and authorized representatives, Management's Representation and based on returns filed, Statutory Auditor's Report, Audited and signed Annual Accounts for the financial year ended March 31, 2022, Board's Report for the financial year ended March 31, 2022, for systems and mechanism put in place by the Company for Compliances under various other applicable Acts, Laws and Regulations to the Company and we have also examined compliance with the applicable clauses of the following:
- Secretarial Standards with respect to the Board and General Meetings issued by the Institute of Company Secretaries of India.
 - We have also examined compliance with the applicable clauses of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited, for the referred financial year;

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

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

We further report that:

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

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

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

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

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

- In the board meeting dated May 27, 2021, the Board declared final dividend of ₹ 11 (Rupees Eleven only) per equity share of ₹ 5 each fully paid up for the financial year ended March 31, 2021, which included a one-time special dividend of ₹ 5 per equity share on account of golden jubilee year of the Company.
- In the Annual General Meeting dated August 24, 2021, the Shareholders of the Company approved the declaration of final dividend of ₹ 11 per equity share of ₹ 5 each, for the financial year 2020-21.
- In the Annual General Meeting dated August 24, 2021, the shareholders approved ratification of the appointment of Mr. Bimal Shah (DIN: 03424880), Whole time Director of the Company for the remaining period of his tenure.

For KS & Associates,
Company Secretaries

Kartik Shah

C.P. No. 5163

Membership No. 5732

Peer Review Certificate No.: 1225/2021

UDIN: F005732D000401490

Place: Mumbai

Date: May 27, 2022

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

ANNEXURE 'A' TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Fine Organic Industries Limited

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

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

For KS & Associates,
Company Secretaries

Kartik Shah

C.P. No. 5163

Membership No. 5732

Peer Review Certificate No.: 1225/2021

UDIN: F005732D000401490

Place: Mumbai

Date: May 27, 2022

ANNEXURE B

ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

Your Company has developed a CSR framework in line with Section 135 of the Companies Act, 2013 read with Schedule VII thereto which focuses on Education, Healthcare, Women Empowerment and Eradicating of extreme hunger and poverty etc. We partner with NGOs and social service institutions in delivering projects that leave maximum impact in the lives of the people affected. The web link to the CSR Policy is <https://www.fineorganics.com/investor-relations/corporate-governance/policies>.

2. COMPOSITION OF THE CSR COMMITTEE

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

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY

The web-link where composition of CSR Committee is disclosed on the website is-

<https://www.fineorganics.com/investor-relations/corporate-governance/board-of-directors-and-committees>

The web-link where CSR policy is disclosed on the website is-

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

The web-link where CSR Projects are disclosed on the website is-

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

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT)

Not Applicable.

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

Sr. no.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to set-off for the financial year, if any (in ₹)
--	--	Nil	Nil

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5): ₹ 19,893.82 lakhs

ANNEXURE B (Contd.)

7. (A) TWO PERCENT OF THE AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5): ₹ 397.88 lakhs
- (B) SURPLUS ARISING OUT OF THE CSR PROJECTS OR PROGRAMMES OR ACTIVITIES OF THE PREVIOUS FINANCIAL YEARS: NIL
- (C) AMOUNT REQUIRED TO BE SET OFF FOR THE FINANCIAL YEAR, IF ANY: NIL
- (D) TOTAL CSR OBLIGATION FOR THE FINANCIAL YEAR (7A+7B-7C): ₹ 397.88 lakhs

Out of the total amount spent for the project of Suhit Jeevan Trust in the financial year 2020-21, ₹ 2.00 lakhs (paid as a GST amount) was received back to the Company in the financial year 2021-22 on account of the cancellation of the GST number of one of the contractors appointed for the said project. Considering the said refund amount, total CSR obligation of the Company for the financial year 2021-22 was ₹ 399.88 lakhs.

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (₹ In lakhs)	Amount Unspent				
	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 (₹ In lakhs)	Date of Transfer	Name of the fund	Amount	Date of Transfer
235.96	163.92	April 26, 2022	NA	NA	NA

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

1	2	3	4	5		6	7	8	9	10	11	
				State	District						Name	CSR Registration number
Sr. no.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (₹ In lakhs)	Amount spent in current financial Year (₹ In lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ In lakhs)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through implementing agency	
1	Mahatma Gandhi Hospital for Tribals	Promoting health care including preventive health care	No	Maharashtra	Amravati	2 yrs	15.00	0	15.00	No	MAHAN	CSR00000414
2	Support to hospital for cancer patients	Promoting health care including preventive health care	Yes	Maharashtra	Thane	2 yrs	100.00	0	100.00	No	Sri Chaitanya Seva Trust	CSR00001017
3	Development of Women Entrepreneurship	Empowering women	No	Maharashtra	Jalgaon	2 yrs	9.70	0	9.70	No	Bhagini Nivedita Gramin Vidnyan Niketan	CSR00015243
4	Higher School Merit Scholarship	Promotion of education	Yes	Maharashtra	Mumbai	2 yrs	20.00	10.00	10.00	No	Ghatkopar South Indian Education Trust	CSR00012260

ANNEXURE B (Contd.)

1	2	3	4	5		6	7	8	9	10	11	
Sr. no.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (₹ In lakhs)	Amount spent in current financial Year (₹ In lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ In lakhs)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through implementing agency	
				State	District						Name	CSR Registration number
5	Renovation of Samarthanam high school	Promotion of education for the differently abled	No	Karnataka	Bengaluru	2 yrs	10.50	5.00	5.50	No	Samarthanam Trust for the Disabled	CSR00000063
6	Girija Balgruha and Girija old age home	Support to orphanage and old age home	No	Maharashtra	Raigad	2 yrs	10.72	2.00	8.72	No	Girija Welfare Association	CSR00009505
7	Rise and Shine Child Development Centre	Promotion of education and health care	Yes	Maharashtra	Mumbai	2 yrs	15.00	0	15.00	No	Shree Ghatkopar Brahman Samaj	CSR00008092
Total							180.92	17.00	163.92			

(c) Details of CSR amount spent against other than ongoing projects for the financial year

1	2	3	4	5		6	7	8	
Sr. no.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (₹ In lakhs)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1	Covid Relief Activities	Eradicating extreme hunger and poverty	Yes	Maharashtra	Mumbai	8.93	Yes	NA	NA
2	Support to needy Golf caddies in Covid Crisis	Promotion of education	Yes	Maharashtra	Mumbai	2.00	No	Chembur Golf Welfare Foundation	CSR00006141
3	Supporting Infrastructure for MICU and Wards in Hospital	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	24.71	No	Harilal Jaichand Doshi Ghatkopar Hindu Sabha Hospital Trust	CSR00005501
4	Support to Children Home	Promotion of education	No	Orissa	Khordha	10.00	No	RAWA Academy	CSR00002778
5	Supporting Dhanvantri School	Promotion of education for differently abled	No	Gujarat	Kutch	10.00	No	The Child Welfare Trust	CSR00007706
6	Parivaar Seva Kutirs	Eradicating extreme hunger and poverty; Promotion of education	No	Madhya Pradesh	Dewas, Sehore, and Mandla	40.00	No	Parivaar Education Society	CSR00000052
7	Fighting Cataract Backlog in Western Orissa	Promoting health care including preventive healthcare	No	Orissa	Sambalpur	35.00	No	Vision India Foundation	CSR00006853
8	Residential School for Nomadic and Denotified tribes	Promotion of education	No	Gujarat	Ahmedabad	10.00	No	Vicharta Samuday Samarthan Manch	CSR00001129
9	Support to Vocational Training Program for youths	Empowering women	Yes	Maharashtra	Mumbai	10.00	No	Navarushti International Trust	CSR00004550

ANNEXURE B (Contd.)

1	2	3	4	5		6	7	8	
				State	District			Name	CSR Registration number
Sr. no.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (₹ In lakhs)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through implementing agency	
10	Support to primary health clinic	Promoting health care including preventive health care	No	West Bengal	Howrah	15.00	No	Samaritan Help Mission	CSR00000896
11	Supporting school for tribal children	Promotion of education	No	Gujarat	Navsari	10.00	No	Malvi Education and Charitable Trust	CSR00003450
12	Education to slum children	Promotion of education	Yes	Maharashtra	Mumbai	5.00	No	Logic Centre and Community Welfare Association Mumbai	CSR00003249
13	Maternal Child Health Care	Promoting health care including preventive health care	No	Gujarat	Valsad	7.50	No	Action Research In Community Health and Development	CSR00003729
14	Supporting Education Initiatives	Promotion of education	Yes	Maharashtra	Mumbai	5.00	No	Jeevan Dhara	CSR00006154
15	Support girls shelter home	Promotion of education	No	Maharashtra	Pune	8.00	No	Maher	CSR00001098
16	Higher Education support for the youth with disability and underprivileged	Promotion of education for the differently abled	No	Andhra Pradesh	Guntur	12.69	No	Samarthanam Trust for the Disabled	CSR00000063
Total						213.83			

(d) Amount spent in administrative overheads: ₹ 5.13 lakhs

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the financial year: ₹ 235.96 lakhs

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

(g) Excess amount for set-off, if any: Not Applicable

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

ANNEXURE B (Contd.)

9. (a) Details of Unspent CSR amount for the preceding three financial years

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ In lakhs)	Amount spent in the reporting Financial Year (₹ In lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6) if any			Amount remaining to be spent in succeeding financial years (₹ In lakhs)
				Name of the Fund	Amount (₹ In lakhs)	Date of Transfer	
1	2018-19	NA	Nil	NA	NA	NA	Nil
2	2019-20	NA	Nil	NA	NA	NA	Nil
3	2020-21	404.47	363.97	NA	NA	NA	40.50

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)

1	2	3	4	5	6	7	8	9
Sr. no.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (₹ In lakhs)	Amount spent on the project in the reporting Financial Year (₹ In lakhs)	Cumulative amount spent at the end of the reporting Financial Year (₹ In lakhs)	Status of the Project - Completed/ Ongoing
1	Mauli Shikshan Prasarak Mandal	Dr. Anandibai Joshi Nursing Training Course	2020-21	2 years	8.40	4.20	8.40	Completed
2	Vishwanidam Public Charitable Trust	Education to slum children	2019-20	3 years	25.00	12.50	25.00	Completed
3	Samvedana Trust	Supporting Rural Education	2019-20	3 years	31.00	0	15.50	Ongoing
4	Indo-Swiss Centre of Excellence	Skill Development Centre	2020-21	3 years	250.00	225.00	225.00	Ongoing
5	TATA Memorial Centre	Support to Pediatric Oncology department	2020-21	2 years	5.00	5.00	5.00	Completed
6	Kamaldham Vrudhashram and Kalyankari Sanstha	Supporting Old age home	2020-21	2 years	5.00	5.00	5.00	Completed
7	Naigaum Social Service Society	Modernisation of tailoring unit	2020-21	2 years	2.65	2.65	2.65	Completed
8	Borderless World Foundation	Development of Girls' Hostel	2020-21	2 years	15.00	15.00	15.00	Completed
9	Shrihari Satsang Samiti Mumbai (Cultural Society for Tribals)	Srihari Satsang Samiti Rural Education	2020-21	2 years	22.00	11.00	22.00	Completed
10	Sri Chaitanya Seva Trust	Support to hospital for cancer patients	2020-21	2 years	83.62	83.62	83.62	Completed
	Total					363.97		

ANNEXURE B (Contd.)

- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)**
- (a) **Date of creation or acquisition of the capital asset(s):** Not applicable
 - (b) **Amount of CSR spent for creation or acquisition of capital asset:** Not Applicable
 - (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Not Applicable
 - (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Not Applicable
- 11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):**
Not Applicable

Mukesh Shah
Chairman and Managing Director
(Member of CSR Committee)

Jayen Shah
Whole Time Director and CEO
(Chairman of CSR Committee)

Mumbai: June 27, 2022

ANNEXURE C

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2021-22:

Sr. No.	Name	Designation	Ratio of remuneration of Director to the median remuneration	% increase/ (decrease)
1	Mr. Prakash Kamat	Executive Chairman and Whole Time Director	59.57	21.53
2	Mr. Mukesh Shah	Managing Director	59.57	21.53
3	Mr. Jayen Shah	Whole Time Director and Chief Executive Officer	59.57	21.53
4	Mr. Tushar Shah	Whole Time Director and Chief Financial Officer	59.57	21.53
5	Mr. Bimal Shah	Whole Time Director	59.57	21.53
6	Mr. Prakash Apte	Independent Director	3.45	89.25
7	Mr. Kaushik Shah	Independent Director	3.40	94.63
8	Mr. Mahesh Sarda	Independent Director	3.27	95.92
9	Mr. Thiruvengadam Parthasarathi	Independent Director	3.32	90.24
10	Ms. Pratima Umarji	Independent Director	3.19	103.80
11	Ms. Pooja Lohor	Company Secretary	-	16.22

Notes:

- Remuneration to Executive Directors includes commission paid amounting to ₹ 50 lakhs per Executive Director aggregating to total ₹ 250 lakhs for the financial year 2021-22.
- Remuneration to Independent Directors includes sitting fees paid and the commission to be paid for the financial year 2021-22 subject to approval of the shareholders in the AGM.
- Number of permanent employees on the rolls of the Company as on March 31, 2022: 760
- The remuneration to Directors is within the overall limits approved by the shareholders. - Yes
- The median remuneration is ₹ 5.88 lakhs for the financial year 2021-22.
- The percentage increase in the median remuneration of employees in the financial year 2021-22 is 6.77%.
- Employee whose remuneration was in excess of the remuneration of the highest paid Director during the financial year 2021-22. - None

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

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	13.83
Average increase in remuneration of managerial personnel	16.68

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

For and On Behalf of the Board

Mukesh Shah
Chairman and Managing Director
Mumbai: June 27, 2022

ANNEXURE D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOR FINANCIAL YEAR 2021 –22

ENERGY CONSERVATION:

1) Granulator with latest Technology introduced to get following advantages:

This advanced technology is capable to offer dual output of Powder and Granules; therefore, proves to be beneficial over conventional expensive production process.

Improved drying air contact efficiency attained in this technology results in effective heat energy saving of approximately around 10% to 12%.

2) Water Conservation:

Implementation of Rain Water Harvesting system so as to save and reuse the rain water during the monsoon period. This initiative enables us to save the precious water. Recycling and Reuse of treated waste water within the facility leads to conservation of water resources. Necessary steps are taken to reduce water consumption in our facilities.

By installing Water Saver Nozzles on the Taps, across our major facilities, we were able to save nearly 70 % of water usage leading to achieve water conservation to a larger extent.

Steam condensate recovery is a process to reuse the water and sensible heat contained in the discharge condensate. This led to significant saving of energy, chemical treatment and water usage. The TDS of Boiler feed water is reduced by using condensate recovered water. Also, this system minimizes DO content leading to prevent corrosion problem of system and thus, reducing maintenance costs.

TECHNOLOGY ABSORPTION:

1) Introduction of New Designed machinery:

We have added the Oil skimmer & MBBR technology in ETP system of our new facility to ensure efficient working of ETP system.

Provision of high efficiency ATFD with a full-fledged ETP system to achieve ZLD leading to saving of 20–25% of energy as compared to conventional evaporation system.

2) Advanced Lighting Arrester system:

This system is a certified system which guarantees 100% dissipation of current whenever the lightning strikes to this arrester. Thus, it ensures 100% safety to human and assets leading to prevent any Hazard occurrence at the facility.

3) D tune reactor:

These reactors are installed in APFC (Automated Power Factor Circuit) Panels to maximize the power factor of the installed main panels which gives us Energy efficiency. Therefore, there is reduction in harmonics leading to energy conservation.

Expenditure incurred on Research and Development of the Company during financial year 2021-22:

(₹ in lakhs)	
Capital	51.14
Recurring	504.06
Total	555.20

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings and outgo during financial year 2021-22 are as follows:

(₹ in lakhs)		
Foreign Exchange Earnings and Outgo	2021-22	2020-21
Foreign Exchange Outgo	44,376.67	20,601.61
Foreign Exchange Earnings	1,04,111.67	60,851.74

For and On Behalf of the Board

Mukesh Shah

Chairman and Managing Director
Mumbai: June 27, 2022

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY

The Company believes that high standards of Corporate Governance are essential for achieving long-term corporate goals and enhancing stakeholders' value. The Company's essential character is reflection of the values of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavours to improve on these aspects. At Fine Organics, the Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of our stakeholders.

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

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

II. BOARD OF DIRECTORS

(a) Composition and Category of Directors

The Company has an optimum combination of Executive and Non-Executive Directors. The Board of Directors of the Company comprises ten Directors, out of which five are Executive Directors and five are Independent Directors including one independent woman director. In the opinion of the Board, all Independent Directors fulfill the criteria of independence as prescribed in Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act and rules framed there under. There are no Nominee Directors representing any institution on the Board of the Company.

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

of each of the Directors can be found on https://www.fineorganics.com/images/stories/download/Investors/Corporate_Governance/Board_of_Directors/Board_of_Directors.pdf. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 (the "Act") read with the Rules issued there under.

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

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairperson of more than five Committees [Committees being, Audit Committee and Stakeholders' Relationship Committee] across all the public limited companies in which he/she is a Director. All the Directors have periodically made necessary disclosures regarding their Directorship and Committee positions held by them in other companies and they do not hold the office of Director in more than twenty companies, including ten public limited companies (as specified in Section 165 of the Act) and Director in more than 7 listed entities (as specified in Regulation 17A of the Listing Regulations). The Directors on the Board of the Company do not serve as Independent Directors in more than seven Listed Companies or in case if they are serving as a Whole Time Director in any Listed Company, they do not hold such position in more than three Listed Companies.

(c) Number of Board Meetings

During the financial year ended on March 31, 2022, four Board Meetings were held on:

- May 27, 2021,
- August 13, 2021,
- November 12, 2021 and
- February 11, 2022

The maximum interval between any two meetings was well within the maximum allowed gap of one hundred and twenty days. The 19th Annual General Meeting (AGM) of the Company was held on August 24, 2021 through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in accordance with the relevant circulars issued by the MCA and SEBI.

CORPORATE GOVERNANCE REPORT (Contd.)

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year under review and at the last AGM, name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2022 are given herein below.

Sr. No.	Name of the Director and category	Number of Board Meetings attended during financial year 2021-22	Whether attended last AGM held on August 24, 2021	No. of Directorships in other public limited companies	*No. of committee positions held in other public limited companies		Directorship in other listed entity (Category of Directorship)	
					Chairperson	Member	Name of the Company	Category of Directorship
A	Promoter and Executive Directors							
1	Mr. Prakash Kamat (Chairperson) (DIN:00107015)	2	Yes	-	-	-	-	-
2	Mr. Mukesh Shah (Managing Director) (DIN:00106799)	3	Yes	-	-	-	-	-
3	Mr. Jayen Shah (Chief Executive Officer) (DIN:00106919)	4	Yes	-	-	-	-	-
4	Mr. Tushar Shah (Chief Financial Officer) (DIN:00107144)	3	Yes	-	-	-	-	-
5	Mr. Bimal Shah (DIN:03424880)	4	Yes	-	-	-	-	-
B	Non-Executive Independent Directors							
6	Mr. Prakash Apte (DIN:00196106)	4	Yes	2	1	1	Kotak Mahindra Bank Limited	Independent Director
7	Mr. Kaushik Shah (DIN:00124756)	4	Yes	-	-	-	-	-
8	Mr. Mahesh Sarda (DIN:00023776)	4	Yes	1	-	1	-	-
9	Mr. Thiruvengadam Parthasarathi (DIN:00016375)	4	Yes	5	1	3	Centum Electronics Limited Western India Plywoods Limited	Independent Director Non-Executive Director
10	Ms. Pratima Umarji (DIN:05294496)	4	Yes	-	-	-	-	-

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

* Membership Includes Chairpersonship

CORPORATE GOVERNANCE REPORT (Contd.)

(d) Board Procedure

For seamless scheduling of Meetings, the tentative calendar of Meetings of the Board and Committees is circulated and agreed upon at the beginning of the year. The required information, including the minimum information as enumerated in Part A of Schedule II of the Listing Regulations is made available to the Board of Directors for discussions and consideration at Board Meetings. A detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed Notes and Presentations, if any, is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s). The Board meets at least once in a quarter to review financial results and operations of the Company and also to discuss business strategies and overall development of the business. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of the Company. We provide video/teleconferencing facilities to enable their participation. The Board periodically reviews compliance reports pertaining to all laws applicable to the Company, prepared by the Company.

(e) Performance Evaluation of Board and its Committees

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors as a whole and of its Committees and Non-Executive Directors on the basis of a structured questionnaire which comprises evaluation criteria based on the Guidance Note on Board Evaluation issued by SEBI. The Nomination and Remuneration Committee of the Company ('NRC') has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

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

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

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

(f) Independent Directors

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

An Independent Director is a Chairperson of each of the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee.

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

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations

CORPORATE GOVERNANCE REPORT (Contd.)

and are independent of the management. Further, the Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

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

(g) Meetings of Independent Directors

Pursuant to Regulation 25(3) of the Listing Regulations. The Company's Independent Directors met on March 23, 2022 without the presence of Non-Independent Directors or members of Management. At this meeting, the Independent Directors reviewed the following:

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

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

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

(h) Familiarization Programme

Pursuant to Regulation 25(7) of the Listing Regulations, the Company conducts familiarization programme for the Independent Directors to provide them an opportunity to be familiar with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. The details of the familiarization programme are disclosed on the website of the Company at the web link <https://www.fineorganics.com/investor-relations/corporate-governance/details-of-familiarization-programmes>

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

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

CORPORATE GOVERNANCE REPORT (Contd.)

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

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

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

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

(j) Inter - Se Relationship Between Directors:

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

CORPORATE GOVERNANCE REPORT (Contd.)

(k) Details of equity shares of the Company held by the Directors as on March 31, 2022 are given below:

The number of equity shares of face value of ₹ 5 each of the Company held by the Directors as on March 31, 2022 is as under:

Name	Category	Number of equity shares held
Mr. Prakash Kamat	Promoter and Executive Director	44,52,835
Mr. Mukesh Shah	Promoter and Executive Director	17,64,045
Mr. Jayen Shah	Promoter and Executive Director	34,23,627
Mr. Tushar Shah	Promoter and Executive Director	36,99,182
Mr. Bimal Shah	Promoter and Executive Director	21,16,827
Mr. Prakash Apte	Non-Executive Independent Directors	--
Mr. Mahesh Sarda	Non-Executive Independent Directors	--
Mr. Thiruvengadam Parthasarathi	Non-Executive Independent Directors	--
Ms. Pratima Umarji	Non-Executive Independent Directors	--
Mr. Kaushik Shah	Non-Executive Independent Directors	--

(l) Code of Conduct:

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

As on March 31, 2022, all the Board Members and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct. A declaration to this effect duly signed by the CEO forms part of this Report.

III. COMMITTEES OF THE BOARD OF DIRECTORS

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

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

The Company has constituted various committee(s) in compliance with the provisions of the Act and the Listing Regulations. The Company Secretary acts as the Secretary of all Board Committees. There are six Board Committees as on March 31,

CORPORATE GOVERNANCE REPORT (Contd.)

2022, which comprises five statutory committees and one other committee that has been formed, considering the needs of the Company, details of which are as follows:

Name of the Committee	Audit Committee	
Extract of Terms of Reference	<ol style="list-style-type: none"> 1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible; 2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company; 3. Reviewing, with the management, the annual financial statements and Auditors' report thereon before submission to the Board for approval, with particular reference to: <ol style="list-style-type: none"> (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act; (b) Changes, if any, in accounting policies and practices and reasons for the same; (c) Major accounting entries involving estimates based on the exercise of judgment by the management; (d) Significant adjustments made in the financial statements arising out of audit findings; (e) Compliance with listing and other legal requirements relating to financial statements; (f) Disclosure of any related party transactions; and (g) Modified opinion(s) in the draft audit report; 4. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval; 5. Approval or any subsequent modifications of transactions of the Company with the related parties; 6. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances; 7. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems; 8. Discussing with internal auditors on any significant findings and follow up there on. 	
Composition and Meeting Details	Name of Directors	No. of Meetings attended
	Mr. Mahesh Sarda (Chairman)	7
	Mr. Prakash Apte	7
	Mr. Kaushik Shah	7
	Mr. Thiruvengadam Parthasarathi	7
	Mr. Jayen Shah	7
	Mr. Tushar Shah	7
<p>The Committee met seven times during the year under review.</p> <p>The Committee Meetings were held on May 26, 2021, May 27, 2021, August 12, 2021, August 13, 2021, November 11, 2021, November 12, 2021 and February 11, 2022.</p> <p>The maximum interval between any two meetings was well within the maximum allowed gap of one hundred and twenty days.</p> <p>The necessary quorum was present for all the Audit Committee meetings.</p> <p>On the invitation of the Committee, the representatives of Finance Department, the Statutory Auditors and Internal Auditors and in certain cases, the plant heads (operations) were present in its meeting.</p> <p>Mr. Mahesh Sarda, Chairperson of the Audit Committee was present at the previous AGM of the Company held on August 24, 2021.</p>		

CORPORATE GOVERNANCE REPORT (Contd.)

Name of the Committee	Nomination and Remuneration Committee											
Extract of Terms of Reference	<ol style="list-style-type: none"> 1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; 2. Formulating of criteria for evaluation of the performance of the independent directors and the Board; 3. Devising a policy on Board diversity; 4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance; 5. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component; 6. Recommend to the board, all remuneration, in whatever form, payable to the senior management. 											
Composition and Meeting Details	<table border="1"> <thead> <tr> <th>Name of Directors</th> <th>No. of Meetings attended</th> </tr> </thead> <tbody> <tr> <td>Mr. Thiruvengadam Parthasarathi (Chairman)</td> <td>1</td> </tr> <tr> <td>Ms. Pratima Umarji</td> <td>1</td> </tr> <tr> <td>Mr. Mahesh Sarda</td> <td>1</td> </tr> <tr> <td>Mr. Prakash Kamat</td> <td>-</td> </tr> </tbody> </table> <p>The Committee met once during the year under review. The Committee Meeting was held on March 30, 2022.</p> <p>The necessary quorum was present for the Nomination and Remuneration Committee meeting.</p> <p>The performance evaluation of Independent Directors was based on various criteria, inter alia, including attendance at Board and Committee meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc. During the year under review, the Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology is effective for evaluation of performance of Board and Committees and Individual Directors.</p> <p>Mr. Thiruvengadam Parthasarathi, Chairperson of the Nomination and Remuneration Committee was present at the previous AGM of the Company held on August 24, 2021.</p>		Name of Directors	No. of Meetings attended	Mr. Thiruvengadam Parthasarathi (Chairman)	1	Ms. Pratima Umarji	1	Mr. Mahesh Sarda	1	Mr. Prakash Kamat	-
Name of Directors	No. of Meetings attended											
Mr. Thiruvengadam Parthasarathi (Chairman)	1											
Ms. Pratima Umarji	1											
Mr. Mahesh Sarda	1											
Mr. Prakash Kamat	-											
Name of the Committee	Corporate Social Responsibility Committee											
Extract of Terms of Reference	<ol style="list-style-type: none"> 1. To formulate and recommend to the Board, the CSR Policy; 2. To formulate and recommend to the Board, the Annual Action Plan; 3. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken for approval of the Board; 4. To monitor the CSR policy and the CSR activity and report to the Board from time to time; 5. Review various proposals and identify the eligible entities/agencies for allocation of CSR amount; 6. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules; 7. Monitor and review periodically the CSR activities and submit the reports to the Board in respect of the CSR activities undertaken by the Company; 8. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Act and the rules framed thereunder. 											

CORPORATE GOVERNANCE REPORT (Contd.)

Composition and Meeting Details	Name of Directors	No. of Meetings attended
	Mr. Jayen Shah (Chairman)	2
	Mr. Prakash Apte	2
	Mr. Kaushik Shah	2
	Mr. Mukesh Shah	2
	Mr. Tushar Shah	2
	The Committee met twice during the year under review. The Committee Meetings were held on July 8, 2021 and January 24, 2022.	
Name of the Committee	Stakeholders' Relationship Committee	
Extract of Terms of Reference	<ol style="list-style-type: none"> 1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. 2. Review of measures taken for effective exercise of voting rights by shareholders. 3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent. 4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company. 5. Issue of duplicate certificates and new certificates on split/consolidation/renewal. 6. Carrying out any other function as may be decided by the Board or prescribed under the Act the Listing Regulations as amended, or by any other regulatory authority. 	
Composition and Meeting Details	Name of Directors	No. of Meetings attended
	Ms. Pratima Umarji (Chairperson)	4
	Mr. Prakash Apte	4
	Mr. Kaushik Shah	4
	Mr. Mukesh Shah	3
	Mr. Jayen Shah	4
	Mr. Tushar Shah	3
	The Committee met four times during the year under review. The Committee Meetings were held on May 26, 2021, August 12, 2021, November 11, 2021 and February 11, 2022.	
	Ms. Pratima Umarji, Chairperson of the Stakeholders' Relationship Committee was present at the previous AGM of the Company held on August 24, 2021.	

CORPORATE GOVERNANCE REPORT (Contd.)

Name of the Committee Extract of Terms of Reference	Risk Management Committee <ol style="list-style-type: none"> 1. Formulating a detailed risk management policy which shall include: <ol style="list-style-type: none"> (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee; (b) Measures for risk mitigation including systems and processes for internal control of identified risks; (c) Business continuity plan; 2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; 3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems; 4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity; 5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken; 6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee. 													
Composition and Meeting Details	<table border="1" data-bbox="451 1039 1492 1249"> <thead> <tr> <th data-bbox="451 1039 1036 1081">Name of Committee Members</th> <th data-bbox="1036 1039 1492 1081">No. of Meetings attended</th> </tr> </thead> <tbody> <tr> <td data-bbox="451 1081 1036 1113">Mr. Prakash Apte (Chairman)</td> <td data-bbox="1036 1081 1492 1113">2</td> </tr> <tr> <td data-bbox="451 1113 1036 1144">Mr. Thiruvengadam Parthasarathi</td> <td data-bbox="1036 1113 1492 1144">2</td> </tr> <tr> <td data-bbox="451 1144 1036 1176">Mr. Jayen Shah</td> <td data-bbox="1036 1144 1492 1176">2</td> </tr> <tr> <td data-bbox="451 1176 1036 1207">Mr. Nikhil Kamat</td> <td data-bbox="1036 1176 1492 1207">2</td> </tr> <tr> <td data-bbox="451 1207 1036 1249">Ms. Sonali Bhadani</td> <td data-bbox="1036 1207 1492 1249">2</td> </tr> </tbody> </table> <p data-bbox="451 1260 1492 1365">The Committee met twice during the year under review. The Committee Meetings were held on September 3, 2021 and January 24, 2022. All the Committee members were present for all the meetings.</p> <p data-bbox="451 1375 1492 1413">The necessary quorum was present for the Risk Management Committee meeting.</p>		Name of Committee Members	No. of Meetings attended	Mr. Prakash Apte (Chairman)	2	Mr. Thiruvengadam Parthasarathi	2	Mr. Jayen Shah	2	Mr. Nikhil Kamat	2	Ms. Sonali Bhadani	2
Name of Committee Members	No. of Meetings attended													
Mr. Prakash Apte (Chairman)	2													
Mr. Thiruvengadam Parthasarathi	2													
Mr. Jayen Shah	2													
Mr. Nikhil Kamat	2													
Ms. Sonali Bhadani	2													

CORPORATE GOVERNANCE REPORT (Contd.)

Name of the Committee	Executive Committee	
Extract of Terms of Reference	<ol style="list-style-type: none"> To approve opening and/or closing of bank account(s) with any bank and making necessary changes in the operations of the existing bank accounts. To authorize the Company's officials to execute, sign, submit and file any applications, affidavits, undertakings or any other writings before any Magistrate, Court of Law, Tribunal, Government Authorities and judicial/non-judicial Bodies and any other authority and also to represent the Company before the said Magistrate, Court of Law, Tribunal, Government Authorities judicial/non-judicial bodies and other Authority. To approve execution of any agreements, undertakings, letters, writings, deeds, contracts, tenders and any document, which may be required to be executed by the Company from time to time for management of its day to day affairs and authorize officials of the Company to execute and submit such documents with concerned authorities. To grant such other authorizations and approvals to any official of the Company or any other person on behalf of the Board of Directors as may be required for day to day management of the Company's business. 	
Composition and Meeting Details	Name of Directors	No. of Meetings attended
	Mr. Prakash Kamat	1
	Mr. Mukesh Shah	3
	Mr. Jayen Shah	3
	Mr. Tushar Shah	2
	Mr. Bimal Shah	3
The Committee met thrice during the year under review. The Committee Meetings were held on September 3, 2021, November 25, 2021 and February 21, 2022.		

Other details of Stakeholders Relationship Committee

i. Name and Designation of Compliance Officer

Ms. Pooja Lohor, Company Secretary has been appointed as a Compliance Officer of the Company on November 11, 2017.

Name: Ms. Pooja Lohor

Designation: Company Secretary and Compliance Officer

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

Tel: +91 (22) 2102 5000

Fax: +91 (22) 21028899 / 21026666

Email: investors@fineorganics.com

ii. Status of Shareholder Complaints

Details of investor complaints received and redressed during the financial year 2021-22 are as follows:

Nature of Complaints	Received during the year	Resolved during the year	Pending during the year
Non-receipt of Dividend / Non-receipt of Annual Report	12	12	0

CORPORATE GOVERNANCE REPORT (Contd.)

IV. REMUNERATION OF DIRECTORS

Remuneration to Executive Directors paid during the financial year 2021-22:

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

Details of remuneration of the Executive Directors approved by the Board and paid during the financial year 2021-22 are given below:

(₹ in lakhs)				
Name of Executive Directors	Designation	Salary and perquisites	Commission	Total Amount
Mr. Prakash Kamat	Chairman and Whole Time Director (w.e.f. November 6, 2017 for a period of 5 years)	300.00	50.00	350.00
Mr. Mukesh Shah	Managing Director (w.e.f. November 6, 2017 for a period of 5 years)	300.00	50.00	350.00
Mr. Jayen Shah	Whole Time Director and Chief Executive Officer (w.e.f. November 6, 2017 for a period of 5 years)	300.00	50.00	350.00
Mr. Tushar Shah	Whole Time Director and Chief Financial Officer (w.e.f. November 6, 2017 for a period of 5 years)	300.00	50.00	350.00
Mr. Bimal Shah	Whole Time Director (w.e.f. November 6, 2017 for a period of 5 years)	300.00	50.00	350.00

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

Remuneration to Non-Executive Directors paid during the financial year 2021-22:

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

(₹ in lakhs)				
Sr. No.	Name of Non-Executive Directors	Sitting Fees	Commission *(Proposed)	Total Amount
1.	Mr. Prakash Apte	5.25	15.00	20.25
2.	Mr. Mahesh Sarda	4.20	15.00	19.20
3.	Mr. Thiruvengadam Parthasarathi	4.50	15.00	19.50
4.	Ms. Pratima Umarji	3.75	15.00	18.75
5.	Mr. Kaushik Shah	4.95	15.00	19.95

*The Commission to the Non-Executive Directors for the financial year 2021-22 as recommended by the Board of Directors is subject to the approval of the members at the ensuing 20th AGM of the Company.

Besides the remuneration stated as above, none of the Non-Executive and Independent Directors of the Company have any

CORPORATE GOVERNANCE REPORT (Contd.)

other pecuniary relationship with the Company or relationship with the managerial personnel.

V. GENERAL BODY MEETINGS

A) Annual General Meeting

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

Financial Year	Date	Time	Location	Special Resolution passed
2018-19	July 30, 2019	11:00 a.m.	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai - 400 007	<ol style="list-style-type: none"> Revision in remuneration of Mr. Prakash Kamat, Chairperson and Whole Time Director of the Company. Revision in remuneration of Mr. Mukesh Shah, Managing Director of the Company. Revision in remuneration of Mr. Jayen Shah, Whole Time Director and Chief Executive Officer of the Company. Revision in remuneration of Mr. Tushar Shah, Whole Time Director and Chief Financial Officer of the Company. Revision in remuneration of Mr. Bimal Shah, Whole Time Director of the Company. Ratification for the appointment of Ms. Pratima Umarji, Independent Director of the Company for the remaining period of her tenure
2019-20	September 18, 2020	11:00 a.m.	Meeting was conducted through VC / OAVM pursuant to the circulars issued by the MCA.	NIL
2020-21	August 24, 2021	11:00 a.m.	Meeting was conducted through VC / OAVM pursuant to the circulars issued by the MCA.	NIL

B) Extraordinary General Meeting

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

C) Postal Ballot

No resolution was required to be passed by means of a postal ballot during the year.

CORPORATE GOVERNANCE REPORT (Contd.)

VI. MEANS OF COMMUNICATION

Stock Exchange Intimations	All the material events or information as per Regulation 30 of the Listing Regulations and other intimations as required are disseminated to the Stock Exchanges by filing them with the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') through their respective online portals. They are also displayed on the website of the Company https://www.fineorganics.com/investor-relations/compliance/stock-exchange-communication
Quarterly Results/ Annual Results	<p>The unaudited quarterly results are announced within forty- five days of the close of each quarter, other than the last quarter. The audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations. The aforesaid financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which these are considered and approved.</p> <p>The results are usually published in Financial Express, English newspaper having country-wide circulation and in Pratahkal, Marathi newspaper where the registered office of the Company is situated.</p>
Website	All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted at Company's website https://www.fineorganics.com
Presentations	Presentations made to the institutional investors/analysts are intimated to the Stock Exchanges within the prescribed time period under the Listing Regulations and are simultaneously hosted on the website of the Company, the web-link of which is - https://www.fineorganics.com/investor-relations/presentations
Designated Exclusive Email ID	The Company has designated the Email Id i.e. investors@fineorganics.com for investor grievances. This Email ID has been displayed on the Company's website https://www.fineorganics.com
Annual Report	The Annual Report of the Company for the financial year 2021-22 is being emailed to the members whose email addresses are available with the depositories as per section 136 of the Act and Regulation 36 of the Listing Regulations. For other members, who have not registered their email addresses, are requested to register their Email ID at the earliest and ask for the soft copy of the Annual Report. In accordance with General Circular No.20/2020 dated May 5, 2020, Circular No.02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated May 5, 2022 issued by Ministry of Corporate Affairs (MCA), the Company is not printing copies of the Annual Report. The Annual Report of the Company is available on the Company's website , the web-link of which is - https://www.fineorganics.com/investor-relations/financial-information/annual-reports

VII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	<p>The Company has decided to hold its 20th Annual General Meeting (the "AGM") on Tuesday, August 23, 2022 at 11:00 am through VC / OAVM. The Company will conduct the meeting from the Registered Office i.e. Fine House, Anandji Street, Off M G Road, Ghatkopar (East), Mumbai – 400077, which shall be deemed to be the venue of the AGM to transact the business mentioned in the Notice of AGM. The shareholders may note that the Ministry of Corporate Affairs, vide its General Circular No. 14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, and No. 2/2022 dated May 5, 2022 has continued with the relaxation and permitted the Companies to conduct their AGMs, through VC/OAVM during the calendar year 2022.</p> <p>Guidelines for participation in the Company's 20th AGM are laid out in the Notice convening the meeting and have also been uploaded on the website of the Company viz. https://www.fineorganics.com/investor-relations/compliance/annual-general-meeting-documents. As required under Regulation 36(3) of the the Listing Regulations and Secretarial Standard 2, particulars of the Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of the AGM.</p>
-------------------------------	--

CORPORATE GOVERNANCE REPORT (Contd.)

Financial Year: 2022-23 (Tentative)	The financial year of the Company starts from the 1 st day of April and ends on 31 st day of March of next year. Our tentative calendar for declaration of results for the financial year 2022-23 are as given below:										
	<table border="1"> <thead> <tr> <th>Quarter Ended</th> <th>Release of Results</th> </tr> </thead> <tbody> <tr> <td>First Quarter Results</td> <td>on or before August 14, 2022</td> </tr> <tr> <td>Second Quarter and Half Yearly Results</td> <td>on or before November 14, 2022</td> </tr> <tr> <td>Third Quarter Results</td> <td>on or before February 14, 2023</td> </tr> <tr> <td>Annual Results</td> <td>on or before May 30, 2023</td> </tr> </tbody> </table>	Quarter Ended	Release of Results	First Quarter Results	on or before August 14, 2022	Second Quarter and Half Yearly Results	on or before November 14, 2022	Third Quarter Results	on or before February 14, 2023	Annual Results	on or before May 30, 2023
Quarter Ended	Release of Results										
First Quarter Results	on or before August 14, 2022										
Second Quarter and Half Yearly Results	on or before November 14, 2022										
Third Quarter Results	on or before February 14, 2023										
Annual Results	on or before May 30, 2023										
	In addition, the Board may meet on other dates as and when required.										
Dividend Payment Date	The Final Dividend of ₹ 9 per equity share, has been recommended by the Board of Directors of the Company for the financial year ended March 31, 2022, and if approved at the ensuing AGM will be paid to the eligible Members on and from 6 th day from the conclusion of the said AGM.										
Day and Date of Book Closure/Record Date	Wednesday, August 17, 2022 to Tuesday, August 23, 2022 both days inclusive.										
Name, Address and Stock Code of Stock Exchange.											
BSE Limited	National Stock Exchange of India Limited										
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	Plot No. C/l, “6” Block, Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai – 400051										
Code: 541557	Code: FINEORG										
Annual Listing Fees to Stock Exchanges	Listing fees for the financial year 2022-23 have been paid to the Stock Exchanges as on date of this report.										
ISIN:	INE686Y01026										

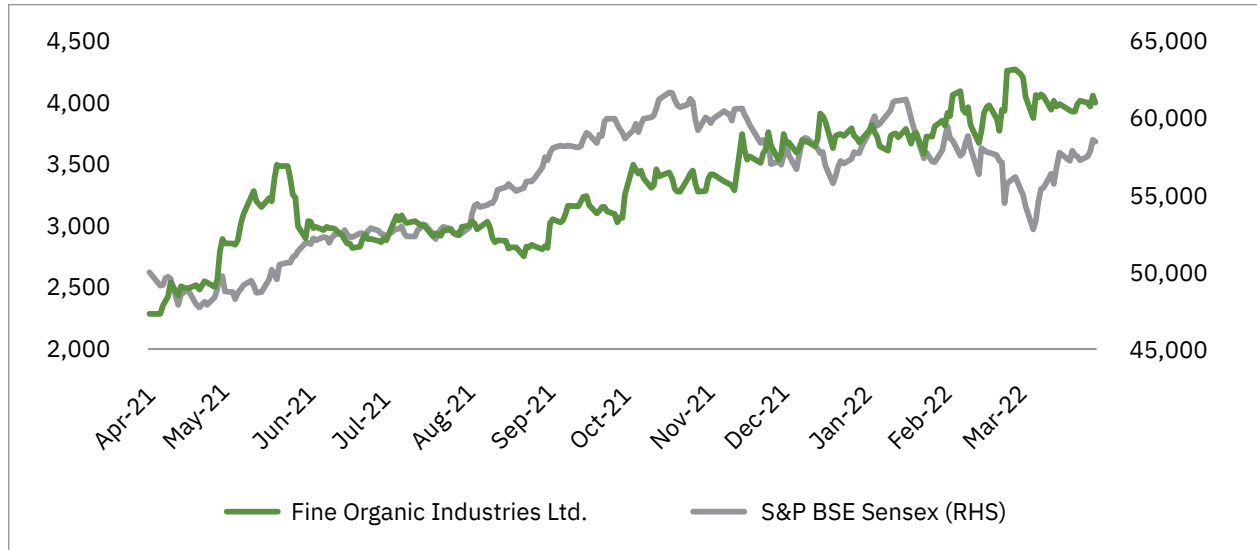
Market price data - high, low during each month in last financial year:

High/Low in each month of financial year 2021-22 on the BSE Limited and National Stock Exchange of India Limited:

Month	BSE			NSE		
	High Price	Low Price	Total Number of shares traded	High Price	Low Price	Total Number of shares traded
Apr-21	3,015.00	2,254.20	5,27,698	3,013.50	2,269.25	26,93,181
May-21	3,565.25	2,828.85	1,48,668	3,568.80	2,830.00	18,59,983
June-21	3,092.00	2,788.65	1,08,961	3,094.35	2,789.65	9,68,690
July-21	3,139.95	2,877.30	51,269	3,133.00	2,881.05	6,04,175
Aug-21	3,094.00	2,735.45	3,72,090	3,099.00	2,734.55	5,76,595
Sep-21	3,340.00	2,820.00	75,639	3,340.35	2,825.00	11,29,031
Oct-21	3,593.15	3,061.35	64,448	3,593.95	3,042.20	8,22,016
Nov-21	3,885.00	3,196.85	60,905	3,888.00	3,191.35	11,00,962
Dec-21	4,040.00	3,560.00	1,53,129	4,048.75	3,563.00	7,33,406
Jan-22	3,996.00	3,455.05	35,172	3,944.95	3,457.10	5,07,780
Feb-22	4,444.00	3,566.60	55,215	4,449.95	3,563.20	8,94,652
Mar-22	4,482.00	3,860.00	42,950	4,488.85	3,845.00	5,25,324

CORPORATE GOVERNANCE REPORT (Contd.)

Performance in comparison to broad-based indices



Registrar & Share Transfer Agents:

Name and Address: KFin Technologies Limited
Selenium, Tower B,
Plot No - 31 and 32, Financial
District, Nanakramguda,
Serilingampally Hyderabad
Rangareddi, Telangana - 500032,
India

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

E-mail: einward.ris@kfintech.com

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

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

In accordance with SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020, all share transfers needs to be carried out in the dematerialised form with effect from April 1, 2021 compulsorily. Hence, no transfer of shares in physical form is allowed.

Further, in compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated

January 25, 2022, the following requests received by the Company from the shareholders holding shares in physical form will be processed and the shares will be issued in dematerialization form only:

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled-up Form ISR-4 which is hosted on the website of the Company as well as on the website of RTA.

Members holding shares in physical form are requested to dematerialise their holdings at the earliest.

Nomination facility for shareholding

SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, has made it mandatory for all shareholders holding shares in physical form to furnish nomination details to the Company / RTA.

CORPORATE GOVERNANCE REPORT (Contd.)

Shareholders can register their nomination details in Form SH-13 or they can choose to give declaration to opt out of Nomination by filing Form ISR-3.

In case the shareholder holding shares in physical form wishes to change the nominee or cancel the nomination then Form SH-14 needs to be filled.

The aforementioned forms are available on the website of the Company as well as the RTA and which shall be furnished in hard copy form or through electronic mode with e-signature to the Company / RTA.

Permanent Account Number (PAN) and KYC details

SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, has made it mandatory for all holders of physical securities to furnish the following documents / details to the Registrar and Transfer Agent:

- PAN
- Contact details, Postal address with PIN, Mobile number, E-mail address
- Bank account details (bank name and branch, bank account number, IFS code)
- Specimen signature

For furnishing the above-mentioned details, shareholder shall send the hard copy of Form ISR-1 and/or ISR-2,

available on the website of the Company as well as on the website of RTA.

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

Share Capital Audit: The issued and paid up share capital is reconciled on a quarterly basis with the details of share capital admitted on National Securities Depository Limited (“NSDL”), Central Depository Services (India) Limited (“CDSL”) and held in physical form by the shareholders. The quarterly audit of the Company’s share capital is carried out by a Practicing Company Secretary with the object of reconciling the total share capital admitted with NSDL and CDSL and held in physical form, with the total issued and listed capital of the Company. The certificate of share capital audit received from the concerned Practicing Company Secretary is submitted to BSE and NSE and is also placed at the meetings of the Board of Directors on a quarterly basis.

Distribution of Equity Shareholding as on March 31, 2022:

Category (Amount)	No. of Cases	% of Shareholders Total	Amount (in ₹)	% of Amount
1-5000	62,225	99.59	72,10,895	4.70
5001- 10000	107	0.17	7,92,945	0.52
10001- 20000	54	0.09	7,59,075	0.50
20001- 30000	8	0.01	2,04,495	0.13
30001- 40000	16	0.03	5,69,775	0.37
40001- 50000	6	0.01	2,71,320	0.18
50001- 100000	14	0.02	9,80,765	0.64
100001 & Above	52	0.08	14,25,10,610	92.96
Total	62,482	100.00	15,32,99,880	100.00

CORPORATE GOVERNANCE REPORT (Contd.)

Categories of Equity Shareholding Pattern as on March 31, 2022:

Sr. No.	Description	Shares	% Equity
1	Promoters and Promoter Group	2,29,94,501	75.00
2	Mutual Funds	32,54,904	10.62
3	Foreign Portfolio – Corp	22,24,023	7.25
4	Resident Individuals	14,90,360	4.86
5	Alternative Investment Fund	2,48,124	0.81
6	Bodies Corporate	2,44,973	0.80
7	HUF	52,661	0.17
8	Non Resident Indians	46,551	0.15
9	Qualified Institutional Buyer	65,301	0.21
10	Trusts	50	0.00
11	Non Resident Indian Non Repatriable	32,821	0.11
12	Clearing Members	5,707	0.02
	TOTAL	3,06,59,976	100.00

Dematerialization of shares and liquidity:

The Company has established connectivity with CDSL and NSDL for dematerialization of shares. As on March 31, 2022, Equity shares representing 100% of paid-up capital were in dematerialized form.

Description	Shares	% to Equity
No. of Shares held in dematerialized form in NSDL	2,99,98,025	97.84
No. of Shares held in dematerialized form in CDSL	6,61,951	2.16
Total	3,06,59,976	100.00

Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any global depository receipts or American depository receipts or warrants or any convertible instruments in the past and hence, as on March 31, 2022, the Company does not have any outstanding global depository receipts or American depository receipts or warrants or any convertible instruments.

Factory Address/Plant Locations: The Company's plants are located at Ambernath (E), Badlapur (E), Ambernath (W), Dombivli (E), Mahape Navi-Mumbai, Patalganga in Maharashtra.

Credit Ratings: During the year, the credit ratings of the Company by ICRA Limited were as follows;

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

On April 18, 2022, ICRA updated the credit ratings of the Company which are as follows:

Sr. No.	Particulars	Current Rating
1.	Long Term – Fund based - Cash Credit	[ICRA]AA-(Stable); reaffirmed
2.	Long Term/Short Term – Fund based/Non-Fund based Limits	[ICRA]AA-(Stable)/ [ICRA]A1+; reaffirmed
3.	Long Term/Short Term-Unallocated	[ICRA]AA-(Stable)/ [ICRA]A1+; reaffirmed

Shareholders may correspond with the Registrar and Transfer Agents at:

KFin Technologies Limited

Selenium, Tower B, Plot No - 31 and 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi, Telangana - 500032, India

Contact Person: Mr. Umesh Pandey

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

Email: einward.ris@kfintech.com

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

CORPORATE GOVERNANCE REPORT (Contd.)

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

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

The Compliance Officer can also be contacted at:

Ms. Pooja Lohor

Company Secretary and Compliance Officer

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

Ghatkopar East, Mumbai - 400 077 India

Tel: +91 (22) 2102 5000

Fax: +91 (22) 21028899 /21026666

Email: investors@fineorganics.com

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

VIII. OTHER DISCLOSURES

Related Party Transactions

During the financial year ended March 31, 2022, there were no materially significant transactions or arrangements entered between the Company and its Promoters, Directors or their relatives or the Management, subsidiaries, related parties, etc. that may have potential conflict with the interests of the Company at large. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

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

Loans and advances in the nature of loans to firms/companies in which directors are interested, is disclosed along with other related party transactions, in the notes forming part of financial statements.

Policy for determining 'material' subsidiaries

The Company has no material subsidiary in the financial year 2021-22. The Company has formulated the policy for determining material subsidiaries in terms of the Listing Regulations. This Policy has been posted on the website of the Company at the Web link: <https://www.fineorganics.com/investor-relations/corporate-governance/policies>

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

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

Compliance with mandatory requirements

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

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

Discretionary Requirements

The discretionary requirements under the Listing Regulations as adopted by the Company are as under:

- a) There is no audit qualification in the Company's financial statements for the year ended March 31, 2022.
- b) The Internal Auditors of the Company report to the Audit Committee and participate in the meetings of the Audit Committee of the Board of Directors of the Company and present their internal audit observations to the Audit Committee.
- c) The Company has appointed separate persons to the post of Chairperson (who chairs the Board Meetings) and Managing Director.

CORPORATE GOVERNANCE REPORT (Contd.)

Auditors Fees

During financial year 2021-22, a total remuneration of ₹ 48 lakhs was paid by the Company on a consolidated basis, for all services to M/s. B Y and Associates, Chartered Accountants (Firm Registration No. 123423W).

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

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

The Company has not received any complaint of sexual harassment during the financial year 2021-22. The Company has in place a Policy on Prevention of Sexual Harassment at Workplace ('POSH') and the same is uploaded on the website of the Company at https://www.fineorganics.com/images/stories/download/Investors/Corporate_Governance/Policies/Sexual_Harassment_Policy.pdf

Code of Conduct for Prevention of Insider Trading

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

The Company has appointed the Company Secretary as the Compliance Officer to ensure compliance of the said Code by all the directors and employees likely to have

access to unpublished price sensitive information.

Vigil Mechanism/Whistle-Blower Policy for Directors and employees

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

Acceptance of recommendations of Committees by the Board of Directors

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

Disclosure of commodity price risks and commodity hedging activities.

The Company is exposed to commodity price risk for its business operations. Currently the Company does not engage in any direct commodity hedging activities. However, the Company has internal systems through which price for our raw materials derived from commodities is monitored to the possible extent. The Company also manages the associated commodity price risks through short term periodical contracts with vendors and customers.

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

Details of utilisation of funds raised through preferential allotment or qualified institutional placement

The Company did not raise any funds through

CORPORATE GOVERNANCE REPORT (Contd.)

preferential issue or qualified institutional placement during the financial year 2021-22.

Certificate on Corporate Governance and Directors

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

The Company has also received certificate from M/s. KS & Associates, Company Secretaries and

appended hereto, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI, MCA or any such statutory authority.

Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

The disclosures with respect to demat suspense account / unclaimed suspense account is not applicable to the Company for financial year 2021-22.

ANNEXURE TO CORPORATE GOVERNANCE REPORT OF FINE ORGANIC INDUSTRIES LIMITED

Declaration regarding Affirmation of Code of Conduct

All the members of the Board and the Senior Management Personnel of the Company have for the year ended March 31, 2022, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of Board of Directors

Jayen Shah

Director and Chief Executive Officer

Mumbai: May 27, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Board of Directors of Fine Organic Industries Limited

Fine House, Off M. G. Road, Ghatkopar East, Mumbai - 400 077

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

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status and Director Master Data at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mukesh Maganlal Shah	00106799	May 24, 2002
2	Jayen Ramesh Shah	00106919	May 24, 2002
3	Tushar Ramesh Shah	00107144	May 24, 2002
4	Prakash Damodar Kamat	00107015	May 24, 2002
5	Bimal Mukesh Shah	03424880	April 1, 2011
6	Mahesh Pansukhlal Sarda	00023776	November 13, 2017
7	Prakash Krishnaji Apte	00196106	November 13, 2017
8	Pratima Madhukar Umarji	05294496	November 13, 2017
9	Thiruvengadam Parthasarathi	00016375	November 13, 2017
10	Kaushik Dwarkadas Shah	00124756	January 24, 2018

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

For KS & Associates,
Company Secretaries,

Kartik Shah

Membership No. 5732

Certificate of Practice No. 5163

Peer Review Certificate No.: 1225/2021

UDIN: F005732D000439517

Mumbai: May 31, 2022

PRACTICING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Fine Organic Industries Limited.

We have examined the compliance of conditions of corporate governance by Fine Organic Industries Limited (“the Company”) for the financial year ended on March 31, 2022, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulation’).

Management Responsibility

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

PCS Responsibility

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and from the representations made by the Company, Board of Directors and authorized persons as well as from the Management Representations made by the Company during the conduct of audit and from the records maintained by the Company and from Board’s Report on Corporate Governance and based on the Annual Report of the Company for financial year ended March 31, 2022, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations wherever applicable during the financial year ended March 31, 2022.

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

Restriction on use

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

For KS & Associates,
Company Secretaries

Kartik Shah

Membership No. 5732

Certificate of Practice No. 5163

Peer Review Certificate No.: 1225/2021

UDIN: F005732D000439528

Mumbai: May 31, 2022

BUSINESS RESPONSIBILITY REPORT FY 2021-22

SECTION A GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L24119MH2002PLC136003
2.	Name of the Company	Fine Organic Industries Limited ('the Company' or 'FOIL')
3.	Registered address	Fine House, Anandji Street, Off M G Road, Ghatkopar East, Mumbai - 400077, Maharashtra, India
4.	Website	www.fineorganics.com
5.	E-mail id	info@fineorganics.com
6.	Financial Year reported	FY 2021-2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 20119 Manufacture of organic and inorganic chemical compounds n.e.c.
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	<ul style="list-style-type: none"> • Food Additives • Polymer Additives • Specialty Additives for coatings, cosmetics, feed nutrition etc.
9.	Total number of locations where business activity is undertaken by the Company:	a) 2 Sales & Marketing office in the USA and Europe (through subsidiaries of the Company)
	a) Number of International Locations (Provide details of major 5)	b) Manufacturing Locations (Maharashtra) –
	b) Number of National Locations	<ul style="list-style-type: none"> • Ambernath • Badlapur • Dombivli • Patalganga
		Research and Development Centre - Mahape, Navi Mumbai Head office - Mumbai Sales and Marketing office – Delhi
10.	Markets served by the Company – Local/State/National/International	We have extensive distribution network spread across globe.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹ 1,533 lakhs
2.	Total Turnover (INR)	₹ 1,85,842.83 lakhs
3.	Total profit after taxes (INR)	₹ 25,066.93 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer Corporate Social Responsibility Report for the year annexed to this Annual Report as "Annexure B"
5.	List of activities in which expenditure in 4 above has been incurred: -	Education Healthcare, Women Empowerment, Eradicating extreme hunger and poverty

BUSINESS RESPONSIBILITY REPORT FY 2021-22 (Contd.)

SECTION C: OTHER DETAILS

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

Yes, Fine Organic Industries Limited (Holding Company) has the following subsidiaries :

- Fine Organics (USA), Inc.
- Fine Organics Europe BV

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)

Since both the Companies are incorporated in foreign countries, they follow the laws applicable to them in their respective countries of incorporation. However, the Company encourages subsidiaries to adopt its policies and practices.

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%]

We do not mandate that our suppliers and distributors participate in the Company's BR initiatives; however, they are encouraged to do so.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1.	DIN Number	00106799
2.	Name	Mr. Mukesh Shah
3.	Designation	Managing Director

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	00106919
2.	Name	Mr. Jayen Shah
3.	Designation	Director & Chief Executive Officer
4.	Telephone number	91-22-21025000
5.	e-mail id	info@fineorganics.com

2. Principle-wise (as per NVGs) BR Policy/policies

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 well-being 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	Businesses 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.

BUSINESS RESPONSIBILITY REPORT FY 2021-22 (Contd.)

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y Refer Note	Y Refer Note	Y Refer Note	Y Refer Note	Y Refer Note	Y Refer Note	Y Refer Note	Y Refer Note	Y Refer Note
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board of 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?	Refer table below								
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?	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#

Y= Yes, N= No

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

@ These policies are internal documents and are circulated internally to the employees of the Company. Code of Conduct for Board of Directors and Senior Management, CSR policies, Whistle Blower policy etc. are available on website of the Company.

The policies are evaluated from time to time and updated whenever required and subject to internal review.

Note: All policies have been formulated in accordance with the applicable laws and regulations and after considering the best practices adopted by the industry.

Table

Name of the policies:

Name of the Policy	Web link
Code of Conduct for Board Members and Senior Management	https://www.fineorganics.com/images/stories/download/Investors/Corporate_Governance/Policies/Code_of_Conduct_for_Board_of_Directors_and_Senior_Management_Personnel.pdf
Corporate Social Responsibility Policy	https://www.fineorganics.com/images/stories/download/Investors/Corporate_Governance/Policies/CSR-Policy.pdf
Prevention of Sexual Harassment Policy	https://www.fineorganics.com/images/stories/download/Investors/Corporate_Governance/Policies/Sexual_Harasment_Policy.pdf
Whistle Blower Policy	https://www.fineorganics.com/images/stories/download/Investors/Corporate_Governance/Policies/Whistle-Blower Policy.pdf
Code of practices and procedures for fair disclosure of unpublished price sensitive information	https://www.fineorganics.com/images/stories/download/Investors/Corporate_Governance/Policies/Fair_Disclosure_Code.pdf

BUSINESS RESPONSIBILITY REPORT FY 2021-22 (Contd.)

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
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)									

Not Applicable

3. 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**

The Business Responsibility performance is reviewed annually by the Board.

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

The Company publishes its Business Responsibility Report as a part of its Annual Report. The Annual Report is available on the website of the Company at <https://www.fineorganics.com> under the section Investor Relations.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

Fine Organic Industries Limited is dedicated in following all applicable laws, rules and regulations as well as the highest levels of business ethics. The Company promotes a culture of high integrity and transparency, as well as adhering to the highest ethical and moral standards. We are SEDEX SMETA 4 pillar certified Company which ensures that all the necessary requirements and compliances are fulfilled.

A separate Code of Conduct applies to the Company's Directors and Senior Management. The Code can be seen on the Company's website, www.fineorganics.com.

In addition, the Company has a Code of Conduct that applies to all Company employees, including working directors.

Employees of the Company can use our Whistle Blower programme to report any unethical behaviour, actual or suspected fraud or a breach of the Company's Ethics Policy.

Though policies of the Company do not apply to external stakeholders such as suppliers, contractors, NGOs etc., the Company insists on adherence to ethical business practices by such agencies during their dealings with the Company and its Group Companies.

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.

During the year, 12 complaints have been received from shareholders and investors related to non-receipt of dividend and non-receipt of annual report. No investor complaint was pending at the end of the year

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.

(a) Specialty 'green' Anti-scratching additives

Surface appearance is one of the most critical factors related to the final product value for all finished products. Plastic materials are susceptible to surface defects in the presence of a severe

BUSINESS RESPONSIBILITY REPORT FY 2021-22 (Contd.)

external force, which typically can result in an undesired deformation termed as a 'scratch'. The scratches can remarkably deteriorate surface quality of the final moulded products and can result in customer rejection. Using a suitable additive can be the most convenient and appropriate way to enhance the visual appeal of final product. An anti-scratching additive is incorporated during the melt-compounding step, which migrates on the polymer surface and forms a uniform additive layer on the polymer surface (at an optimum dosage level). The equilibrated additive layer controls the excess surface friction and thus, effectively mitigates the scratching process. FINE Anti-scratching additives are specially formulated to ensure excellent surface protection for various base polymers with sustainability.

(b) Sustainable and Easy-to-use Pelletized additives for safer and cleaner Plastics Processing and Recycling

Standard plastic processing involves mixing various well-identified components in a polymer-based formulation through melt-blending. In this course, the handling, conveying and feeding/pre-mixing of all the ingredients prior to melt-mixing plays a significantly important role. Although the powder form may offer more effective mixing with the powdered polymer; it may not be suitable in the case of polymer granules/pellets due to the bulk density difference. This variation can result into uneven and/or inaccurate dispersion of additive in the base polymer. From operation point of view, there could be multiple challenges while handling a powder form including dusting (potential material wastage, particle agglomeration), inconvenience to the operators (need for additional protective equipments), uneven metering due to non-uniform flow and frequent cleaning may reduce the process efficiency. Pelletized additives feature the benefits beginning with improved pre-mixing step, conveying, accurate feeding, metering; easy handling with minimized cleaning time & wastage (resulting in savings); safety in operation as well as to the operators and functionality identical to the powder additive products. Therefore, these additives could be the excellent solutions for dust-free handling, direct use or to address operational

concerns associated with handling of ingredient in the powder form.

(c) Green Surfactants Development

The majority of commercially available surfactants are made from petrochemicals. But in order to reduce the usage of goods that are hazardous to human health and the environment, researchers are looking for surfactants that are made from natural and renewable resources that are environmentally benign and biodegradable.

Green Surfactants are environmentally friendly surfactants made from bio-based raw materials and employing green chemistry. The green surfactants produced by our Company is based on similar principles employing oleochemicals generated from plant sources. As a result, our green surfactants are safer to use, with a lower risk of skin and eye irritation. Because our green surfactants range is developed to accomplish outstanding emulsification, foaming and cleansing as well as a broad spectrum of antimicrobial qualities, they have a wide range of applications in the personal care and homecare industries.

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

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

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

The Company abides by all the necessary requirements of applicable regulations and ensures environment friendly manufacturing processes, continuously taking adequate measures for conservation and saving of energy & natural resources. The Company's procedures and operations have been established with the goal of maximising resource conservation and utilisation. The Company is also devoted to using the cleanest procedures available to reduce trash output. In order to achieve this, we take all necessary precautions.

BUSINESS RESPONSIBILITY REPORT FY 2021-22 (Contd.)

The key processes at our facilities are often continuous or semi-continuous, and they run around the clock in order to maximise process efficiency. The Company has established and will continue to design processes that discourage the use of non-renewable and/or high-energy-consuming resources. The Company has emphasised the utilisation of renewable energy sources, such as natural gas.

Because of our experience, the majority of the processes resulted in significant reductions in fuel and power use. Entire manufacturing activity takes place in closed loop system & therefore no emission that impact the environment.

By Placing Water Saver Nozzles across our major facilities, we were able to save nearly 70 % of water usage leading to achieve water conservation to a larger extent.

All our raw materials are vegetable based and obtained from various plant sources which are renewable sources. Therefore, we are able to manufacture & cater our final products in varied applications as “Green additives”.

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

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

All our Raw materials are plant based and their supply is in abundance as well as renewable support sustainable sourcing. The Company has good methods in place for sustainable sourcing, where nearly 70% of our raw materials are procured from Local vendors and through locally grown farms whereas 30% are sourced from import suppliers, leading to support sustainable sourcing. Similarly, we have our own in-house engineering & project team which ensures to develop our utilities and machineries from Indian sourced fabricators and engineers as per our designs to suit our processes instead of importing from other countries

The internal processes & procedures ensure adequate safety during transportation and optimization of logistics, which in turn help to mitigate climate change.

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

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company aspires to engage in long-term business ventures. The Company believes that providing outstanding products in a sustainable and stable manner to satisfy customers is a crucial social duty. It is critical to improve the quality of our raw materials, packaging materials, components, and services in order to fulfil this duty, so we strive to build strong business partnerships with our vendors. We get the majority of our materials from local suppliers.

- **Compliance with Laws and Regulations**

The Company follows all applicable laws and regulations. In completing all of our procurement activities, we understand and respect both domestic and international guidelines and standards. In addition, we keep a close eye on industry norms and trends, and we make every effort to follow them when conducting business.

- **Fair trade**

The Company strives to engage in highly transparent, reasonable and fair transactions when procuring goods and services.

- **Criteria for evaluating products and vendors**

The Company meticulously evaluates goods and services and engages in transactions in which quality, quantity, prices and delivery dates are taken into account, as well as the vendors’ financial status, technological skills, corporate attitude and social responsibility efforts.

- **Health and Safety**

The Company encourages to buy from vendors who correctly manage health and safety risks and take ongoing steps to improve workplace health and safety.

- **Environment**

The Company advocates environmentally friendly products and services through

BUSINESS RESPONSIBILITY REPORT FY 2021-22 (Contd.)

promoting sustainable purchase and procurement. The majority of our raw ingredients are environmentally friendly, produced from renewable natural vegetable oil crops.

- **Promoting Domestic / Local Sources**

Local sourcing is a critical component of supply chain development. The Company is enthusiastic about sourcing and promoting goods and services from local suppliers who adhere to consistent quality and the same social and environmental standards as we do. The Company works with them and supports them in new developments.

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 details thereof, in about 50 words or so.

All our manufacturing facilities operate by following certain best practices like “R3 - Reduce, Reuse & Recycle” which not only enable us to save our natural resources but also limit the waste arising out of the production. The zero liquid discharge plant is one of the most important facilities for reducing waste creation to the bare minimum. At Ambernath, Patalganga, Dombivli and Patalganga, all of our plants are Zero Liquid Discharge facilities. Our upcoming R&D centre in Dombivli is also a ZLD facility. We do not release a single drop of effluent from our facility leading to achieve zero impact on environment.

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

1. Please indicate the Total number of employees.

The Company has 760 number of Total Employees as on March 31, 2022.

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

The Company has 2 number of employees hired on temporary/contractual/casual basis.

3. Please indicate the Number of permanent women employees.

The Company has 128 number of permanent woman employees.

4. Please indicate the Number of permanent employees with disabilities

None of the permanent employees are differently abled.

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

The Company does not have any recognised employee association.

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

Not Applicable

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.

The Company works consistently to provide workplaces free from discrimination and harassment on the basis of gender, religion, age or Sexual orientation. FOIL has set policies and procedures to prevent any kind of child labour, sexual harassment at our locations of operations such as verification of supporting documents related to age proof before confirming employment, conducting of awareness program to prevent harassment at workplace.

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 up- gradation training in the last year?

(a) Permanent Employees

(b) Permanent Women Employees

(c) Casual/Temporary/Contractual Employees

(d) Employees with Disabilities

Fine Organic Industries Limited places a premium on employee health and safety. Along with safety and

BUSINESS RESPONSIBILITY REPORT FY 2021-22 (Contd.)

security training, the Company offers a variety of training programmes for its employees in offices and factories, based on the duties and responsibilities of employees in various grades and departments, such as:

- Workplace Sexual Harassment Prevention Training
- Quality Management System Training
- Business Ethics Training
- Fire Fighting Training / First Aid
- System Compliance (FSSC, GMP, HALAL, RSPO, SEDEX)
- COVID-19 Measures to prevent and control.

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

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

Yes, the process of mapping of stakeholders is an ongoing exercise and is conducted on a regular basis.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company has identified the underprivileged, vulnerable, and marginalised communities among the aforesaid stakeholders through a need assessment and engages with them through its Corporate Social Responsibility initiative/activities.

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

The Company has identified the disadvantaged, vulnerable and marginalised communities through need assessment and engages with such marginalised communities under its Corporate Social Responsibility initiative/activities.

Through this Corporate Social Responsibility activities, the Company aims to improve the lives of vulnerable, underprivileged and marginalised groups.

The Company undertakes Corporate Social Responsibility(CSR) projects in the area of Educations, Healthcare, Women Empowerment and Eradicating

extreme hunger and poverty. The Company aims to create a meaningful and lasting impact on the lives of beneficiaries.

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 abides by all laws that represent human rights concepts such as non-discrimination, child labour prevention, sexual harassment prevention and equal employment opportunities among others. Every employee, as well as third parties with whom it does business, is treated with dignity and individual rights by the Company.

The Company also spread awareness among all staff regarding Human rights by conducting necessary trainings like POSH, HR Policies etc.

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

The Company has not received any complaints from stakeholders in this respect during financial year 2021-2022.

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

1. Does the policy relate to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

Our Management principles include environmental conservation and workplace safety. All parties impacting the whole value chain benefit from the Company's policies on safety, health and the environment. We have all the relevant SOPs & records needed to ensure that the environment & safety norms as well as their compliances are fulfilled.

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

While the Company continues to grow at a rapid rate, it is becoming much more cautious and committed to environmental preservation with the utmost care. The

BUSINESS RESPONSIBILITY REPORT FY 2021-22 (Contd.)

Company has its own technologies and manufacturing methods that are well-optimized.

These procedures have been fine-tuned to enhance efficiency while decreasing natural resource consumption and to achieve cleaner operations in order to reduce waste output.

Dedicated programmes, such as tree-planting initiatives in the surrounding areas and Zero Liquid Discharge (ZLD) plant facilities, use of cleaner fuel like Natural Gas, Car-pooling, waste reduction & recycling, use of solar energy etc. that focus on energy and fuel savings, with reduction in Carbon footprints, thereby supporting to minimize the impact of climate change.

Identification of possible approaches to handle environmental challenges by absorbing latest & newer technology which will help to create a more environmentally friendly manufacturing facility.

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

Being a responsible organisation, we are conscious of our environmental performance and monitor all operations to identify activities that may adversely impact the environment.

We support by having a green chemistry across all our manufacturing facilities. Use of solvents is completely avoided in our manufacturing processes. We thoroughly follow all waste disposal criteria ensuring that no waste will go directly to the environment which may impact our surrounding environment.

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

Yes, the Company has installed a sophisticated analytical tool of Fourier Transform Near-Infrared Spectroscopy (FTNIR) at the QC lab to complete a project linked to Clean Development Mechanism. This test facility aids in the decrease of analysis time, the amount of chemicals required and the elimination of solvents. As a result of the AI-driven solution, we were able to achieve a quick online report generating process, reduced lab safety hazards and improved data accuracy.

5. 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 Company has its own technologies, including well-optimized manufacturing processes. These procedures have been fine-tuned to enhance efficiency while reducing natural resource consumption and to produce cleaner operations in order to reduce waste output. Dedicated programmes, such as tree-planting initiatives in the surrounding areas and Zero Liquid Discharge (ZLD) plant facilities that focus on energy and fuel savings, have been put in place to contribute positively to environmental conservation.

The Company has undertaken multiple focused initiatives in the mentioned areas.

- Provision of a high-efficiency ATFD with a full-fledged ETP system to achieve ZLD, resulting in a 20–25% energy savings over a typical evaporation system.
- Installation of a rainwater harvesting system to save and reuse rainwater during the monsoon season. This project allows us to conserve a valuable resource such as water while also reducing our facility's water consumption.
- Change of fuel from Furnace oil to Natural gas.
- Increased tree plantations within & periphery of our manufacturing sites.
- Use of Solar lights & Sky pipes to replace use of electric lamps.
- LED lighting installed throughout plant area, admin area and streets to conserve electricity.
- Use of VFD for motors and pumps to get the desired performance at optimum consumption of energy.

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

Yes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year.

NIL

BUSINESS RESPONSIBILITY REPORT FY 2021-22 (Contd.)

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, the Company is a member of the following Organisations:

- (a) Federation of Indian Export Organisations (FIEO)
- (b) Indo German Chamber of Commerce
- (c) Basic Chemicals, Cosmetics & Dyes Export Promotion Council (Chemexcil)
- (d) Federation of Indian Chambers of Commerce and Industry (FICCI)
- (e) Oil Technologists Association of India (OTA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; 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 recognises that the industry is improving and progressing. In this regard, our goal is to work with all government entities and policymakers, and to continue to implement good governance principles.

Principle 8: Businesses should support inclusive growth and equitable development

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

The Company is dedicated to conducting business in a way that is economically, socially, and environmentally sound. Our Company has a Corporate Social Responsibility policy, and through CSR initiatives, we strive to reach out to the impoverished sections of society by promoting education, healthcare and other social services.

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

To carry out CSR programs/projects, the Company interacts with external NGOs. Our CSR Committee

oversees and monitors the implementation of all projects so that the beneficiaries get the most out of them.

The web link where CSR Projects are disclosed on the website is - www.fineorganics.com/investor-relations/corporate-social-responsibility

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

Yes, it is an ongoing process. We monitor the number of beneficiaries impacted by the Company's CSR initiatives and the same is presented to the CSR Committee periodically.

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

The Company has taken various CSR initiatives for support and development of society.

The report on the CSR projects carried out by the Company is annexed in the Annual Report as "Annexure B"

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.

The CSR effort for community development was implemented successfully. We also collaborate with organisations who have strong ties to and presence in the local communities.

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

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

As on March 31, 2022, we have only 2.38% customer complaints unresolved exceeding the defined closure timeline of 15 days maximum. The Company has not received any complaints with regards to products quality, majority of the complaints we receive are related to damage caused to products during transit. The Company follows the Why-Why methodology for responding to customer complaints, identifying and verifying root cause, implementing a long-term solution to prevent recurring of the problems & leading to risk identification. Enhancement of customer satisfaction is the key element of our complaint handling process.

BUSINESS RESPONSIBILITY REPORT FY 2021-22 (Contd.)

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)

Yes, the Company guarantees that relevant information is displayed on the product label in accordance with industry requirements and standards. Customers are routinely provided with technical datasheets (TDS), safety datasheets (SDS) and regulatory documents (PRD) (all in accordance with internationally recognised standards). If you have any unique requirements, you can get the information you need from the Company's website or from the sales people who work with you.

Yes, customer satisfaction is extremely important to the Company as we adhere to a customer-centric philosophy. As a result, customer satisfaction surveys are undertaken on a regular basis (as part of ISO quality standards) to assess consumer satisfaction with products and services related to those products. Our Company's greatest strength is its focus on delivering the highest possible quality in a timely way.

Furthermore, to the best of their abilities, Company professionals provide timely and superior quality solutions and services to any customer requirements.

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 as on end of financial year? If so, provide details thereof, in about 50 words or so.

There are no cases received during the financial year with regard to unfair trade practices, irresponsible advertising, and/or anti-competitive activity during previous five years.

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

Customer satisfaction is extremely important to the Company, which adheres to a customer-centric philosophy. As a result, customer satisfaction surveys are undertaken on a regular basis (as part of ISO quality standards) to assess consumer satisfaction with products and services and the score has always been above 90%.

Our Company's greatest strength is its focus on delivering the highest possible quality in a timely way. Furthermore, to the best of their abilities, Company professionals provide timely and superior quality solutions and services to any customer requirements.

FORM AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures.

PART A SUBSIDIARIES

(₹ in lakhs)

Sr. No.	Name of Subsidiary Company	Fine Organics (USA) Inc.	Fine Organics Europe BV
1	The date since when subsidiary was acquired	July 29, 2013	February 10, 2016
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period. (Financial Year ended on)	December 31, 2021	December 31, 2021
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	US\$ 75.81	EURO 84.66
4	Share Capital	0.63	14.31
5	Reserves and Surplus	1,126.03	2,427.63
6	Total Assets	6,307.69	5,401.31
7	Total Liabilities	5,181.03	2,959.37
8	Investments	-	-
9	Turnover	8,674.08	9,577.90
10	Profit Before Taxation	1,537.72	2,167.22
11	Provision for Taxation	289.32	274.53
12	Profit After Taxation	1,248.40	1,892.69
13	Proposed Dividend	-	-
14	Extent of Shareholding (in Percentage)	100.00%	100.00%

Notes:

- Names of Subsidiaries which are yet to commence operations: N.A
- Names of Subsidiaries which have been liquidated or sold during the Year: N.A
- The Management certified unaudited accounts of "Fine Organics (USA) Inc." and "Fine Organics Europe BV" for the year ended March 31, 2022 has been considered for preparation of consolidated financial statements of the Company for the 2021-22. Accordingly, the above-mentioned figures are as per the Financial Statements for the year ended March 31, 2022.

PART B ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Companies and joint ventures.

(₹ in lakhs)

Sr. No.	Name of Associates or Joint Ventures	Fine Zeelandia Private Limited	Fine Organic Industries (Thailand) Co., Ltd.
1.	Latest Audited Balance Sheet date	March 31, 2022	December 31, 2021
2.	Date on which the associate or joint venture was associated or acquired	December 1, 2014	May 31, 2021
3.	No. shares of associate or joint ventures held by the Company on the year end	40,284,250	22,500
I.	Amount of investment in associates or joint venture	4,028.43	54.00
ii.	Extent of holding (in percentage)	50.00%	45.00%
4.	Description of how there is significant influence	Joint Venture	Joint Venture
5.	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated
6.	Net worth attributable to shareholding as per latest audited balance sheet	6,065.75	112.46
7.	Profit or (Loss) for the year	(204.29)	(1.63)
I.	Considered in consolidation	(102.15)	(0.73)
ii.	Not considered in consolidation	-	-

- Names of Associates or Joint Ventures which are yet to commence operations: Fine Organic Industries (Thailand) Co., Ltd.
- Names of Associates or Joint Ventures which have been liquidated or sold during the year: FineADD Ingredients GmbH is under the Process of liquidation.
- The Management certified unaudited accounts of "Fine Organic Industries (Thailand) Co., Ltd." for the year ended March 31, 2022 has been considered for preparation consolidated financial statements of the Company for the 2021-22. Accordingly, the above-mentioned figures are as per the Financial Statements for the year ended March 31, 2022. Further, the Group has not considered the losses in excess of its investment in the Joint Venture.

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

Mukesh Shah
 Managing Director
 DIN: 00106799

Jayen Shah
 Director & CEO
 DIN: 00106919

Tushar Shah
 Director & CFO
 DIN: 00107144

Pooja Lohor
 Company Secretary
 Membership No. A28397

Place: Mumbai
 Date: May 27, 2022

INDEPENDENT AUDITOR'S REPORT

To,

The Members of

Fine Organic Industries Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Fine Organic Industries Limited** (herein referred to as "the Company"), which comprise the Balance Sheet as at **March 31, 2022**, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of the significant accounting policies and other explanatory information (Collectively referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 (herein referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (herein referred to as "Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2022**, and its profit (including other comprehensive income), statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (herein referred to as "the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us

is sufficient and appropriate to provide a basis for our opinion on Standalone Ind AS Financial Statements.

Emphasis of Matters

We draw attention to Note No. 7.1 of the Standalone Ind AS Financial Statements with respect to provision for diminution in the value of its investment in Joint Venture Company "FineADD Ingredients GmbH".

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 Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS 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 the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS Financial Statements.

A. Revenue Recognition

For the year ended March 31, 2022, the Company has recognised revenue from contracts with customers amounting to ₹ 1,85,818.24 lakhs.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer.

The variety of terms that define when controls are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognised in the correct period.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Revenue is measured net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.

Revenue is also an important element of how the Company measures its performance. The Company focusses on revenue as a key performance measure, which could create an incentive for revenue to be recognised before the risk and rewards have been transferred.

Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the Standalone Ind AS Financial Statements.

{Refer to note no. 29 of the Standalone Ind AS Financial Statements}.

Auditors' Response:

Our audit procedures included the following:

- Assessed the Company's revenue recognition procedure as per Ind AS 115 'Revenue from contracts with customers'.
- Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.
- Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of these samples, checked that the revenue has been recognised as per the terms.
- To test cut off selected sample of sales transactions made pre and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.
- Tested the provision calculations related to discounts and rebates by agreeing a sample of amounts recognised to underlying arrangements with customers and other supporting documents.
- Performed analytical procedures of revenue by streams to identify any unusual trends.

- The Company has provided confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the Standalone Ind AS Financial Statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant Indian accounting standards (Ind AS).

B. Capitalisation of Property, Plant and Equipment

During the year ended March 31, 2022, the Company has capitalised significant part of plant namely 'E – 73' located at Patalganga (Maharashtra) to expand the Company's production capacity. Out of the total addition of ₹ 7,318.00 lakhs towards Property, Plant and Equipment as per Standalone Ind AS Financial Statements, ₹ 6,171.95 lakhs were pertaining to Plant E-73. Plant has been successfully commissioned and capitalised during the year.

Significant level of judgement is involved to ensure that the aforesaid capital expenditure / additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment, specifically in relation to costs directly and indirectly associated with it to be ready for intended use. As a result, the aforesaid matter was determined to be a key audit matter.

{Refer to note no. 4 & 5 of the Standalone Ind AS Financial Statements}

Auditors' Response:

- Performed walk-through of the capitalisation process and tested the design and operating effectiveness of the controls in the process.
- Assessed the nature of the additions made to Property, Plant and Equipment and Capital Work-in-Progress (CWIP) on a test check basis to test that they meet the recognition criteria as set out in Ind AS 16, including any such costs directly and indirectly associated with it to be ready for intended use.
- Reviewed the Capitalisation Certificate provided by the Management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the Management.

C. Allowance for Credit Losses

The Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables

INDEPENDENT AUDITOR'S REPORT (Contd.)

and adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations.

At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

In calculating expected credit loss, the Company also considers other related information for its customers, including credit periods, to estimate the probability of default in future and has taken into account estimates of possible effect from any uncertain events / litigations etc. The Management has exercised significant judgement in estimating the allowance for credit losses.

(Refer to note no. 13 of the Standalone Ind AS Financial Statements)

Auditor's Response:

Our audit procedures to test the effectiveness of controls over allowances for credit loss includes the following, but were not limited to:

- Trade Receivables ageing report as on balance sheet date
- Development of the expected credit model for the allowance for credit losses, including consideration of the current and estimated future economic conditions.
- Completeness and accuracy of information used in the estimation of probability of default
- Status of recovery trade receivables as on the report date out of the total outstanding as at March 31, 2022
- Verification of calculation of the allowance for credit losses
- Testing the arithmetical accuracy and computation of the allowance prepared by the Management.
- Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around approach, the assumptions and reviewing the possible effect of any uncertain events / litigations to validate the Management estimates.

D. Evaluation of uncertain tax imposition

The Company has material uncertain tax imposition including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.

{Refer to note no. 40 of the Standalone Ind AS Financial Statements}

Auditors' Response:

- The Company has provided details of all pending assessments and demands for the year ended March 31, 2022.
- We have obtained Management note / view on possible outcome and its impact on financial position of the Company for all pending assessments and disputed matters under litigations.

INFORMATION OTHER THAN THE STANDALONE IND AS 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 Directors' report including Annexures to Directors' Report, Management Discussion and Analysis Report, Business Responsibility Report, but does not include the Consolidated Ind AS Financial Statements, Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors are responsible for the matters specified in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian accounting Standards specified under Section 133 of the Act, read with

INDEPENDENT AUDITOR'S REPORT (Contd.)

the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Ind AS Financial Statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 risk of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in the 'Annexure – I' a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit, 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 Standalone Ind AS Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Ind AS Financial Statements have been kept so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rule, 2015 (as amended).
 - e) On the basis of the written representations received from the Directors of the Company as on March 31, 2022, taken on record by the Board of Directors of the Company, none of the directors of the Company incorporated in India is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls; refer to our separate report in 'Annexure – II'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (2) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations on its financial position, if any in its Standalone Ind AS Financial Statements.
 - b) The Company has made Provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in its Standalone Ind AS Financial Statements.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d) This clause is omitted vide notification dated March 24, 2021, in the Companies (Audit and Auditors) Amendment Rules, 2021 effective from April 1, 2021.
 - e)(i) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

INDEPENDENT AUDITOR'S REPORT (Contd.)

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (e) (i) and (e) (ii) contain any material misstatement.
- f) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- As stated in note no. 40 to the Standalone Ind AS Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend
- g) This clause pertaining to accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the Company as per the statutory

requirements for record retention has been postponed from financial year commencing on or after the April 1, 2022 vide notification dated April 1, 2021 in the companies (Audit and Auditors) Second Amendment Rules, 2021.

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid / provided by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

ICAI UDIN: 22043908AJTKCF6257

For **BY & Associates**
Chartered Accountants
ICAI Firm Registration Number: 123423W

CA Bhavesh Vora
Partner
Membership Number: 043908

Date : May 27, 2022
Place : Mumbai

'ANNEXURE – I' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph (1) under "Report on other legal and regulatory requirements" of the independent auditor's report of even date to the members of Fine Organic Industries Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2022.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone Ind AS Financial Statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i)(a)(A) According to the information and explanation provided by Management and the records examined by us, the Company has maintained proper records showing full particulars including quantitative details and situation of the Property, Plant and Equipment.
- (a)(B) According to the information and explanation provided by the Management and the records examined by us, the Company has maintained proper records showing full particulars including quantitative details of the Intangible Assets.
- (b) According to the information and explanation provided by the Management and the records examined by us, the Company has a programme of physical verification to cover all the items of Property, Plant & Equipment in a phased manner over a period of three years. In accordance with the programme, certain Property, Plant & Equipment were physically verified by the Management during the year. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation provided by Management and the records examined by us, the Title Deeds of all the Immovable Properties (other than properties where the Company is lessee and the lease agreements are duly executed in the favour of lessee) disclosed in the Standalone Ind AS Financial Statements are held in the name of the Company.
- (d) According to the information and explanation provided by the Management and the records examined by us, the Company is following the Cost Model for accounting of Property, Plant & Equipment and accordingly, revaluation of its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets is not permitted.

Hence reporting under Clause 3(i)(d) of the said Order is not applicable to the Company.

- (e) According to the information and explanation provided by the Management and the records examined by us, there are no proceedings initiated during the year and/or are pending during any of the preceding financial years against the Company for holding any Benami Property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Therefore, reporting under Clause 3(i)(e) of the said Order is not applicable to the Company.
- (ii) (a) The inventory has been physically verified during the year by the Management. In our opinion, the procedures for physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

According to the information and explanation provided by the Management and the records examined by us, we are of the opinion that no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company has been sanctioned with working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions against the security of its current assets. As per information and explanation provided by the Management and the records examined by us, compliance with documentation for such sanctioning is yet to be done. Accordingly, reporting under clause 3(ii)(b) of the said Order for quarterly returns or statements filed by the Company with banks or financial institutions are in agreement with the books of account of the Company is not applicable to the Company.
- (iii) According to the information and explanation provided by the Management and the records examined by us, during the year, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year.

The Company has made investment in one Joint Venture Company during the year. Details of investment is given below:

‘ANNEXURE – I’ TO THE INDEPENDENT AUDITORS’ REPORT (Contd.)

(₹ in lakhs)

Aggregate amount invested during the year	54.00
Balance Outstanding as at balance sheet date	54.00

(b) According to the information and explanation provided by the Management and the records examined by us, terms and conditions of investments made during the year are not prejudicial to the Company’s interest.

The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year.

(c) The Company has not given any loans and advances in the nature of loans. Hence reporting under clause 3(iii)(c) of the said Order is not applicable to the Company for whether the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.

(d) The Company has not given any loans and advances in the nature of loans. Hence reporting under clause 3(iii)(d) of the said Order is not applicable to the Company for overdue of loans for more than ninety days and reasonable steps have been taken by the Company for recovery of principal and interest.

(e) According to the information and explanation provided by the Management and the records examined by us, the Company has not renewed or extended or granted any fresh loans to settle the overdue of existing loans given to the same parties which has fallen due during the year. Hence reporting under clause 3(iii)(e) of the said Order is not applicable to the Company.

(f) According to the information and explanation provided by the Management and the records examined by us, the Company has not granted loans or advances in the nature of loans to promoters / related parties (as defined in section 2(76) of the Companies Act, 2013) which are either repayable on demand or without specifying any terms or period of repayment. Hence reporting under clause 3(iii)(f) of the said Order is not applicable to the Company.

(iv) According to the information and explanation provided by the Management and the records examined by us, the Company has, wherever applicable, complied the provisions of Section 185 and Section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

(v) According to the information and explanation provided by the Management and the records examined by us, the Company has not accepted deposits / amounts deemed to be deposits as per the directive issued by Reserve Bank of India and the provision of the section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rule made thereunder. Hence reporting under clause 3(v) of the said Order is not applicable to the Company.

(vi) The Central Government has prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013. According to the information and explanation provided by the Management and the records examined by us, such accounts and records have been made and maintained by the Company.

(vii) (a) According to the information and explanation provided by the Management and the records examined by us, in respect of statutory dues including Provident Fund, Employees State Insurance Scheme, Income tax, Sales tax, Wealth Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty and Cess have generally been deposited regularly with the appropriate authorities, as appearing in the books of accounts. Further, there are no dues undisputed in respect of Income tax, Sales tax, Wealth Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty and Cess outstanding as at Balance Sheet date for a period of more than six months from the date they became payable.

(b) According to the information and explanation provided by the Management and the records examined by us, Details of statutory dues referred to in sub-clause (a) which have not been deposited as on the Balance Sheet date on account of any dispute are given below:

'ANNEXURE – I' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	3.34	April 2005 to March 2006	Hon'ble High Court, Bombay	-
Income Tax Act, 1961	Income Tax	6.11	April 2009 to March 2010	Hon'ble High Court, Bombay	-
Income Tax Act, 1961	Income Tax	149.17	April 2015 to March 2016	Commissioner of Income Tax (Appeal), Mumbai	-
Income Tax Act, 1961	Income Tax	416.34	April 2017 to March 2018	Commissioner of Income Tax (Appeal), Mumbai	-
MVAT Act 2006	VAT	27.16	April 2014 to March 2015	Department of Sales Tax	-

(viii) According to the information and explanation provided by the Management and the records examined by us, the Company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961, which is not recorded in the Books of Accounts. Hence reporting under clause 3(viii) of the said Order is not applicable to the Company.

(ix) (a) According to the information and explanation provided by the Management and the records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Hence reporting under clause 3(ix)(a) of the said Order is not applicable to the Company.

(b) According to the information and explanation provided by the Management and the records examined by us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender during the year.

(c) According to the information and explanation provided by the Management and the records examined by us, the term loans obtained by the Company has been applied for the purpose for which it is obtained, and no amount of loan has been diverted. Hence reporting under clause 3(ix)(c) of the said Order is not applicable to the Company.

(d) According to the information and explanation provided by the Management and the records examined by us, the funds raised on short term basis have not been utilised for long term purposes during the year. Hence reporting under clause 3(ix)(d) of the said Order is not applicable to the Company.

(e) According to the information and explanation provided by the Management and the records

examined by us, the Company has not utilised funds obtained from any entity or person on account to meet the obligations of its Subsidiaries and Joint Venture Companies. Hence reporting under clause 3(ix)(e) of the said Order is not applicable to the Company.

(f) According to the information and explanation provided by the Management and the records examined by us, the Company has not raised any loans during the year on the pledge of securities held in its Subsidiaries and Joint Venture Companies. Hence reporting under clause 3(ix)(f) of the said Order is not applicable to the Company.

(x) (a) According to the information and explanation provided by the Management and the records examined by us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). Hence reporting under clause 3(x)(a) of the said Order is not applicable to the Company.

(b) According to the information and explanation provided by the Management and the records examined by us, the Company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year. Hence reporting under clause 3(x)(b) of the said Order is not applicable to the Company.

(xi) (a) According to the information and explanation provided by the Management and the records examined by us, no fraud has been noticed or reported during the year on the Company or by the Company. Hence reporting under clause 3(xi)(a) of the said Order is not applicable to the Company.

(b) Since no fraud has been noticed or reported during the year on the Company or by the Company, no

‘ANNEXURE – I’ TO THE INDEPENDENT AUDITORS’ REPORT (Contd.)

- report under sub-section (12) of Section 143 of the Companies Act, 2013 is required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government. Hence reporting under clause 3(xi)(b) of the said Order is not applicable to the Company.
- (c) According to the information and explanation provided by the Management and the records examined by us, no whistle-blower complaint has been received by the Company during the year. Hence reporting under clause 3(xi)(c) of the said Order is not applicable to the Company.
- (xii) According to the information and explanation provided by the Management and the records examined by us, the Company is not covered under the category of Nidhi company. Hence reporting under clause 3(xii)(a) to (c) of the said Order is not applicable to the Company.
- (xiii) According to the information and explanation provided by the Management and the records examined by us, the Company has complied with Section 177 and 188 of Companies Act, 2013 in respect of all transactions with related parties and details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) According to the information and explanation provided by the Management and the records examined by us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit are considered by us and has been dealt with, as per SA – 610 issued by the Institute of Chartered Accountants of India.
- (xv) According to the information and explanation provided by the Management and the records examined by us, the Company has, wherever applicable, complied with provisions of Section 192 of the Companies Act, 2013 in respect of any non-cash transactions entered with directors or persons connected with him.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanation provided by the Management and the records examined by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi)(b) of the said Order is not applicable to the Company.
- (c) According to the information and explanation provided by the Management and the records examined by us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the said Order is not applicable to the Company.
- (d) According to the information and explanation provided by the Management and the records examined by us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(d) of the said Order, for the Group not having any other CIC as a part of the Group is not applicable to the Company.
- (xvii) According to the information and explanation provided by the Management and the records examined by us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year. Hence reporting under clause 3(xvii) of the said Order is not applicable to the Company.
- (xviii) According to the information and explanation provided by the Management and the records examined by us, there has been no resignation of the statutory auditors of the Company during the year. Hence reporting under clause 3(xviii) of the said Order is not applicable to the Company.
- (xix) According to the information and explanation provided by the Management and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Ind AS Financial Statements examined by us, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) According to the information and explanation provided by the Management and the records examined by us, the Company has spent the amount of ₹ 218.96 lakhs in respect of other than ongoing projects during the year and no amount remaining to be spent for the Financial Year 2022-

'ANNEXURE – I' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

23. Hence reporting under clause 3(xx)(a) of the said Order is not applicable to the Company for transferred of unspent amount to a fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to section 135(5).

(b) According to the information and explanation provided by the Management and the records examined by us, the Company has spent the amount of ₹ 17.00 lakhs in respect of ongoing projects during the year and amount remain unspent of ₹ 163.92 lakhs (including ₹ 2.00 lakhs for GST refund from contractor of CSR Project) has been transferred to special account for compliance with the provision of section 135(5) of the Companies Act, 2013.

ICAI UDIN: 22043908AJTKCF6257

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration Number: 123423W

CA Bhavesh Vora

Partner

Membership Number: 043908

Date : May 27, 2022

Place : Mumbai

‘ANNEXURE – II’ TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1(f) under “Report on other legal and regulatory requirements” of the independent auditor’s report of even date to the members of Fine Organic Industries Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2022.

Report on the Internal Financial Controls with reference to the Standalone Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

1. In conjunction with our audit of the Standalone Ind AS Financial Statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Fine Organic Industries Limited (hereinafter referred to as ‘the Company’) as on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (hereinafter referred to as “the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of the 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 Standalone Ind AS Financial Statements.

'ANNEXURE – II' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and

such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

ICAI UDIN: 22043908AJTKCF6257

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration Number: 123423W

CA **Bhavesh Vora**

Partner

Membership Number: 043908

Date : May 27, 2022

Place : Mumbai

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2022

(₹ in lakhs)

Particulars	Notes	Figures As at March 31, 2022	Figures As at March 31, 2021
ASSETS			
A) Non Current Assets			
Property, Plant and Equipment	Note 4	22,873.07	19,530.67
Capital Work-in Progress	Note 5	1,412.47	2,630.42
Intangible Assets	Note 6	57.11	54.18
Financial Assets			
- Investments	Note 7	4,311.23	4,367.35
- Loans	Note 8	131.59	403.05
- Others	Note 9	373.27	255.72
Deferred Tax Assets (Net)	Note 10	782.88	733.98
Other Non-current Assets	Note 11	6,096.30	6,211.97
Total Non Current Assets (A)		36,037.92	34,187.34
B) Current Assets			
Inventories	Note 12	20,165.09	10,892.56
Financial Assets			
- Trade Receivables	Note 13	33,159.08	17,517.35
- Cash and Cash Equivalents	Note 14	20,931.54	25,640.72
- Bank Balances	Note 15	648.03	477.01
- Others	Note 16	24.14	23.96
Current Tax Assets (Net)	Note 17	654.47	526.99
Other Current Assets	Note 18	11,161.91	6,341.35
Total Current Assets (B)		86,744.26	61,419.94
Total Assets (A + B)		1,22,782.18	95,607.28
EQUITY AND LIABILITIES			
A) Equity			
Equity Share Capital	Note 19	1,533.00	1,533.00
Other Equity	Note 20	94,316.60	72,350.77
Total Equity (A)		95,849.60	73,883.77
Liabilities			
B) Non Current Liabilities			
Financial Liabilities			
- Borrowings	Note 21	2,508.32	5,674.43
- Others	Note 22	86.61	435.30
Total Non Current Liabilities (B)		2,594.93	6,109.73
C) Current Liabilities			
Financial Liabilities			
- Borrowings	Note 23	3,344.43	3,242.85
- Trade Payables	Note 24		
(a) Total outstanding dues of micro enterprises and small enterprises		904.87	318.49
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		14,239.75	9,584.93
- Others	Note 25	147.17	251.61
Other Current Liabilities	Note 26	1,023.57	413.90
Provisions	Note 27	3,030.75	1,344.89
Current Tax Liabilities (Net)	Note 28	1,647.11	457.11
Total Current Liabilities (C)		24,337.65	15,613.78
Total Equity and Liabilities (A + B + C)		1,22,782.18	95,607.28

The accompanying notes 1 to 51 are integral part of the standalone Ind AS financial statements.

As per our report of even date

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration No.: 123423W

For and on behalf of the Board of Directors

Fine Organic Industries Limited

CA Bhavesh Vora

Partner

Membership No. 043908

Place: Mumbai

Date: May 27, 2022

Mukesh Shah

Managing Director

DIN:00106799

Tushar Shah

Director & CFO

DIN:00107144

Place: Mumbai

Date: May 27, 2022

Jayen Shah

Director & CEO

DIN:00106919

Pooja Lohor

Company Secretary

Membership No. A28397

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

(₹ in lakhs)

Particulars	Notes	Figures for the year ended March 31, 2022	Figures for the year ended March 31, 2021
INCOME			
Revenue from Operations	Note 29	1,85,842.83	1,12,129.01
Other Income	Note 30	3,319.97	1,702.41
Total Income		1,89,162.80	1,13,831.42
EXPENSES			
Cost of Materials Consumed	Note 31	1,21,998.12	71,536.01
Purchase of Stock-in-trade	Note 31.1	-	3.99
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	Note 32	(2,579.68)	1,081.83
Employee Benefit Expenses	Note 33	8,537.04	7,617.33
Finance Costs	Note 34	505.64	608.99
Depreciation & Amortisation Expenses	Note 35	3,990.01	4,676.49
Other Expenses	Note 36	23,034.95	12,682.90
Total Expenses		1,55,486.08	98,207.54
Profit before exceptional items and tax		33,676.72	15,623.88
Exceptional Item		-	-
PROFIT BEFORE TAX		33,676.72	15,623.88
TAX EXPENSES			
Current Tax	Note 37	8,750.00	4,320.00
Deferred Tax Expense / (Income)	Note 38	(140.21)	(190.89)
Short / (Excess) Provision for earlier years		-	1.59
Profit / (Loss) For The Year		25,066.93	11,493.18
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to Profit or Loss			
(a) Changes in fair value of Equity instruments through OCI		0.03	0.20
(b) Remeasurements of Profit / (Loss) on employees defined benefits plan		14.09	(9.53)
(c) Amount Recognised in Cashflow Hedging Reserve during the year		348.69	320.56
(ii) Income tax relating to items that will not be reclassified to profit or loss		(91.31)	(78.33)
Total Other Comprehensive Income		271.50	232.90
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		25,338.43	11,726.08
Earnings Per Equity Share			
Basic	Note 39	81.76	37.49
Diluted		81.76	37.49

The accompanying notes 1 to 51 are integral part of the standalone Ind AS financial statements.

As per our report of even date
For **B Y & Associates**
Chartered Accountants
ICAI Firm Registration No.: 123423W

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

CA Bhavesh Vora

Partner
Membership No. 043908

Place: Mumbai
Date: May 27, 2022

Mukesh Shah
Managing Director
DIN:00106799

Tushar Shah
Director & CFO
DIN:00107144

Place: Mumbai
Date: May 27, 2022

Jayen Shah
Director & CEO
DIN:00106919

Pooja Lohor
Company Secretary
Membership No. A28397

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A) Equity Share Capital

(₹ in lakhs)

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,533.00	-	1,533.00	-	1,533.00

(₹ in lakhs)

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1,533.00	-	1,533.00	-	1,533.00

B) Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Amalgamation Reserve	Retained Earnings		
Balance as at April 1, 2021	1,155.24	71,666.38	(470.85)	72,350.77
Add:- Profit for the year		25,066.93	-	25,066.93
Other comprehensive income / (losses)	-	-	271.50	271.50
Total Comprehensive Income for the year	1,155.24	96,733.31	(199.35)	97,689.20
Less:- Dividends	-	3,372.60	-	3,372.60
Balance as at March 31, 2022	1,155.24	93,360.71	(199.35)	94,316.60
Balance as at April 1, 2020	1,155.24	61,092.96	(703.75)	61,544.45
Add:- Profit for the year	-	11,493.18	-	11,493.18
Other comprehensive income / (losses)	-	-	232.90	232.90
Total Comprehensive Income for the year	1,155.24	72,586.14	(470.85)	73,270.53
Less:- Dividends	-	919.76	-	919.76
Balance as at March 31, 2021	1,155.24	71,666.38	(470.85)	72,350.77

The accompanying notes 1 to 51 are integral part of the Standalone Ind AS Financial Statements.

As per our report of even date

For **BY & Associates**

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Bhavesh Vora

Partner

Membership No. 043908

Place: Mumbai

Date: May 27, 2022

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Mukesh Shah

Managing Director

DIN:00106799

Tushar Shah

Director & CFO

DIN:00107144

Place: Mumbai

Date: May 27, 2022

Jayen Shah

Director & CEO

DIN:00106919

Pooja Lohor

Company Secretary

Membership No. A28397

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

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit Before Tax	33,676.72	15,623.88
A} CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustments for:		
Depreciation of Property, Plant and Equipment	3,960.31	4,628.55
Amortisation of Intangible Assets	29.70	47.94
Loss / (Profit) on sale of Fixed Assets (net)	(7.37)	(1.56)
Interest Income	(626.97)	(708.90)
Staff Welfare	7.01	5.95
Rent Others	3.77	3.97
Interest Expenses	369.56	522.43
Remeasurement of Employees Benefit Plans	14.09	(9.53)
Net Loss / (Gain) on Foreign Exchange Fluctuations	(2,457.68)	(957.61)
Lease Rent on Leasehold Properties	43.35	60.12
Expected Credit Loss Provisions / (Reversal)	(35.47)	(20.66)
Provision for Diminution in Value of Investment	120.73	39.60
Income Tax Written off for Earlier Years	-	1.59
	1,421.03	3,611.89
Operating Profit Before Working Capital Movements	35,097.75	19,235.77
Movement in Working Capital:		
Decrease / (Increase) in Inventories	(9,272.53)	1,052.67
Decrease / (Increase) in Trade Receivables	(15,606.26)	(2,921.42)
Decrease / (Increase) in Other Bank Balances	(171.02)	(1.87)
Decrease / (Increase) in Current Financial Assets : Others	(0.18)	8.84
Decrease / (Increase) in Other Current Assets	(4,820.56)	(2,091.99)
Increase / (Decrease) in Trade Payables	5,241.20	2,417.17
Increase / (Decrease) in Current Financial Liabilities : Others	(104.44)	88.48
Increase / (Decrease) in Other Current Liabilities	609.67	(208.91)
Increase / (Decrease) in Current Provisions	1,685.86	76.97
	(22,438.26)	(1,580.06)
Cash Generated From Operations	12,659.49	17,655.71
Income Tax Paid	(7,687.48)	(4,146.48)
Net Cash Flows From Operating Activities (A)	4,972.01	13,509.23
B} CASH FLOWS (USED IN) / GENERATED FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Including CWIP	(6,100.05)	(4,626.24)
Prepaid Rent in Leasehold Properties	(3.00)	(142.41)
Liability Booked Against Advance Given for Capital Goods	75.70	40.08
Purchase of Intangible Assets	(34.19)	(16.38)
Proceeds from Sale of Property, Plant and Equipment	24.23	13.34
Amount (invested)/ matured in Bank Fixed Deposits	(116.69)	43.19
Investment in Joint Ventures	(54.00)	-

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Additional Investment in Subsidiary Company	(6.81)	-
Interest received	597.14	672.82
Net Cash Flows Used In Investing Activities (B)	(5,617.67)	(4,015.60)
C) NET CASH FLOWS (USED IN)/ GENERATED FROM FINANCING ACTIVITIES		
Repayment of Non Current Borrowings	(3,064.53)	(3,554.65)
Advances (given to) / Received Back from Subsidiaries	279.56	128.66
Security Deposit Received back / (Given)	(1.24)	(6.66)
Employee advance (given) /received back	(8.10)	(23.61)
Dividend paid	(3,372.60)	(919.76)
Interest paid	(369.56)	(522.43)
Net Loss / (Gain) on Foreign Exchange Fluctuations	2,472.95	957.61
Net Cash Flows Used In Financing Activities (C)	(4,063.52)	(3,940.84)
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	(4,709.18)	5,552.79
Cash And Cash Equivalents At The Beginning Of The Year	25,640.72	20,087.93
Cash And Cash Equivalents At The Year End {Refer To Note No. 14}	20,931.54	25,640.72
Components of Cash and Cash Equivalents :		
Balances with banks		
In Current Account	2,837.91	7,008.99
In Exchange Earners' Foreign Currency Account	541.78	761.72
In Fixed Deposit Account	17,532.48	17,849.76
Cash on hand	19.37	20.25
	20,931.54	25,640.72

The accompanying notes 1 to 51 are integral part of the standalone Ind AS financial statements.

As per our report of even date

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration No.: 123423W

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Mukesh Shah

Managing Director

DIN:00106799

Jayen Shah

Director & CEO

DIN:00106919

CA Bhavesh Vora

Partner

Membership No. 043908

Tushar Shah

Director & CFO

DIN:00107144

Pooja Lohor

Company Secretary

Membership No. A28397

Place: Mumbai

Date: May 27, 2022

Place: Mumbai

Date: May 27, 2022

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. CORPORATE INFORMATION

Fine Organic Industries Limited is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Company was converted into Public Company with effect from November 2, 2017 and consequently the name of the Company has changed from Fine Organic Industries Private Limited to Fine Organic Industries Limited. The registered office of the Company is situated in the State of Maharashtra.

The Financial Statements were approved and authorised for issue with the resolution of the Board of Directors

The Company has following investments in subsidiaries, Joint Ventures and Associates:

Particulars	Name of Entities				
	Fine Organics (USA), Inc	Fine Organics Europe BV	Fine Zeelandia Private Limited	FineADD Ingredients GmbH (upto November 11, 2021)	Fine Organic Industries (Thailand) Co., Ltd.
Principal place of business and Country of Incorporation	United States of America	Belgium	India	Germany	Thailand
Investee relationship	Subsidiary Company	Subsidiary Company	Joint Venture	Joint Venture	Joint Venture
Proportion of ownership interest	100.00%	*100.00%	50.00%	50.00%	45.00%

* From March 23, 2022

2. BASIS OF PREPARATION:

2.1 Statement of compliance

The accompanying Financial Statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2.2 Functional and presentation currency

These Financial Statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been reported in INR, unless otherwise indicated.

on May 27, 2022 and are subject to the approval of Shareholders in the Annual General Meeting.

The Company carries on business in India and abroad, as manufacturers, processors, suppliers, distributors, dealers, importers, exporters of wide range of oleochemical-based additives used in foods, plastics, cosmetics, coatings and other specialty application in various industries.

The Equity shares of the Company are listed on July 2, 2018 on BSE Limited and National Stock Exchange of India Limited (NSE).

2.3 Basis of measurement

The Financial Statements have been prepared on a historical cost basis, except for the following:

- certain Financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Net defined benefit (assets)/ liabilities that are measured at fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgements

The preparation of the Financial Statements in accordance with Ind AS requires use of judgements, estimates and assumptions, which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2022 are as follows:

a) Property, plant and equipment

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act except plant & machineries, which in the opinion of the Management represent the useful lives as they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Revenue from contracts with customers

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

c) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions.

Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

d) Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits, if any. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

e) Contingent Liabilities, Commitments and Litigations

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Litigation

From time to time, the Company might be subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

2.5 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both Financial and non-Financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the Management. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level-1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level-2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level-3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Operating cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their

realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.7 Current / non-current classification

An entity shall classify an asset as current when:

- a) It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- b) It holds the asset primarily for the purpose of trading;
- c) It expects to realise the asset within twelve months after the reporting period; or
- d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when-

- a) It expects to settle the liability in its normal operating cycle;
- b) It holds the liability primarily for the purpose of trading;
- c) The liability is due to be settled within twelve months after the reporting period; or
- d) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.8 Note on Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10%’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

- a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

- b) Any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by Management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end. Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

Leasehold Rent payable to MIDC relating to new project, during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Non- Current Assets and the same will be amortised in the year of commencement of project.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on pro-rata basis using the diminishing balance method on cost of items of property, plant and equipment less their estimated residual values over the estimated residual useful lives based on Schedule II of the Companies Act, 2013 except for plant & machinery.

In case of plant & machinery, based on internal assessment, the Management believes that the useful lives as given below best represent the period over which Management expects to use these assets. Hence the useful lives for these assets may differ from the useful lives as prescribed under Part C of Schedule II

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

of the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible Assets	Useful lives as per Schedule II
Buildings	30 Years
Computers	
Computer – Server & Network	6 Years
Computer – Others	3 Years
Plant & Machinery	5 - 15 Years
Furniture and Fixtures	10 Years
Electrical Installation	10 Years
Motor Cars & Vehicles	8 Years
Office Equipments	5 Years
Laboratory Equipments	10 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.2 Intangible Assets

Recognition and measurement

Intangible assets comprise of computer software and patent / trademark, which acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values and it is included in depreciation and amortisation in the Statement of profit and loss.

Intangible assets are amortised over the estimated useful lives as given below:

Intangible Assets	Useful life
Computer Software (WDV Method)	3 Years
Patent / Trademark (SLM Method)	10 Years

3.3 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale less any investment income on the temporary investment of those borrowings.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.4 Impairment of non-Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

3.5 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for Financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Company.

Minimum Alternate Tax (MAT) credit is recognised as a Deferred Tax Asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

3.6 Inventories

Inventories which comprise raw materials, packing materials, work-in-progress, finished goods, consumables and stores & spares are carried at the lower of cost and net realisable value.

The cost of inventories is based on weighted average formula and includes expenditure incurred in acquiring the inventories, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, defective and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

3.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered as an integral part of the Company's cash Management.

3.8 Trade Payables

Trade payables represent liabilities for goods including capital goods and services provided to the Company prior to the end of Financial year which are unpaid. Trade and other payables are reported as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost using the effective interest rate method, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows

and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified in any of the above categories is measured at FVTPL.

Investment in subsidiaries, Associates and Joint Ventures

The Company has opted to account for its investments in subsidiaries, associates and joint venture at cost less provision for diminution other than temporary.

Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has made an irrevocable choice to present the value changes in 'Other Comprehensive Income'.

Impairment of Financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the Financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Financial liabilities

Initial recognition and measurement

All Financial liabilities are recognised at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Derivative Financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as forwards and Interest rate swaps to mitigate the risk of changes in exchange rates and Interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-Financial assets or non-Financial liability.

In case of loss / gains from interest rate swaps, directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Fair Value Hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

b) De-recognition of Financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the Financial asset expire or it transfers the Financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, the Company has legally enforceable right to set off the amount and it intends, either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

3.10 Business Combinations

Business Combinations are accounted for using Ind AS 103 Business Combination. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control. Acquisition related costs are recognised in the Statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their respective fair value at the acquisition date, except certain assets and liabilities required to be measured as per applicable standards. Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, is recognised as Capital Reserve i.e. Amalgamation Reserve.

Business Combinations arising from transfer of interests in entities that are under common control are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value, no adjustment are made to reflect fair values, or recognise any new assets or liabilities. The identity of the reserves is preserved and appears in the

Financial Statements of the transferee in the same form in which they appeared in the Financial Statements of the transferor.

3.11 Revenue Recognition

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the goods.

Sale of Products

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The performance obligations in contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue from the sale of goods is measured based on the consideration specified in a contract with a customer, net of returns and allowances, trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and service tax. The Company does not provide any warranties or maintenance contracts to its customers.

Variable consideration

This includes incentives, volume rebates, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or service to the customer and when the customer pays for that goods or service will be one year or less.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Cost to obtain a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortisation period of the asset that the Company otherwise would have used is one year or less. Costs to fulfill a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised.

Other Operating Revenues

Other Operating revenue mainly consists of Sale of Scrap arising from the production of finished goods.

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Interest income is included in finance income in the Statement of profit and loss

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Insurance and other claims

Revenue in respect of Insurance and other claim is recognised only on reasonable certainty of ultimate collection.

3.12 Foreign Currencies

The Financial Statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at

the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

3.13 Employee benefits

Short term employee benefits

Liabilities for short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are reported as current employee benefits payable in the balance sheet.

Post-employment benefits

a) Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method at the year end.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Employee Benefit Expense in the Statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

curtailments are recognised immediately in the profit or loss as past service cost.

b) **Defined contribution plans**

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

3.14 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.15 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of Management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

3.16 Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.17 Earnings per share (EPS)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the equity by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 4 NON CURRENT ASSETS : PROPERTY, PLANT AND EQUIPMENT (PPE)

Particulars	(₹ in lakhs)											
	Factory / Research Centre Building	Office Premises	Resi- dential Premises	Factory Flat	Plant and Equip- ments	Electrical Equip- ments	Laborato- ry Equip- ments	Office Equip- ments	Furniture & Fixtures	Comput- er & Pe- ripherals (including Server & Network)	Vehicles	Total Property, Plant and Equipment
Gross Carrying Amount												
Balance as at April 1, 2020	14,983.19	105.66	77.44	2.76	20,593.21	2,053.83	860.44	728.31	763.85	733.91	893.33	41,795.93
Add: Additions during the year	837.90	-	-	-	1,203.26	148.90	50.36	91.98	49.99	104.10	93.44	2,579.93
Less: Disposals/ Adjustments	0.49	-	-	-	103.99	2.02	0.18	6.74	-	0.55	56.86	170.83
Balance as at March 31, 2021	15,820.60	105.66	77.44	2.76	21,692.48	2,200.71	910.62	813.55	813.84	837.46	929.91	44,205.03
Add: Additions during the year	3,112.82	175.55	-	-	3,016.56	473.06	25.57	103.17	48.34	259.13	103.80	7,318.00
Less: Disposals/ Adjustments	-	-	-	-	21.13	11.70	(1.72)	3.40	0.02	29.40	53.05	116.98
Balance as at March 31, 2022	18,933.42	281.21	77.44	2.76	24,687.91	2,662.07	937.91	913.32	862.16	1,067.19	980.66	51,406.05
Accumulated Depreciation												
Balance as at April 1, 2020	4,995.35	64.97	17.43	1.32	11,315.70	977.35	617.25	502.13	562.47	558.86	592.03	20,204.86
Add: Depreciation for the year	974.67	2.57	2.91	0.07	2,901.46	290.66	64.25	110.05	52.41	123.94	105.56	4,628.55
Less: Disposals/ Adjustments	0.17	-	-	-	97.23	1.70	0.08	6.40	-	0.51	52.96	159.05
Balance as at March 31, 2021	5,969.85	67.54	20.34	1.39	14,119.93	1,266.31	681.42	605.78	614.88	682.29	644.63	24,674.36
Add: Depreciation for the year	958.01	2.89	2.77	0.07	2,332.94	243.83	57.44	94.53	47.88	127.14	92.83	3,960.33
Less: Disposals/ Adjustments	-	-	-	-	15.30	10.33	(0.65)	2.70	0.01	28.19	45.83	101.71
Balance as at March 31, 2022	6,927.86	70.43	23.11	1.46	16,437.57	1,499.81	739.51	697.61	662.75	781.24	691.63	28,532.98
Net Carrying Amount												
Balance as at March 31, 2021	9,850.75	38.12	57.10	1.37	7,572.55	934.40	229.20	207.77	198.96	155.17	285.28	19,530.67
Balance as at March 31, 2022	12,005.56	210.78	54.33	1.30	8,250.34	1,162.26	198.40	215.71	199.41	285.95	289.03	22,873.07

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 5 NON CURRENT ASSETS : CAPITAL WORK IN PROGRESS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	2,630.42	584.11
Add:- Additions during the year	6,122.14	4,614.09
Less: - Capitalisation during the year	7,340.09	2,567.78
Balance as at the end of the year	1,412.47	2,630.42

NOTE 5.1 AGEING SCHEDULE FOR CAPITAL WORK-IN PROGRESS

(₹ in lakhs)

Particulars	As at March 31, 2022				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	919.41	219.25	262.06	11.75	1,412.47
-- Projects temporarily suspended	-	-	-	-	-
Total	919.41	219.25	262.06	11.75	1,412.47

(₹ in lakhs)

Particulars	As at March 31, 2021				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	2,321.19	266.48	41.01	1.74	2,630.42
-- Projects temporarily suspended	-	-	-	-	-
Total	2,321.19	266.48	41.01	1.74	2,630.42

NOTE 5.2 There is no Capital Work-in Progress, whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE 6 NON CURRENT ASSETS : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Patents & Trademarks	Total Intangible Assets
Gross Carrying Amount			
Balance as at April 1, 2020	104.96	27.42	132.38
Add: Additions during the year	13.98	2.40	16.38
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2021	118.94	29.82	148.76
Add: Additions during the year	29.25	4.94	34.19
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2022	148.19	34.76	182.95
Accumulated Depreciation			
Balance as at April 1, 2020	36.86	9.78	46.64
Add: Depreciation for the year	44.91	3.03	47.94
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2021	81.77	12.81	94.58
Add: Depreciation for the year	26.44	3.24	29.68
Less: Disposals/ Adjustments	(1.58)	-	(1.58)
Balance as at March 31, 2022	109.79	16.05	125.84
Net Carrying Amount			
Balance as at March 31, 2021	37.17	17.01	54.18
Balance as at March 31, 2022	38.40	18.71	57.11

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 7 NON CURRENT FINANCIAL ASSETS : INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted Investment in Equity Instruments of Subsidiaries (At Cost)		
(i) Fine Organics (USA), Inc. {Includes ₹ 188.50 lakhs (P.Y. ₹ 184.72 lakhs) Notional interest as per IndAS 109 'Financial Instruments' issued by MCA} (Current Year: 1,000 shares of \$ 1 each fully paid up) (Previous Year : 1,000 shares of \$ 1 each fully paid up)	189.13	185.36
(ii) Fine Organics Europe BV {Includes ₹ 13.80 lakhs (P.Y. ₹ 13.80 lakhs) Notional interest as per IndAS 109 'Financial Instruments' issued by MCA} (Current Year: 186 shares of Euro 100 each fully paid up) (Previous Year: 185 shares of Euro 100 each fully paid up)	34.84	28.03
Unquoted Investment in Equity Instruments of Jointly Controlled Entity (At Cost)		
(i) Fine Zeelandia Private Limited (Current Year: 4,02,84,250 shares of ₹ 10 each fully paid up) (Previous Year: 4,02,84,250 shares of ₹ 10 each fully paid up)	4,028.43	4,028.43
(ii) FineADD Ingredients GmbH {refer to note no. 7.1} (Current Year: 2,500 shares of Euro 100 each fully paid up) (Previous Year: 2,500 shares of Euro 100 each fully paid up)	-	120.73
(iii) Fine Organic Industries (Thailand) Co., Ltd. (Current Year: 22,500 shares of Thai Baht 100 each fully paid up)	54.00	-
Unquoted Investment in Equity Instruments at FVTOCI		
(i) Saraswat Co-Operative Bank Limited (Current Year: 2,500 shares of ₹ 10 each fully paid up) (Previous Year: 2,500 shares of ₹ 10 each fully paid up)	4.83	4.80
Total	4,311.23	4,367.35

NOTE 7.1 DIMINUTION IN VALUE OF THE INVESTMENT IN A JOINT VENTURE

The Company has fully provided for the diminution in the value of its investment in the Joint Venture Entity "FineADD Ingredients GmbH", in view of its decision not to proceed with the Joint Venture and accordingly recorded the provision for the balance amount of ₹ 120.73 lakhs in the books of account. The Joint Venture is in the process of liquidation.

NOTE 8 NON CURRENT FINANCIAL ASSETS : LOANS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advances to Wholly Owned Subsidiaries (Amortised Cost) {Refer to note no. 40(b)}	-	279.56
Loan to employees	131.59	123.49
Total	131.59	403.05

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 9 NON CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits Rent (Amortised Cost)	36.98	36.12
Fixed Deposits with Bank (Original Maturity more than 12 months)	336.29	219.60
Total	373.27	255.72

NOTE 10 DEFERRED TAX ASSET (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	930.48	814.62
Others	25.39	34.31
Gross Deferred Tax Asset (a)	955.87	848.93
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipments & Intangible Assets	-	-
Others	172.99	114.95
Gross Deferred Tax Liability (b)	172.99	114.95
Deferred Tax Assets (Net) (a-b)	782.88	733.98

NOTE 11 OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances (Unsecured, Considered good)	2,614.45	2,690.15
Security Deposits	250.73	250.35
Income Tax Refund Receivables	15.83	15.83
Prepaid Rent on Leasehold Land & Premises	3,215.29	3,255.64
Total	6,096.30	6,211.97

NOTE 11.1 DISCLOSURE TO OTHER NON CURRENT ASSETS - CAPITAL ADVANCES

The Company has given an advance of ₹ 2,420 lakhs to MIDC for allotment of a plot at Pale, Ambarnath, which is disclosed under Capital advances. The MIDC has issued an allotment letter, however, the company is still unable to take possession of the said plot, as so far the MIDC has not created any of the basic infrastructure facilities such as water, electricity, roads etc. Upon possession, the Company plans to setup a centralised warehousing facility, however, the Company shall carry out a feasibility study and then decide upon the appropriate action to be taken for the said plot. Present value of the said plot as per the ready reckoner rate & the valuation report dated November 1, 2021 obtained by the Company is higher than the advance given and accordingly, no provision is required to be made.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 12 CURRENT ASSETS : INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials and Packing Materials	11,354.97	5,026.82
Semi-Finished Goods	922.41	556.04
Finished Goods	5,912.21	3,698.90
Consumables	164.69	59.50
Stores & Spares	1,810.81	1,551.30
Total	20,165.09	10,892.56

NOTE 13 CURRENT FINANCIAL ASSETS : TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured, Considered good	-	-
Unsecured		
Considered good	25,866.77	15,277.15
From Related Parties {Refer to note no. 41(b)}	7,292.31	2,240.20
Which have significant increase in Credit Risk	100.87	136.34
Sub Total	33,259.95	17,653.69
Less: Allowance for Expected Credit Loss	100.87	136.34
Total	33,159.08	17,517.35

Ageing for trade receivables as at March 31, 2022 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	26,538.66	6,529.93	49.67	33.59	53.98	54.12	33,259.95
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-

Ageing for trade receivables as at March 31, 2021 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	12,377.67	5,017.62	108.61	49.99	47.34	52.46	17,653.69
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 14 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
In Current Account	2,837.91	7,008.99
In Exchange Earners' Foreign Currency Account	541.78	761.72
In Fixed Deposit Account (With original maturity of less than 3 months)	17,532.48	17,849.76
Cash on hand	19.37	20.25
Total	20,931.54	25,640.72

NOTE 15 CURRENT FINANCIAL ASSETS : BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
In Fixed Deposits (with original maturity of more than 3 months and 12 months or less)	648.03	477.01
Total	648.03	477.01

NOTE 16 CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Security Deposit	24.14	23.96
Total	24.14	23.96

NOTE 17 CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax (Net of Provision for Income Tax)	654.47	526.99
Total	654.47	526.99

NOTE 18 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	401.78	314.50
Balance with Statutory / Government Authorities *	3,736.80	2,749.52
Gratuity Fund Balance with LIC of India	87.54	80.06
Other Advances (including advance to suppliers)	6,935.79	3,197.27
Total	11,161.91	6,341.35

* Balances with Government Authorities primarily include amounts realisable for GST, the unutilised GST input tax credits. These are generally realised within one year or utilised regularly. Accordingly, these balances have been classified as "Other Current Assets".

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 19 EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
AUTHORISED		
4,00,00,000 Equity Shares of ₹ 5 each (Previous Year: 4,00,00,000 Equity Shares of ₹ 5 each)	2,000.00	2,000.00
Total	2,000.00	2,000.00
ISSUED, SUBSCRIBED AND PAID-UP		
3,06,59,976 Equity Shares of ₹ 5 each (Previous Year: 3,06,59,976 Equity Shares of ₹ 5 each)	1,533.00	1,533.00
Total	1,533.00	1,533.00

Note 19.1 - Reconciliation of number of shares outstanding is set out below:

Particulars	As at March 31, 2022	As at March 31, 2021
Number of shares at the beginning of the year	3,06,59,976	3,06,59,976
Add/ Less :- Movement of shares during the year	-	-
Number of shares at the end of the year	3,06,59,976	3,06,59,976

Note 19.2 - Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Note 19.3 - Details of Shareholders holding more than 5 % shares of the Company

Name of share holders	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	% in Share Capital	Number of Shares	% in Share Capital
Prakash Damodar Kamat	44,52,835	14.52%	44,52,835	14.52%
Jyotsna Ramesh Shah	43,25,886	14.11%	43,25,886	14.11%
Tushar Ramesh Shah	36,99,182	12.07%	36,99,182	12.07%
Jayen Ramesh Shah	34,23,627	11.17%	34,23,627	11.17%
Bimal Mukesh Shah	21,16,827	6.90%	21,16,827	6.90%
Mukesh Maganlal Shah	17,64,045	5.75%	17,64,045	5.75%

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 19.4 - Disclosure of Shareholding of Promoters / Promoters Group

Disclosure of shareholding of Promoters / Promoters Group as at March 31, 2022 is as follows:

Sr Nos	Promoters / Promoters Group name	Shares held				% Change during the year
		As at March 31, 2022		As at March 31, 2021		
Promoters						
1	Prakash Damodar Kamat	44,52,835	14.52%	44,52,835	14.52%	0.00%
2	Mukesh Maganlal Shah	17,64,045	5.75%	17,64,045	5.75%	0.00%
3	Jayen Ramesh Shah	34,23,627	11.17%	34,23,627	11.17%	0.00%
4	Tushar Ramesh Shah	36,99,182	12.07%	36,99,182	12.07%	0.00%
5	Bimal Mukesh Shah	21,16,827	6.90%	21,16,827	6.90%	0.00%
6	Jyotsna Ramesh Shah	43,25,886	14.11%	43,25,886	14.11%	0.00%
Promoters Group						
7	Jayshree Mukesh Shah	5,68,572	1.85%	5,68,572	1.85%	0.00%
8	Neeta Jayen Shah	6,59,892	2.15%	6,59,892	2.15%	0.00%
9	Bina Tushar Shah	5,74,380	1.87%	5,74,380	1.87%	0.00%
10	Shaili Nirav Doshi	1,22,898	0.40%	1,22,898	0.40%	0.00%
11	Manali Vishal Doshi	76,614	0.25%	76,614	0.25%	0.00%
12	Rhea Tushar Shah	1,06,614	0.35%	1,06,614	0.35%	0.00%
13	Esha Tushar Shah	1,06,620	0.35%	1,06,620	0.35%	0.00%
14	R M Shah HUF	3,08,542	1.01%	3,09,042	1.01%	-0.16%
15	P D Kamat HUF	1,37,178	0.45%	1,37,178	0.45%	0.00%
16	M M Shah HUF	1,40,574	0.46%	1,40,574	0.46%	0.00%
17	Jayen R Shah HUF	3,06,978	1.00%	3,06,978	1.00%	0.00%
18	Tushar R Shah HUF	1,03,218	0.34%	1,03,218	0.34%	0.00%
19	Maltiben Pradipkumar Shah	19	0.00%	19	0.00%	0.00%
Total		2,29,94,501	75.00%	2,29,95,001	75.00%	

There is no change in promoters / promoters group shareholding during FY 2020-21.

Note 19.5 - Details of calls unpaid

There is no calls unpaid.

Note 19.6 - Subdivision of shares

The Shareholders vide a special resolution has approved sub division of shares of the Company in the ratio of 2 shares of face value of ₹ 5 each for every existing 1 share of the face value of ₹ 10 each.

The requisite approvals for modification of the Memorandum and Articles of Association of the Company had been accorded by the shareholders on November 6, 2017.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 19.7 - Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

- (i) The Company has issued 2,80,000 Equity Shares of ₹ 10 Each in Financial year 2016-17 for consideration other than cash to the shareholders of Fine Research & Development Centre Private Limited (“FRDCPL”) and Fine Speciality Surfactants Private Limited (“FSSPL”) on account of Amalgamation.
- (ii) During the year ended March 31, 2018, the Company has issued 1,02,19,992 Equity shares of ₹ 10 each (Pre Subdivision of shares) pursuant to the bonus issue of shares vide special resolution approved by the shareholders dated October 16, 2017.

The Company has allotted 2 (Two) Fully paid up equity shares of ₹ 10 each for every 1 (One) Equity share held by the shareholders (Including shares issued to the shareholders on account of amalgamation with FRDCPL & FSSPL).

Later on as per special resolution dated November 6, 2017, such shares are sub divided in to the ratio of 2 (Two) shares of face value of ₹ 5 each for every existing 1 (One) share of the face value of ₹ 10 each.

NOTE 20 OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Amalgamation Reserve	1,155.24	1,155.24
(Includes ₹ 4.23 lakhs On Account of Amalgamation)		
(b) Retained Earnings		
Balance as at the beginning of the year	71,666.38	61,092.96
Add: Profit for the year	25,066.93	11,493.18
Less:- Dividend	3,372.60	919.76
Balance as at the end of the year (b)	93,360.71	71,666.38
(c) Other Comprehensive Income		
Balance as at the beginning of the year	(470.85)	(703.75)
Add: Other Comprehensive Income for the year	271.50	232.90
Balance as at the end of the year (c)	(199.35)	(470.85)
Total (a + b + c)	94,316.60	72,350.77

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

- (a) **Amalgamation Reserve** - At the time of business combination under common control, amalgamation adjustment reserve of transferor company becomes amalgamation adjustment reserve of the transferee company. The Company established this reserve at the time of business combinations made in the earlier years.
- (b) **Retained Earnings** represents undistributed accumulated earnings of the Company as on the balance sheet date.
- (c) **Other Comprehensive Income represents the following -**
1. The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve
 2. The Company uses hedging instruments as part of its Management of interest rate risk associated with borrowings. For hedging interest rate risk, the Company uses the interest rate swaps. To the extent this hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedged reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).
 3. Remeasurements, comprising of actuarial gains and losses are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

NOTE 21 NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans		
Foreign Currency Borrowings - External Commercial Borrowings		
From Bank {Refer to note no. 21.1}	5,852.75	8,917.28
Less : Current Maturity {Refer to note no. 23}	(3,344.43)	(3,242.85)
Total	2,508.32	5,674.43

Note 21.1 - Disclosure to Non Current Financial Liabilities : Borrowings

- (i) The foreign currency borrowings is secured against exclusive charge on specific Land & Building and Plant & Machinery of the borrower at plot no. N-42/1, MIDC, Anand Nagar, Additional Ambarnath Industrial Area, Ambarnath - 421501, Maharashtra.
- (ii) Remaining tenure of the borrowing is 21 Months

NOTE 22 NON CURRENT FINANCIAL LIABILITIES : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Derivatives Designated as Hedge		
Interest Rate Swaps	86.61	435.30
Total	86.61	435.30

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 23 CURRENT FINANCIAL LIABILITIES : BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans		
Current maturities of Long-term Borrowings	3,344.43	3,242.85
Total	3,344.43	3,242.85

Note 23.1 - Disclosure to Current Financial Liabilities : Borrowings

Secured Loans from banks on Cash Credit are secured by way of hypothecation of stocks of raw materials, finished products, stores and work-in-progress as well as book debts.

NOTE 24 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding due to Micro and Small Enterprises {Refer to note no. 24.1}	904.87	318.49
Others	14,239.75	9,584.93
Total	15,144.62	9,903.42

Note 24.1 - Disclosure to Current Financial Liabilities : Trade Payables

Dues to micro and small enterprises

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro and small enterprises amounting to ₹ 904.87 lakhs (Previous Year: ₹ 318.49 lakhs). The disclosure pursuant to MSMED Act based on the books of account is as under:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid	904.87	318.49
(ii) Interest due on above and the unpaid interest	2.34	3.27
(iii) Interest paid in terms of Section 16 of MSMED Act		
(iv) Amount of payments made to supplier beyond the appointed day		
(v) Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act,2006		
(vi) Amount of Interest accrued and remaining unpaid *	2.34	3.27
(vii) Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the MSMED Act,2006		

(*) The interest has not been accrued in the books of account since the outstanding amount majorly includes retention amount payable after completion of contract period.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Ageing for trade payables outstanding as at March 31, 2022 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	904.87	-	-	-	904.87
(ii) Others	14,054.41	111.02	13.78	60.54	14,239.75
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Ageing for trade payables outstanding as at March 31, 2021 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	318.49	-	-	-	318.49
(ii) Others	9,413.57	33.64	31.21	106.51	9,584.93
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

NOTE 25 CURRENT FINANCIAL LIABILITIES : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade / Security Deposits from Customers	145.58	250.89
Dividend Payable	1.59	0.72
Total	147.17	251.61

NOTE 26 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues Payable	231.44	48.87
Contractual Liabilities {refer to note no. 29.1}	792.13	365.03
Total	1,023.57	413.90

NOTE 27 CURRENT LIABILITIES : PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for CSR Expenses {refer to note no. 36.1}	204.43	404.47
Provision for Expenses	2,826.32	940.42
Total	3,030.75	1,344.89

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 28 CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax (Net of Income Tax paid)	1,647.11	457.11
Total	1,647.11	457.11

NOTE 29 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Revenue from Contracts with customers		
Sales - Specialty chemicals	1,84,207.55	1,09,575.36
Sales - Others	1,610.69	2,549.89
Total [A]	1,85,818.24	1,12,125.25
(B) Other Operating Revenue		
Income from sale of Scrap [B]	24.59	3.76
Total [A] + [B]	1,85,842.83	1,12,129.01

Note 29.1 - Other disclosure relating to Revenue from Contracts with Customers (Ind AS 115)

The Company is primarily in the Business of manufacture and sale of Specialty chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company evaluates the credit limits for the trade receivables. The Company does not give significant credit period resulting in no significant financing component.

Further, disaggregation of revenue based on geography has been mentioned under segment information.

{refer to note no. 42.3}

Reconciliation of Revenue recognised from contracts with customers with Contract liabilities

(₹ in lakhs)

Particulars	F.Y. 2021-22	F.Y. 2020-21
Opening Contract Liability	365.03	284.07
Add: Addition to contract liability during the year	13,974.98	8087.49
Less: Recognised as revenue during the year	13,547.88	8006.53
Closing Contract liability	792.13	365.03

Reconciliation of revenue as per contract price and as recognised in statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contract with customer as per Contract price	1,87,363.98	1,12,361.95
Less: Discounts and Rebates	21.31	22.88
Less: Sales Returns	1,524.43	213.82
Revenue from contract with customer as per statement of profit and loss	1,85,818.24	1,12,125.25

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 30 OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income {Refer to note no. 30.1}	626.97	708.90
Net gain on foreign exchange fluctuations	2,457.68	957.61
Reversal of Expected Credit Loss	35.47	20.66
Other Non Operating Income		
Profit on Sale of Property, Plant and Equipment (Net of Loss)	7.37	1.56
Insurance claim received	192.48	13.68
Total	3,319.97	1,702.41

Note 30.1 - Particulars of Interest Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income from Financial Assets on Amortised Cost Basis [at EIR]	573.62	689.14
Interest Income from Non Financial Assets	53.35	19.76
Total	626.97	708.90

NOTE 31 COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw Materials and Packing Materials Consumed		
Opening Stock at the beginning of the year	5,026.82	5,495.69
Add : Purchases and incidental expenses	1,28,326.27	71,067.14
	1,33,353.09	76,562.83
Less : Closing stock at the end of the year	11,354.97	5,026.82
Total	1,21,998.12	71,536.01

Note 31.1 - Purchase of Stock-in-trade

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Traded Goods	-	3.99
Total	-	3.99

Note 31.2 - Particulars of Material Consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw Materials	1,18,057.78	68,917.96
Packing Materials	3,940.34	2,618.05
Total	1,21,998.12	71,536.01

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 32 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A] Opening stock of inventories		
Finished Goods	3,698.90	5,189.28
Semi-Finished Goods	556.04	147.49
Total [A]	4,254.94	5,336.77
B] Closing Stock of inventories		
Finished Goods	5,912.21	3,698.90
Semi-Finished Goods	922.41	556.04
Total [B]	6,834.62	4,254.94
Net Total [A] - [B]	(2,579.68)	1,081.83

NOTE 33 EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and other benefits to Directors	1,825.00	1,465.00
Salaries, wages & other benefits to others	6,206.24	5,699.37
Contribution to Provident Fund and Other Funds	223.15	209.93
Employee Welfare and other amenities	282.65	243.03
Total	8,537.04	7,617.33

As per Indian Accounting Standard 19 “Employee Benefits” the disclosures as defined are given below:

A] Defined Contribution Plans

The Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefit.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer’s Contribution to Pension Scheme	85.25	80.36
Employer’s Contribution to Provident fund	39.95	32.77
Total	125.20	113.13

B] Defined Benefits Plans

The Company has used the Projected Unit Credit (PUC) actuarial method to assess the Plan’s liabilities, including those related to death-in-service benefits. Under the PUC method, a ‘Projected accrued benefit’ is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The ‘projected accrued benefit’ is based on the Plan’s accrual formula and upon the service as at the beginning or end of the year, but using a member’s final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the ‘projected accrued benefits’ as at the end of the year for the Plan’s active members.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of Defined Benefit Obligation at beginning of the Year	1,145.35	1,017.78
Add : Service Cost		
(a) Current Service Cost	80.17	74.45
(b) Past Service Cost	-	-
(c) Loss/(Gain) from Settlement	-	-
Add: Current Interest Cost	72.16	65.14
Add: Benefit Paid	(82.01)	(23.50)
Add: Remeasurements of Actuarial (Gain) / Loss		
(a) From changes in Demographic assumptions	-	-
(b) From changes in Financial assumptions	(34.92)	8.31
(c) From experience over the past year	20.83	3.17
Effect of Acquisition/ (Divestiture)		
Transfer In/(Out)	-	-
Changes in Foreign Exchange Rates	-	-
Present value of Defined Benefit Obligation at the end of the Year	1,201.58	1,145.35

(ii) Reconciliation of opening & closing balances of fair value of plan assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair Value of Plan Asset at beginning of the Year	1,225.41	873.04
Add: Contributions Paid by Employer	71.42	311.77
Add: Benefits Paid / (Received)	(82.01)	(23.50)
Add: Interest Income on Plan assets	74.29	62.15
Re-measurements		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	-	1.95
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Effect of Acquisition/ (Divestiture)	-	-
Transfer In/(Out)	-	-
Changes in foreign exchange rates	-	-
Fair Value of Plan Asset at the end of the Year	1,289.11	1,225.41
Actual Return on Plan Assets	74.29	64.10
Expected Employer Contributions for the coming year	-	-

(iii) Expenses recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Service Cost		
(a) Current Service Cost	80.17	74.45
(b) Past Service Cost	-	-
(c) Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	(2.13)	2.99
Employer Expenses	78.04	77.44

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(iv) Net Liability/(Assets) recognised in the Balance Sheet

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present Value of Defined Benefit Obligation at end of the Year	1,201.58	1,145.35
Less: Fair Value of Plan Asset at the end of the Year	1,289.11	1,225.41
Liability/ (Asset) recognised in the Balance Sheet	(87.53)	(80.06)
Funded Status [Surplus/(Deficit)]	87.53	80.06
Of which, Short term Liability		
Experience Adjustment on Plan Liabilities: (Gain)/Loss	20.83	3.17
Experience Adjustment on Plan Assets: Gain/(Loss)	-	-

(v) Percentage Break-down of Total Plan Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Equity instruments	0.00%	0.00%
Debt instruments	0.00%	0.00%
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	0.00%	0.00%
Of which, Conservative/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.00%	0.00%
Total	100.00%	100.00%

(vi) Assumptions used to determine the defined benefit obligation

Particulars	As at March 31, 2022	As at March 31, 2021
Salary Growth Rate	5.00 % P.A.	5.00 % P.A.
Discount Rate	6.70% P.A.	6.30% P.A.
Interest Rate on net DBO	6.30% P.A.	6.40% P.A.
Withdrawal Rate	5.00 % P.A.	5.00 % P.A.
Mortality Table Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Expected weighted average remaining working life	7 years	7 years

(vii) Movement in Other Comprehensive Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at start of year (Loss)/Gain	(236.94)	(227.41)
Re-measurements on DBO		
(a) Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
(b) Actuarial (Loss)/Gain from changes in financial assumptions	34.92	(8.31)
(c) Actuarial (Loss)/Gain from experience over the past period	(20.83)	(3.17)

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Re-measurements on Plan Assets		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	-	1.95
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at end of year (Loss)/ Gain	(222.85)	(236.94)

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of Sensitivity Analysis is given below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Salary Growth Rate	increases by ₹ 90.62 lakhs	decreases by ₹ 81.43 lakhs	increases by ₹ 88.07 lakhs	decreases by ₹ 81.09 lakhs
Discount Rate	decreases by ₹ 79.45 lakhs	increases by ₹ 89.99 lakhs	decreases by ₹ 79.42 lakhs	increases by ₹ 87.80 lakhs
Withdrawal Rate	increases by ₹ 8.47 lakhs	decreases by ₹ 9.5 lakhs	increases by ₹ 6.16 lakhs	decreases by ₹ 7.10 lakhs
Mortality (increase in expected lifetime by 1 year)	decreases by ₹ 0.34 lakhs	-	decreases by ₹ 0.17 lakhs	-
Mortality (increase in expected lifetime by 3 years)	decreases by ₹ 0.85 lakhs	-	decreases by ₹ 0.52 lakhs	-

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(ix) Movement in Surplus/ (Deficit)

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Surplus/ (Deficit) at start of year	80.06	(144.74)
Add : Net Acquisition Adjustment	-	-
Transfer In / (Out) on net basis	-	-
Movement during the year		
Less : Current Service Cost	(80.17)	(74.45)
Less : Past Service Cost	-	-
Add : Net Interest on net DBO	2.13	(2.99)
Re-measurements [Gains/ (Losses)]	14.09	(9.53)
Add : Employer Contributions/ Benefits paid	71.42	311.77
Surplus/ (Deficit) at end of year	87.53	80.06

(x) Risk Factors

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest Risk

A decrease in the bond interest rate will increase the plan liability; however, in case of gratuity plan this will be partially offset by an increase in the return on the plan's assets.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Longevity Risk

The present value of Gratuity plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the Gratuity plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

NOTE 34 FINANCE COSTS

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses	369.56	522.43
Bank Charges and Commission	136.08	86.56
Total	505.64	608.99

NOTE 35 DEPRECIATION & AMORTISATION EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Property, Plant and Equipment	3,960.31	4,628.55
Amortisation on Intangible Assets	29.70	47.94
Total	3,990.01	4,676.49

NOTE 36 OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement & Publicity Expenses	13.20	6.64
Auditors Remuneration:		
(i) Statutory Audit	27.75	26.50
(ii) Taxation Matters	9.50	8.50
(iii) Limited Review	9.75	9.00
(iv) Others	1.00	1.00
Remuneration to Cost Auditor	2.50	3.00
Consumption of Stores and Spares	37.22	36.74
Corporate Social Responsibility Expenses {refer to note no. 36.1}	397.88	398.35
Corporate Environmental Responsibility	14.76	-
Director Sitting fees	22.65	25.20
Electricity Charges	61.27	51.05
Freight and Forwarding charges	9,843.38	2,943.29
Insurance Charges	314.90	232.93

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Laboratory Expenses	92.73	87.71
Legal and Professional fees	529.30	382.05
Other Administrative Expenses	177.85	243.70
Postage, Telephone and Telegram	107.79	93.17
Power, Fuel and Water Charges	7,729.98	5,225.44
Printing and Stationery Expenses	35.83	33.01
Product Registration fees	1.14	0.50
Bad Debts	20.31	-
Provision for Doubtful Receivables	25.00	-
Provision for Diminution in value of Joint Venture	120.73	39.60
Rent, Rates and Taxes	511.72	541.16
Repairs and Maintenance to:		
(i) Factory Building	118.16	93.17
(ii) Machinery	878.11	659.73
(iii) Others	312.68	215.98
Sales Promotion Expenses	33.86	14.42
Sales Commission	887.53	736.06
Security Charges	260.51	278.66
Seminar & Trade fair Expenses	65.27	19.49
Subscription, Membership, Books & Periodicals	53.86	77.68
Travelling and Conveyance Expenses	224.97	123.10
Vehicle Expenses	91.86	76.07
Total	23,034.95	12,682.90

Note 36.1 - Corporate Social Responsibility Expenses:

The Company has spent an amount of ₹ 235.96 Lakhs pertaining to F.Y. 2021-22 and ₹ 115.64 Lakhs pertaining to F.Y. 2020-21, during the year ended March 31, 2022 and ₹ 242.20 Lakhs during the year ended March 31, 2021 respectively towards various CSR projects for the purpose other than construction/ acquisition of any asset. The Company has transferred ₹ 163.92 Lakhs (i.e. unspent amount for the ongoing CSR projects of the Company for the F.Y. 2021-22) to a separate bank account specially opened by the Company for the CSR. The Company already have ₹ 40.50 Lakhs (i.e. unspent amount for the ongoing CSR projects of the Company for the F.Y. 2020-21) in a separate bank account specially opened by the Company for the CSR.

(₹ in lakhs)

Details of CSR Expenditure:	For the year ended March 31, 2022	For the year ended March 31, 2021
A) Gross amount required to be spent by the Company during the year	397.88*	398.35
B) Amount spent during the year		
(i) Construction/acquisition of any asset	NIL	NIL
(ii) On purposes other than (i) above	235.96	242.2
C) Details related to spent / unspent obligations:		
(i) Amount spent in relation to Ongoing Project	17.00	15.2
(ii) Amount spent in relation to other than Ongoing Project	218.96	227
(iii) Amount transferred to Unspent CSR Account for Ongoing Projects	163.92	156.15

*The Company has received ₹ 2.00 lakhs on account of GST refund which will be added to the CSR obligation of the Company for the F.Y. 2021-22 as mentioned in point no. A. Considering the said refund amount, the total CSR obligation of the Company for the F.Y. 2021-22 was ₹ 399.88 Lakhs.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 37 RECONCILIATION OF REPORTED PROFIT TO TOTAL TAX EXPENSE

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before Tax	33,676.72	15,623.88
Applicable Income Tax rate	25.17%	25.17%
Expected income tax expense	8,475.76	3,932.22
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of Expenses / Provisions not deductible in determining taxable profit	139.25	276.12
Other Permanent Differences	134.99	111.66
Reported Income Tax Expense	8,750.00	4,320.00

NOTE 38 DEFERRED TAX EXPENSES / (INCOME)

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipments & Intangible Assets	-	-
Others	(24.35)	101.87
Sub Total (A)	(24.35)	101.87
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	115.86	292.76
Others	-	-
Sub Total (B)	115.86	292.76
Deferred tax Expenses / (Income) [A-B]	(140.21)	(190.89)

NOTE 39 EARNINGS PER EQUITY SHARE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Computation of Profit (numerator)		
Net profit attributable to shareholders (₹ in lakhs)	25,066.93	11,493.18
(b) Weighted average number of shares (denominator)	3,06,59,976	3,06,59,976
Weighted Average number of Equity Shares used as denominator for calculating Basic & Diluted EPS	3,06,59,976	3,06,59,976
EPS (Basic & Diluted) (In ₹)	81.76	37.49

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 40 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contingent Liabilities		
Income tax liability that may arise in respect of matters in appeal	574.97	532.17
Indirect tax liability that may arise in respect of matters in appeal	27.16	27.16
Commitments		
Estimated contracts remaining to be executed on capital account not provided	1,488.25	2,207.81
Bank Guarantee	758.61	833.20

The Financial Statements of the Company for the year ended March 31, 2022 has been approved by the Board of Directors in its meeting held on May 27, 2022. For the year ended March 31, 2022, dividend of ₹ 9 per share (Total dividend of ₹ 2759.40 lakhs) has been proposed by the Board of Directors at its meeting held on May 27, 2022. The same is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and therefore proposed dividend has not been recognised as liability as at the Balance Sheet Date in line with Ind AS - 10 "Events after the Reporting Period."

It is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities.

NOTE 41 RELATED PARTY TRANSACTIONS DISCLOSURE:

The Disclosure pertaining to the related parties as required by Indian Accounting Standard 24 issued by Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian accounting Standards) Rule, 2015 as amended are indicated below

(a) List of Related Parties and relationships

Sr. No	Name of the Related Party	Nature of Relationship
	Key Management Personnel (KMP)	
1	Prakash Damodar Kamat	Chairman
2	Mukesh Maganlal Shah	Managing Director
3	Jayen Ramesh Shah	Executive Director & CEO
4	Tushar Ramesh Shah	Executive Director & CFO
5	Bimal Mukesh Shah	Executive Director
6	Thiruvengadam Parthasarathi	Non-Executive Independent Director
7	Mahesh Pansukhlal Sarda	Non-Executive Independent Director
8	Kaushik Dwarkadas Shah	Non-Executive Independent Director
9	Prakash Krishnaji Apte	Non-Executive Independent Director
10	Pratima Madhukar Umarji	Non-Executive Independent Director

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

	Relative's of KMP	
11	Jyotsna Ramesh Shah	Relative of KMP
12	Jayshree Mukesh Shah	
13	Neeta Jayen Shah	
14	Bina Tushar Shah	
15	Esha Tushar Shah	
16	Rhea Tushar Shah	
17	Ramesh M. Shah - HUF	
18	Prakash D. Kamat - HUF	
19	Mukesh M. Shah - HUF	
20	Jayen R. Shah - HUF	
21	Tushar R. Shah - HUF	
22	Manali Vishal Doshi	
23	Shaili Nirav Doshi	
	Significant influence by KMP	
24	Smoothex Chemicals Private Limited	Significant influence by KMP
25	Fine Organics	
26	Olefine Organics	
27	Oleofine Organics SDN. BHD.	
28	Oleofine Organics (Thailand) Co., Ltd.(^^)	
29	Fine Organic Industries	
	Subsidiaries	
30	Fine Organics (USA) Inc.	Subsidiaries
31	Fine Organics Europe BV	
	Joint Ventures	
32	Fine Zeelandia Private Limited	Joint Venture Entities
33	FineAdd Ingredients GmbH	
34	Fine Organic Industries (Thailand) Co., Ltd.(^)	

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(b) Transactions (in aggregate) with Related Parties during the period and their closing balances at the period end

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2021 to March 2022	April 2020 to March 2021	As at March 31, 2022	As at March 31, 2021
1	Director's Remuneration				
	Prakash Damodar Kamat	350.00	288.00	46.00	-
	Mukesh Maganlal Shah	350.00	288.00	30.50	-
	Jayen Ramesh Shah	350.00	288.00	30.50	-
	Tushar Ramesh Shah	350.00	288.00	30.50	-
	Bimal Mukesh Shah	350.00	288.00	30.50	-
	Thiruvengadam Parthasarathi	15.00	5.00	13.50	4.50
	Mahesh Pansukhlal Sarda	15.00	5.00	13.50	4.50
	Kaushik Dwarkadas Shah	15.00	5.00	13.50	4.50
	Prakash Krishnaji Apte	15.00	5.00	13.50	4.50
	Pratima Madhukar Umarji	15.00	5.00	13.50	4.50
2	Director's Sitting Fees				
	Thiruvengadam Parthasarathi	4.50	5.25	0.14	-
	Mahesh Pansukhlal Sarda	4.20	4.80	0.14	-
	Kaushik Dwarkadas Shah	4.95	5.25	-	-
	Prakash Krishnaji Apte	5.25	5.70	-	-
	Pratima Madhukar Umarji	3.75	4.20	0.14	-
3	Sale of Goods				
	Oleofine Organics SDN. BHD.	871.57	607.79	61.02	51.06
	Oleofine Organics (Thailand) Co., Ltd. (^)	-	86.52	-	-
	Fine Organics (USA) Inc.	9,495.55	1,875.75	4,744.22	853.59
	Fine Organics Europe BV	6,971.55	3,512.23	2,487.07	1,326.10
	Fine Zeelandia Private Limited	1,642.51	1,296.52	-	-
4	Sale of Licence				
	Fine Zeelandia Private Limited	-	116.53	-	-
5	Sale of Components				
	Oleofine Organics SDN. BHD.	-	9.92	-	9.44
6	Purchase of Goods				
	Oleofine Organics SDN. BHD.	-	7.67	-	-
7	Purchase of Asset / Investment				
	Fine Organic Industries	0.12	-	-	-
	Tushar Shah (@)	6.81	-	-	-
8	Dividend paid				
	Prakash Damodar Kamat	489.81	133.59	-	-
	Jyotsna Ramesh Shah	475.85	129.78	-	-
	Tushar Ramesh Shah	406.91	110.98	-	-
	Jayen Ramesh Shah	376.60	102.71	-	-
	Bimal Mukesh Shah	232.85	63.50	-	-
	Mukesh Maganlal Shah	194.04	52.92	-	-
	Neeta Jayen Shah	72.59	19.80	-	-
	Bina Tushar Shah	63.18	17.23	-	-
	Jayshree Mukesh Shah	62.54	17.06	-	-
	Ramesh M. Shah HUF	33.99	9.27	-	-
	Jayen R. Shah HUF	33.77	9.21	-	-
	Mukesh M. Shah HUF	15.46	4.22	-	-
	Prakash D. Kamat HUF	15.09	4.12	-	-
	Shaili Nirav Doshi	13.52	3.69	-	-
	Rhea Tushar Shah	11.73	3.20	-	-
	Esha Tushar Shah	11.73	3.20	-	-
	Manali Vishal Doshi	8.43	2.30	-	-
	Tushar R. Shah HUF	11.35	3.10	-	-

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2021 to March 2022	April 2020 to March 2021	As at March 31, 2022	As at March 31, 2021
9	Salary to Relatives				
	Manali Vishal Doshi	32.50	29.50	-	-
	Rhea Tushar Shah	0.58	-	-	-
10	Export Commission				
	Oleofine Organics SDN. BHD.	4.12	7.20	-	1.11
11	Security Deposit - Rent (*)				
	Fine Organic Industries	-	-	15.90	14.46
	Olefine Organics	-	-	2.40	3.00
12	Rent Expenses				
	Fine Organics	4.50	3.38	-	-
	Fine Organic Industries	144.42	122.10	-	-
	Olefine Organics	66.36	53.46	-	-
	Smoothex Chemicals Private Limited	4.50	3.38	-	-
	Prakash Damodar Kamat	8.40	8.40	-	-
	Jyotsna Ramesh Shah	36.71	29.63	-	-
	Jayshree Mukesh Shah	8.40	8.40	-	-
	Bina Tushar Shah	8.40	8.40	-	-
13	Prepaid Rent Balance (*)				
	Fine Organic Industries	-	-	2.10	3.54
	Olefine Organics	-	-	0.60	-
14	Advance given to/repaid from Subsidiaries (*)				
	Fine Organics (USA) Inc.	(279.56)	(118.66)	-	279.56
15	Reimbursement of Expenses				
	Mukesh Maganlal Shah	-	(1.47)	-	-
	Jayen Ramesh Shah	-	0.01	-	-
	Tushar Ramesh Shah	0.89	-	-	-
	Bimal Mukesh Shah	0.63	0.10	-	-
	Fine Zeelandia Private Limited	-	0.27	-	-
16	Investments in equity instruments				
	Fine Organics (USA) Inc. (*)	-	-	189.13	185.36
	Fine Organics Europe BV (*) (\$) (@)	-	-	34.84	28.03
	Fine Zeelandia Private Limited	-	-	4,028.43	4,028.43
	FineADD Ingredients GmbH {refer to note no. 7.1}	-	-	-	120.73
	Fine Organic Industries (Thailand) Co., Ltd. (^)	54.00	-	54.00	-
17	Interest Income on Advances / Security deposit (*)				
	Fine Organics (USA) Inc.	19.05	26.16	-	26.16
	Fine Organic Industries	1.45	1.44	1.45	1.44
	Olefine Organics	0.26	0.32	0.26	0.32

^^ Ceased to become related party wef October 14, 2020.

* Includes Ind AS adjustments

^ Became a joint venture wef May 31, 2021.

(\$) Wholly owned Subsidiary wef March 23, 2022.

(@) On March 23, 2022 Fine Organic Industries Limited acquired stake from a minority shareholder in Fine Organics Europe BV, a subsidiary of Fine Organic Industries Limited

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021:

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. (Disclosure of compensation paid to key managerial person).

NOTE 42 OPERATING SEGMENT DISCLOSURE

The Company has identified its reportable segment as “Specialty chemicals” since the Chief Operating Decision Maker (CODM) evaluates the Company’s performance as a single segment in terms of Indian Accounting Standard 108 issued by Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian accounting Standards) Rule, 2015 as amended are indicated below

Note 42.1 - Disclosure for assets outside India

The Company does not have any non current non financial assets outside India

Note 42.2- Disclosure for major customers more than 10%

There are no transactions with single external customer which amounts to 10% or more of the Company’s revenue.

Note 42.3- Geographic information

The geographic information analyses the Company’s revenue and non-current assets by the Company’s country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings which are part of the specialty chemicals portfolio of the Company are managed on a worldwide basis from India.

The Company has disaggregated its revenue from contract with customers and trade receivables on a geographical basis as under:

Particulars	(₹ in lakhs)	
	Revenue from contracts with customers	
	For the year ended March 31, 2022	For the year ended March 31, 2021
- In India	74,078.70	51,019.24
- Outside India	1,11,739.54	61,106.01
Total Revenue	1,85,818.24	1,12,125.25

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
	Trade Receivables	
- In India	7,766.52	5,160.87
- Outside India	25,493.43	12,492.82
Less : Expected Credit Loss on Trade Receivables	(100.87)	(136.34)
Total	33,159.08	17,517.35

NOTE 43 INTERNAL FINANCIAL CONTROL SYSTEM

The Company implements and manages efficient internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, by maintaining proper records and reports in a timely manner. This is supplemented by an extensive programme of internal audit, reviewed by the Management and relevant policies, guidelines and procedures. The internal control is designed to ensure the reliability of financial and other records for preparing precise financial statements, maintaining accountability of assets and more. The Management is committed to regularly reviewing and making relevant amendments to the internal control system, as and when required.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

The Company's process framework provides well-documented standard operating procedures and authorities with adequate built-in controls. The internal control is further enhanced by an extensive programme of internal, external audits and periodic reviews by the Management.

The Company adopts and follows a risk mitigation strategy and reviews risk occurrence to find probable mitigation strategies. The Company's Risk Management Committee reviews risks and mitigation measures at regular intervals, and accordingly initiates corrective steps at times of need.

NOTE 44 DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013

(a) Investment Made in Subsidiaries and Joint Venture Companies (At Amortised Cost)

(₹ in lakhs)

Name of entity	As at March 31, 2022	As at March 31, 2021
Fine Organics (USA), Inc. (#)	189.13	185.36
Fine Organics Europe BV (@)	34.84	28.03
Fine Zeelandia Private Limited	4,028.43	4,028.43
FineADD Ingredients GmbH {refer to note no. 7.1}	-	120.73
Fine Organic Industries (Thailand) Co., Ltd.	54.00	-

(#) Amount increased on account of Ind AS adjustment towards Notional Interest and not for actual addition in Investment.

(@) Amount increased on account of stake acquired from a minority shareholder in Fine Organics Europe BV.

(b) Advances Given to wholly owned subsidiary

(₹ in lakhs)

Name of entity	As at March 31, 2022	As at March 31, 2021
Fine Organics (USA), Inc.	-	279.56

NOTE 45 OPERATING LEASE COMMITMENTS - COMPANY AS LESSEE

The Company's significant leasing arrangements are in respect of operating leases for building premises (offices, plant, godowns etc). These leasing arrangements are non-cancellable in nature, and are usually renewable by mutual consent on mutually agreeable terms.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease payment recognised in the statement of profit and loss	43.35	60.12
Minimum lease payments under non cancellable operating leases payable		
Not later than 1 year	38.92	39.03
Later than 1 year but not less than 5 years	155.68	156.12
Later than 5 years	3,057.87	3,096.36
Total future minimum lease payment	3,252.47	3,291.51

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 46 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments

(₹ in lakhs)

Particulars	Note Nos	Carrying Value		Fair Value	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
FINANCIAL ASSETS					
A] Financial assets at fair value through statement of profit & loss		-	-	-	-
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	Note 7	4.83	4.80	4.83	4.80
C] Financial assets at amortised cost					
Non Current Financial Assets : Investments	Note 7	4,306.40	4,362.55	4,306.40	4,362.55
Non Current Financial Assets : Loans	Note 8	131.59	403.05	131.59	403.05
Non Current Financial Assets : Others	Note 9	373.27	255.72	373.27	255.72
Current Financial Assets : Trade Receivables	Note 13	33,159.08	17,517.35	33,159.08	17,517.35
Current Financial Assets : Cash and Cash Equivalents	Note 14	20,931.54	25,640.72	20,931.54	25,640.72
Current Financial Assets : Bank Balances	Note 15	648.03	477.01	648.03	477.01
Current Financial Assets : Others	Note 16	24.14	23.96	24.14	23.96
FINANCIAL LIABILITIES					
A] Financial liabilities at fair value through statement of profit & loss		-	-	-	-
B] Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	Note 21 & 23	5,852.75	8,917.28	5,852.75	8,917.28
Non Current Financial Liabilities : Others	Note 22	86.61	435.30	86.61	435.30
Current Financial Liabilities : Trade Payables	Note 24	15,144.62	9,903.42	15,144.62	9,903.42
Current Financial Liabilities : Others	Note 25	147.17	251.61	147.17	251.61

In all cases, the Management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 47 FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Note 47.1 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2022:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
FINANCIAL ASSETS					
A) Financial assets at fair value through statement of profit & loss	-	-	-	-	-
B) Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	March 31, 2021 {Refer Note No. 47.3}	4.83	-	4.83	-
C) Financial assets at amortised cost					
Non Current Financial Assets : Investments	March 31, 2022	4,306.40	-	-	4,306.40
Non Current Financial Assets : Loans	March 31, 2022	131.59	-	-	131.59
Non Current Financial Assets : Others	March 31, 2022	373.27	-	-	373.27
Current Financial Assets : Trade Receivables	March 31, 2022	33,159.08	-	-	33,159.08
Current Financial Assets : Cash and Cash Equivalents	March 31, 2022	20,931.54	-	-	20,931.54
Current Financial Assets : Bank Balances	March 31, 2022	648.03	-	-	648.03
Current Financial Assets : Others	March 31, 2022	24.14	-	-	24.14
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through statement of profit & loss	-	-	-	-	-
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2022	5,852.75	-	-	5,852.75
Non Current Financial Liabilities : Others	March 31, 2022	86.61	-	-	86.61
Current Financial Liabilities : Trade Payables	March 31, 2022	15,144.62	-	-	15,144.62
Current Financial Liabilities : Others	March 31, 2022	147.17	-	-	147.17

*Refer Note no .2.5 for Fair value measurement method

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 47.2 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2021:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
FINANCIAL ASSETS					
A] Financial assets at fair value through statement of profit & loss		-	-	-	-
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	March 31, 2020 {Refer Note No. 47.3}	4.80	-	4.80	-
C] Financial assets at amortised cost					
Non Current Financial Assets : Investments	March 31, 2021	4,362.55	-	-	4,362.55
Non Current Financial Assets : Loans	March 31, 2021	403.05	-	-	403.05
Non Current Financial Assets : Others	March 31, 2021	255.72	-	-	255.72
Current Financial Assets : Trade Receivables	March 31, 2021	17,517.35	-	-	17,517.35
Current Financial Assets : Cash and Cash Equivalents	March 31, 2021	25,640.72	-	-	25,640.72
Current Financial Assets : Bank Balances	March 31, 2021	477.01	-	-	477.01
Current Financial Assets : Others	March 31, 2021	23.96	-	-	23.96
FINANCIAL LIABILITIES					
A] Financial liabilities at fair value through statement of profit & loss		-	-	-	-
B] Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2021	8,917.28	-	-	8,917.28
Non Current Financial Liabilities : Others	March 31, 2021	435.30	-	-	435.30
Current Financial Liabilities : Trade Payables	March 31, 2021	9,903.42	-	-	9,903.42
Current Financial Liabilities : Others	March 31, 2021	251.61	-	-	251.61

*Refer Note no .2.5 for Fair value measurement method

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 47.3 - Measurement of Fair Value : Valuation techniques

The following table shows the valuation techniques used in measuring Level 2 and 3 fair values for assets and liabilities carried at fair value through OCI and profit or loss

Type		Valuation Technique
FINANCIAL ASSETS		
A]	Financial assets at fair value through statement of profit & loss	Not Applicable
B]	Financial assets at fair value through OCI	
	Non current financial assets: Investments	Level - 2: The fair value is determined as on the reporting date based on value per share derived from net worth of the Company as per the latest available annual report, since there is no other publically available market based information for similar entities.
C]	Financial assets at amortised cost	Level - 3: The fair value is determined as on the reporting date based on amortised cost method by considering the discount rates based on yields of comparable investments or the transaction values where these are short term in nature.
	Non Current Financial Assets : Investments	
	Non current financial assets: Loans	
	Non current financial assets: Others	
	Current financial assets : Trade receivables	
	Current financial assets : Cash and cash equivalents	
	Current financial assets : Bank balances	
	Current financial assets : Others	
FINANCIAL LIABILITIES		
A]	Financial liabilities at fair value through statement of profit & loss	Not Applicable
B]	Financial liabilities at amortised cost:	Level - 3: The fair value is determined as on the reporting date based amortised cost method.
	Non current financial liabilities : Borrowings (including current maturity of long term borrowing)	
	Non Current Financial Liabilities : Others	
	Current financial liabilities : Trade payables	
	Current financial liabilities : Others	

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 48 CAPITAL MANAGEMENT

For the purposes of the Company's capital Management, capital includes issued equity share capital, all other reserves and borrowed capital less reported cash and cash equivalents.

The primary objective of the Company's capital Management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value.

The Company's policy is to borrow primarily through banks to maintain sufficient liquidity. The Company also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Company.

The Company monitors capital on the basis of cost of capital. The Company is not subject to any externally imposed capital requirements.

The following table summaries the capital of the Company:

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Long Term Borrowing (including current maturities of long term borrowings)	5,852.75	8,917.28
Less: Cash and cash equivalents (#)	21,915.86	26,337.33
TOTAL BORROWING (NET)	(16,063.11)	(17,420.05)
Equity Share Capital	1,533.00	1,533.00
Other Equity	94,316.60	72,350.77
TOTAL EQUITY	95,849.60	73,883.77
Gearing ratio (Net Debt/ Total Equity)	(0.17)	(0.24)

No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

(#) Including Bank balances referred in Note No .15

NOTE 49 FINANCIAL RISK MANAGEMENT FRAMEWORK

A) Financial Risk Management

The Company's activities primarily expose it to various risks such as Market Risks, Credit Risk and Liquidity Risk. Those are explained below :

1) Market Risk

Market Risks arise due to Changes in Interest rates, Foreign Exchange rates and changes in Market prices.

(i) Interest Rate Risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's policy is generally to undertake long-term borrowings using facilities that carry floating-interest rate. The Company manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

As the Company does not have exposure to any floating-interest bearing assets its interest income and related cash inflows are not materially affected by changes in market interest rates.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

As at the end of reporting period, the Company had following long term variable interest rate borrowings and derivatives to hedge the interest rate risk are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Notional value of liability	5,852.75	8,917.28
Less: Interest Rate Swap on above Liability	5,852.75	8,917.28
Net exposure	-	-

Disclosure of Effects of Interest Rate Swaps Hedge accounting on Financial Position as at March 31, 2022

(₹ in lakhs)

Particulars	Nominal value of liability	Carrying amount of hedging instrument	Maturity date	Hedge ratio
Interest Rate Risk				
- Interest Rate Swaps	5,852.75	-	December 2023	1:1

Disclosure for gain / (loss) recognised in cashflow hedging reserve and recycled during the year

For FY 2021-22

(₹ in lakhs)

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	435.30	-	-	348.69	348.69	86.61

For FY 2020-21

(₹ in lakhs)

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	755.86		-	320.56	320.56	435.30

Interest rate sensitivity

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

(ii) Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts to hedge its foreign currency exposures in US\$ and Euro.

a) Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any Derivative Instruments for trading and Speculation purposes.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

The Forward Exchange Contracts used for hedging foreign exchange currency exposure and outstanding as at reporting date as at under:

(Amount in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent
Forward Contract to Sell	122	\$197.25	14,953.52	29	\$28.50	2,094.75
Forward Contract to Purchase	21	\$61.62	4,671.15			
Forward Contract to Sell	51	€ 64.25	5,439.41	36	€ 25.00	2,152.50

b) The unhedged exposures as at the end of the reporting date as follows

(Amount in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
Financial Assets				
Trade Receivables	3693.89	\$48.71	7,369.26	\$100.31
Trade Receivables	1002.6	€ 11.84	634.87	€ 7.43
Advance to Subsidiary	-	-	279.56	\$3.50
Financial Liabilities				
Trade Payables			606.25	\$8.34
Trade Payables	5.63	€ 0.07	3.73	€ 0.05
Long term Borrowings	5852.75	\$77.21	8,917.28	\$121.32
Net Exposure	(2,158.86)	(\$28.50)	(1,874.71)	(\$25.85)
Net Exposure	996.97	€ 11.77	631.14	€ 7.38

In case of change in the currencies by 1%, the change in the profit would be as under :

(Amount in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Change	USD \$	EURO €	Change	USD \$	EURO €
1% Depreciation in ₹	1%	(21.59)	9.97	1%	(18.75)	6.31
1% Appreciation in ₹	1%	21.59	(9.97)	1%	18.75	(6.31)

(iii) Market Price Risks

The Company is affected by the price stability of certain commodities. Purchases of Raw Materials from our top 2 suppliers constitute approximately 39.09% of our total purchases made from all suppliers. We do not enter into supplier contracts for duration of period of more than 3-6 months. If suppliers do not supply us, there can be no assurance that we will be able to identify alternative suppliers in future at similar cost. Any disruption in the supply of the raw materials could disrupt our manufacturing operations, which could have a material adverse effect on our business, results of operations and financial condition.

The Company's total imports of raw materials is approximately 31.00% (P.Y.: 26.29%) of the total raw material consumed. The cost of our imported raw material affected by the fluctuation in the rate of foreign exchange of the currency in which we purchase these raw materials (primarily in US\$) and the Rupee. The Company has a risk Management framework aimed at prudently managing the price risk arising from the volatility in commodity prices and freight costs and tries to pass on increases in the costs to its customers to whatever extent possible.

2) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares and Balances with Banks.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits (generally between 30 to 90 days) and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended March 31, 2022 is 0.18% (P.Y. 0.57%) of the total trade receivables. The Company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

3) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has obtained fund based borrowings from banks. The Company invests its surplus funds in bank fixed deposit which carry low credit risks.

All payments are made on due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Company has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

Maturity to Financial Liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Particulars	(₹ in lakhs)				
	Outstanding Balance as on March 31, 2022	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings (including Current maturity on Long Term Borrowings)	5,852.75	3,344.43	2,508.32	-	-
Trade Payable	15,144.62	15,144.62	-	-	-
Securities Deposits taken	145.58	145.58	-	-	-
Dividend Payable	1.59	1.59	-	-	-
Statutory Dues Payable	231.44	231.44	-	-	-
Contractual Liabilities	792.13	792.13	-	-	-
Provision - Others	3,030.75	3,030.75	-	-	-
Income Tax	1,647.11	1,647.11	-	-	-

NOTE 50 OTHER STATUTORY INFORMATION

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off during the year
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Company does not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

NOTE 51 RATIOS

Sr. No.	Ratio	Numerator	Denominator	2021-22 Current Period Ratio	2020-21 Previous Period Ratio	% Variance	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	3.56	3.93	(9.39)	-
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.06	0.12	(49.41)	Increase in Shareholders equity and reduction in borrowings due to repayment of debts has made ratio to improve
3	Debt Service Coverage Ratio	Net Profit before tax+Depreciation+ Lease rent+Interest-Profit on Sales of Fixed Assets	Interest & Lease Payments + Principal Repayments	10.95	5.05	116.94	This ratio has improved due to higher earnings and repayment of debt.
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	29.54%	16.97%	74.02	Increase in ratio as the Company has earned more profit as compared to previous year
5	Inventory Turnover Ratio	Net Credit Sales	Average Inventories	11.97	9.82	21.87	-
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	7.33	7.00	4.75	-
7	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	10.25	7.75	32.14	Increase in ratio as increase in purchases during the year and efficient payable Management.
8	Net Capital Turnover Ratio	Net Credit Sales	Average Working Capital	3.43	2.65	29.50	This ratio is higher due to increase in Revenue and efficient usage of working capital
9	Net Profit Ratio	Net Profit after Tax	Revenue from Operations	13.49%	10.25%	31.59	Increase in net profit ratio is on account of increase in profitability of the Company mainly driven by better Sales realisation
10	Return on Capital Employed	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	33.61%	19.60%	71.44	Ratio has improved on account of higher earning due to better operating margin as compared to previous financial year and repayment of debt.
11	Return on Investment	Unrealised gain on investment	Unquoted investment in equity instrument in Saraswat Co-op Bank Ltd	0.63%	4.35%	(85.62)	Ratio has declined due to decrease in market value of investment

INDEPENDENT AUDITOR'S REPORT

To,
**The Members of
Fine Organic Industries Limited**

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **Fine Organic Industries Limited** (herein referred to as the "Parent Company") and its Subsidiaries (the Parent Company and its Subsidiaries together referred to as "the Group") and Joint Venture Companies, which comprise the Consolidated Balance Sheet as at **March 31, 2022**, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of the significant accounting policies and other explanatory information (Collectively referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act 2013, (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (hereinafter referred to as "Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at **March 31, 2022**, and their Consolidated profit, (including other comprehensive income), their Consolidated statement of changes in equity and their Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Ind AS 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 (hereinafter referred to as "the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Emphasis of Matters

We draw attention to Note No. 7.1 of the Consolidated Ind AS Financial Statement with respect to provision for diminution in the value of its investment in Joint Venture Company "FineADD Ingredients GmbH".

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 Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS 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 the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements.

A. Revenue Recognition

For the year ended March 31, 2022, the Group has recognised revenue from contracts with customers amounting to ₹ 1,87,601.33 lakhs.

Revenue from contracts with customers is recognised

INDEPENDENT AUDITOR'S REPORT (Contd.)

when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer.

The variety of terms that define when controls are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognised in the correct period.

Revenue is measured net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.

Revenue is also an important element of how the Group measures its performance. The Group focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognised before the risk and rewards have been transferred.

Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the Consolidated Ind AS Financial Statements.

{Refer to note no. 30 of the Consolidated Ind AS Financial Statements}.

Auditors' Response:

- Our audit procedures included the following:
- Assessed the Parent Company's revenue recognition procedure as per Ind AS 115 'Revenue from contracts with customers'.
- Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.
- Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of these samples, checked that the revenue has been recognised as per the terms.

- To test cut off selected sample of sales transactions made pre and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.
- Tested the provision calculations related to discounts and rebates by agreeing a sample of amounts recognised to underlying arrangements with customers and other supporting documents.
- Performed analytical procedures of revenue by streams to identify any unusual trends.
- The Group has provided confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the Consolidated Ind AS Financial Statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant Indian accounting standards (Ind AS).

B. Capitalisation of Property, Plant and Equipment

During the year ended March 31, 2022, the Parent Company has capitalised significant part of plant namely 'E - 73' located at Patalganga (Maharashtra) to expand the production capacity. Out of the total addition of ₹ 7,318.00 lakhs towards Property, Plant and Equipment as per Consolidated Ind AS Financial Statements, ₹ 6,171.95 lakhs were pertaining to Plant E-73. Plant has been successfully commissioned and capitalised during the year.

Significant level of judgement is involved to ensure that the aforesaid capital expenditure / additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment, specifically in relation to costs directly and indirectly associated with it to be ready for intended use. As a result, the aforesaid matter was determined to be a key audit matter.

{Refer to note no. 4 & 5 of the Consolidated Ind AS Financial Statements}

Auditors' Response:

- Performed walk-through of the capitalisation process and tested the design and operating effectiveness of the controls in the process.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Assessed the nature of the additions made to Property, Plant and Equipment and Capital Work-in-Progress (CWIP) on a test check basis to test that they meet the recognition criteria as set out in Ind AS 16, including any such costs directly and indirectly associated with it to be ready for intended use.
- Reviewed the Capitalisation Certificate provided by the Management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the Management of the Parent Company.

C. Allowance for Credit Losses

The Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables and adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations.

At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

In calculating expected credit loss, the Group also considers other related information for its customers, including credit periods, to estimate the probability of default in future and has taken into account estimates of possible effect from any uncertain events / litigations etc. The Management of the Parent Company has exercised significant judgement in estimating the allowance for credit losses.

(Refer to note no. 13 of the Consolidation Ind AS Financial Statements)

Auditors' Response:

Our audit procedures to test the effectiveness of controls over allowances for credit loss includes the following, but were not limited to:

- Trade Receivables ageing report as on balance sheet date.
- Development of the expected credit model for the allowance for credit losses, including consideration of the current and estimated future economic conditions.

- Completeness and accuracy of information used in the estimation of probability of default.
- Status of recovery trade receivables as on the report date out of the total outstanding as at March 31, 2022
- Verification of calculation of the allowance for credit losses.
- Testing the arithmetical accuracy and computation of the allowance prepared by the Management.
- Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around approach, the assumptions and reviewing the possible effect of any uncertain events / litigations to validate the Parent Company's Management estimates.

D. Evaluation of uncertain tax imposition

The Parent Company has material uncertain tax imposition including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.

{Refer to note no. 41 of the Consolidated Ind AS Financial Statements}

Auditors' Response:

- The Parent Company has provided details of all pending assessments and demands for the year ended March 31, 2022.
- We have obtained Parent Company's Management note / view on possible outcome and its impact on financial position of the Parent Company for all pending assessments and disputed matters under litigations.

INFORMATION OTHER THAN THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including Annexures to Directors' report, Management Discussion and Analysis Report, Business Responsibility Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT (Contd.)

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information, compare with the Financial Statements / Information of the Subsidiaries and Joint Venture Companies certified by the Management of the Parent Company, to the extent it relates to these entities and, in doing so, place reliance on Financial Statements / Information provided by the Management of the Parent Company and consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the Subsidiaries and Joint Venture Company is traced from their Financial Statements / information provided by the Management of the Parent Company.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Parent Company's Board of Directors are responsible for the matters specified in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Group including Joint Venture Company in accordance with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group and of Joint Venture Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy

and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Ind AS Financial Statements by the Directors of the Parent Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Management and Board of Directors of the Companies included in the Group and of its Joint Venture Companies are responsible for assessing the ability of the Group and Joint Venture 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 Management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its Joint Venture Companies are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS 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 access the risks of material misstatement of the Consolidated Ind AS 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors of the Parent Company.
- Conclude on the appropriateness of Management and Board of Directors of the Parent Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Joint Venture Companies to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Venture Companies to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the business activities within the Group and its Joint Venture Companies to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of

the Consolidated Ind AS Financial Statements of such business activities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors and whose financial information we have audited. For the business activities included in the Consolidated Ind AS Financial Statements, which have been either audited by the other auditors or certified by Management of the Parent Company, in such case other auditor and Management of the Parent Company remain responsible for the direction, supervision and performance of the business activities. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Ind AS Financial Statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Ind AS 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

The accompanying Consolidated Ind AS Financial Statements include the Ind AS Financial Statements and other financial information of one Joint Venture Company, which reflects group's share of Net Loss after tax of ₹102.15 lakhs for the year ended March 31, 2022, which have been audited by us. We did not audit the Financial Statements / Information of two subsidiaries, whose Financial Statements / Financial Information reflect total assets of ₹11,709.02 lakhs (before eliminating inter group transactions) as at March 31, 2022, total revenues of ₹18,250.19 lakhs and net cash inflow amounting to ₹1,419.71 lakhs for the year ended on that date and Financial Statements and other financial information of 2 Joint Venture Companies which reflects Group's Share of net loss after tax of ₹0.73 lakhs for the year ended March 31, 2022. As informed to us by the Management of the Parent Company, the Financial Statements / Results of these subsidiaries and 2 Joint Venture Companies are not required to be audited under the regulations governing the entities and therefore have been compiled by the accountant of the Subsidiaries and 2 Joint venture Companies and certified by the Management of the Parent Company, and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of Subsidiaries and 2 Joint Venture Companies and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries, Joint Venture Companies is based solely on the Financial Statement / Financial Information provided by the Management.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the Financial Statements / Financial Information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, with respect to clause no (xxi) for any qualifications or adverse remarks by the respective auditors in the Order of the Companies incorporated in India

included in this Consolidated Ind AS Financial Statements and based on the CARO report issued by us with respect to one Joint Venture Company included in the Consolidated Ind AS Financial Statements of the Companies to which reporting under CARO is applicable, there are no qualifications or adverse remarks in the CARO report of the Joint Venture Company.

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of one Joint Venture Company issued by us and Management certified Financial Statements / Results of the Subsidiary Companies and Joint Venture Companies on the Consolidated Ind AS Financial Statements referred to in the Other Matters section above, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rule, 2015 (as amended).
- e) On the basis of the written representations received from the Directors of the Parent Company and 1 Joint Venture Company whose Ind AS Financial Statements has been audited us as on March 31, 2022, taken on record by the Board of Directors of the Parent Company and such Joint Venture Company incorporated in India, none of the directors of the Parent Company and such Joint Venture Company incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

INDEPENDENT AUDITOR'S REPORT (Contd.)

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of internal financial controls with Reference to Consolidated Ind AS Financial Statements of the Group and its Joint Venture Companies incorporated in India; refer to our separate report in '**Annexure – I**'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent Company's internal financial controls over financial reporting.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- a) The Parent Company has disclosed the impact of pending litigations on the Consolidated financial position of the Group and its Joint Venture Companies, if any in its Consolidated Ind AS Financial Statement.
- b) The Parent Company has made Provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in its Consolidated Ind AS Financial Statement.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, its Subsidiary Companies, and Joint Venture Companies incorporated in India
- d) This clause is omitted vide notification dated March 24, 2021, in the Companies (Audit and Auditors) Amendment Rules, 2021 effective from April 1, 2021.
- e) (i) The Management of Parent Company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Parent Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Management of the Parent Company has represented, that, to the best of its knowledge and belief, no funds have been received by the Parent Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(ii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (e) (i) and (e) (ii) contain any material misstatement.

- f) The final dividend paid by the Parent Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. As stated in note no. 41 to the Consolidated Ind AS Financial Statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend
- g) This clause pertaining to accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been

INDEPENDENT AUDITOR'S REPORT (Contd.)

preserved by the Parent Company as per the statutory requirements for record retention has been postponed from financial year commencing on or after the April 1, 2022, vide notification dated April 1, 2021, in the companies (Audit and Auditors) Second Amendment Rules, 2021.

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid / provided by the Parent Company, its Subsidiary Companies, and Joint Venture Companies incorporated in India and is Public Limited

Company within a definition of section 2(71) of the Companies Act, 2013 to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

ICAI UDIN: 22043908AJTKRF5666

For **B Y & Associates**

Chartered Accountants

ICAI Firm's registration number: **123423W**

CA Bhavesh Vora

Partner

Membership Number: 043908

Date : May 27, 2022

Place : Mumbai

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

Particulars	Notes	(₹ in lakhs)	
		Figures As at March 31, 2022	Figures As at March 31, 2021
ASSETS			
A) Non Current Assets			
Property, Plant and Equipment	Note 4	22,873.45	19,531.15
Capital Work-in Progress	Note 5	1,412.47	2,630.42
Intangible Assets	Note 6	57.11	54.18
Financial Assets			
- Investment	Note 7	3,061.06	3,109.91
- Loans	Note 8	131.59	123.49
- Others	Note 9	373.27	255.72
Deferred Tax Assets (Net)	Note 10	835.57	794.90
Other Non-current Assets	Note 11	6,099.12	6,214.71
Total Non Current Assets (A)		34,843.64	32,714.48
B) Current Assets			
Inventories	Note 12	23,558.55	12,617.94
Financial Assets			
- Trade Receivables	Note 13	30,136.59	16,162.86
- Cash and Cash Equivalents	Note 14	22,607.80	25,897.28
- Bank Balances	Note 15	648.03	477.01
- Others	Note 16	24.14	23.96
Current Tax Assets (Net)	Note 17	654.47	526.99
Other Current Assets	Note 18	11,161.91	6,341.35
Total Current Assets (B)		88,791.49	62,047.39
Total Assets (A + B)		1,23,635.13	94,761.87
EQUITY AND LIABILITIES			
A) Equity			
Equity Share Capital	Note 19	1,533.00	1,533.00
Other Equity	Note 20	94,387.19	71,605.67
B) Non Controlling Interest	Note 21	-	6.91
Total Equity (A)		95,920.19	73,138.67
Liabilities			
C) Non Current Liabilities			
Financial Liabilities			
- Borrowings	Note 22	2,508.32	5,674.43
- Others	Note 23	86.61	435.30
Total Non Current Liabilities (C)		2,594.93	6,109.73
D) Current Liabilities			
Financial Liabilities			
- Borrowings	Note 24	3,344.43	3,242.85
- Trade Payables	Note 25		
(a) Total outstanding dues of micro enterprises and small enterprises		904.87	318.49
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		14,450.56	9,459.64
- Others	Note 26	147.17	251.61
Other Current Liabilities	Note 27	1,595.12	431.97
Provisions	Note 28	3,030.75	1,344.89
Current Tax Liabilities (Net)	Note 29	1,647.11	457.11
Total Current Liabilities (D)		25,120.01	15,506.56
Total Equity and Liabilities (A + B + C + D)		1,23,635.13	94,761.87

The accompanying notes 1 to 53 are integral part of the consolidated Ind AS financial statements.

As per our report of even date

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration No.: 123423W

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Mukesh Shah

Managing Director

DIN:00106799

Jayen Shah

Director & CEO

DIN:00106919

CA Bhavesh Vora

Partner

Membership No. 043908

Tushar Shah

Director & CFO

DIN:00107144

Pooja Lohor

Company Secretary

Membership No. A28397

Place: Mumbai

Date: May 27, 2022

Place: Mumbai

Date: May 27, 2022

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

Particulars	Notes	(₹ in lakhs)	
		Figures for the year ended March 31, 2022	Figures for the year ended March 31, 2021
INCOME			
Revenue from Operations	Note 30	1,87,625.92	1,13,321.84
Other Income	Note 31	3,306.14	1,709.77
Total Income		1,90,932.06	1,15,031.61
EXPENSES			
Cost of Materials Consumed	Note 32	1,21,998.12	71,536.01
Purchase of Stock-in-trade	Note 32.1	1,038.56	487.29
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	Note 33	(4,247.76)	578.37
Employee Benefit Expenses	Note 34	8,927.35	7,956.73
Finance Costs	Note 35	510.91	612.98
Depreciation & Amortisation Expenses	Note 36	3,990.28	4,676.91
Other Expenses	Note 37	23,458.95	12,837.96
Total Expenses		1,55,676.41	98,686.25
Profit/(Loss) before share of profit/(loss) of a joint venture and exceptional items		35,255.65	16,345.36
Share of profit / (loss) of joint ventures (net of tax)		(102.88)	(130.45)
Profit before exceptional items and tax		35,152.77	16,214.91
Exceptional Item		-	-
PROFIT BEFORE TAX		35,152.77	16,214.91
TAX EXPENSES			
Current Tax	Note 38	9,313.85	4,380.61
Deferred Tax Expense / (Income)	Note 39	(131.99)	(201.42)
Short / (Excess) Provision for earlier years		-	1.59
Profit / (Loss) For the Year		25,970.91	12,034.13
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to Profit or Loss			
(a) Changes in fair value of Equity instruments through OCI		0.03	0.20
(b) Remeasurements of Profit / (Loss) on employees defined benefits plan		14.09	(9.53)
(c) Amount recognised in Cashflow Hedging Reserve during the year		348.69	320.56
(ii) Income tax relating to items that will not be reclassified to profit or loss		(91.31)	(78.33)
Total Other Comprehensive Income		271.50	232.90
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		26,242.41	12,267.03
Net Profit / (Loss) attributable to :-			
Owners of the Company		25,960.99	12,032.30
Non-controlling interest		9.92	1.83
Total comprehensive Income attributable to :-			
Owners of the Company		26,232.49	12,265.20
Non-controlling interest		9.92	1.83
Earnings Per Equity Share			
Basic	Note 40	84.71	39.25
Diluted		84.71	39.25

The accompanying notes **1 to 53** are integral part of the consolidated Ind AS financial statements.

As per our report of even date
For **B Y & Associates**
Chartered Accountants
ICAI Firm Registration No.: 123423W

CA Bhavesh Vora
Partner
Membership No. 043908

Place: Mumbai
Date: May 27, 2022

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

Mukesh Shah
Managing Director
DIN:00106799

Tushar Shah
Director & CFO
DIN:00107144

Place: Mumbai
Date: May 27, 2022

Jayen Shah
Director & CEO
DIN:00106919

Pooja Lohar
Company Secretary
Membership No. A28397

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A) Equity Share Capital

(₹ in lakhs)

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,533.00	-	1,533.00	-	1,533.00

(₹ in lakhs)

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1,533.00	-	1,533.00	-	1,533.00

B) Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Amalgamation Reserve	Capital Reserve	Retained Earnings	Foreign Exchange Translation Reserve	Other Reserves		
Balance as at April 1, 2021	1,155.24	-	71,540.99	(621.31)	1.60	(470.85)	71,605.67
Add:- Profit for the year	-	10.02	25,970.91	(209.09)	(0.03)	-	25,771.81
Reversal of loss on account of Joint Venture accounted as per Equity Method	-	-	120.73	-	-	-	120.73
Other comprehensive income / (losses)	-	-	-	-	-	271.50	271.50
Total Comprehensive Income for the Year	1,155.24	10.02	97,632.63	(830.40)	1.57	(199.35)	97,769.71
Less:- Dividends	-	-	3,372.60	-	-	-	3,372.60
Non Controlling interest	-	-	9.92	-	-	-	9.92
Balance as at March 31, 2022	1,155.24	10.02	94,250.11	(830.40)	1.57	(199.35)	94,387.19
Balance as at April 1, 2020	1,155.24	-	60,428.45	(525.42)	1.55	(703.75)	60,356.07
Add:- Profit for the year	-	-	12,034.13	(95.89)	0.05	-	11,938.29
Other comprehensive income / (losses)	-	-	-	-	-	232.90	232.90
Total Comprehensive Income for the Year	1,155.24	-	72,462.58	(621.31)	1.60	(470.85)	72,527.26
Less:- Dividends	-	-	919.76	-	-	-	919.76
Non Controlling interest	-	-	1.83	-	-	-	1.83
Balance as at March 31, 2021	1,155.24	-	71,540.99	(621.31)	1.60	(470.85)	71,605.67

The accompanying notes 1 to 53 are integral part of the consolidated Ind AS financial statements.

As per our report of even date
For **B Y & Associates**
Chartered Accountants
ICAI Firm Registration No.: 123423W

CA Bhavesh Vora
Partner
Membership No. 043908

Place: Mumbai
Date: May 27, 2022

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

Mukesh Shah
Managing Director
DIN:00106799

Tushar Shah
Director & CFO
DIN:00107144

Place: Mumbai
Date: May 27, 2022

Jayen Shah
Director & CEO
DIN:00106919

Pooja Lohor
Company Secretary
Membership No. A28397

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit Before Tax	35,152.77	16,214.91
A} CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustments for:		
Depreciation of Property, Plant and Equipment	3,960.58	4,628.97
Amortisation of Intangible Assets	29.70	47.94
Loss / (Profit) on sale of fixed assets (net)	(7.37)	(1.56)
Share of loss from Joint Venture Entity	102.88	130.45
Lease Rent on Leasehold Properties	43.35	60.13
Remeasurement of Employees Benefit Plans	14.09	(9.53)
Change in Foreign Currency Translation Reserve	(209.12)	(95.84)
Expected Credit Loss Provisions / (Reversal)	35.47	(20.66)
Provision for Diminution in Value of Investment	120.73	39.60
Interest Income	(597.14)	(672.82)
Staff Welfare	7.01	5.95
Rent Others	3.77	3.97
Interest Expenses	369.56	522.43
Net Loss / (Gain) on Foreign Exchange Fluctuations	(2,457.68)	(957.61)
Income Tax Written off for Earlier Years	-	1.59
	1,415.83	3,683.01
Operating Profit Before Working Capital Movements	36,568.60	19,897.92
Movement In Working Capital:		
Decrease / (Increase) in Inventories	(10,940.61)	549.21
Decrease / (Increase) in Trade Receivables	(14,009.20)	(2,844.19)
Decrease / (Increase) in Other Bank Balances	(171.02)	(1.87)
Decrease / (Increase) in Current Financial Assets : Others	(0.18)	8.84
Decrease / (Increase) in Other Current Assets	(4,820.56)	(2,091.99)
Increase / (Decrease) in Trade Payables	5,577.30	2,143.47
Increase / (Decrease) in Current Financial Liabilities : Others	(104.44)	88.48
Increase / (Decrease) in Other current liabilities	1,163.15	(193.60)
Increase / (Decrease) in Current Provisions	1,685.86	76.97
	(21,619.70)	(2,264.68)
Cash Generated From Operations	14,948.90	17,633.24
Income Tax Paid	(8,251.33)	(4,207.09)
Net Cash Flows From Operating Activities (A)	6,697.57	13,426.15
B} CASH FLOWS (USED IN) / GENERATED FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, including CWIP	(6,100.23)	(4,626.52)
Purchase of Intangible Assets	(34.19)	(16.38)
Proceeds From Sale of Property, Plant and Equipment	24.23	13.34
Prepaid Rent in Leasehold Properties	(3.00)	(142.42)
Liability booked against advance given for Capital Goods	75.70	40.08

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amount (invested) / matured in Bank Fixed Deposits	(116.69)	43.19
Investment in Joint Venture	(54.00)	-
Additional Investment in Subsidiary	(6.81)	-
Interest Received	586.36	662.90
Net Cash Flows Used In Investing Activities (B)	(5,628.62)	(4,025.81)
C) NET CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES		
Repayment of Non Current Borrowings	(3,064.53)	(3,554.65)
Security Deposit Received back / (Given)	(1.32)	(6.59)
Employee Advance (given) / received back	(8.10)	(23.61)
Dividend paid	(3,372.60)	(919.76)
Interest paid	(369.56)	(522.43)
Net Loss/ (Gain) on Foreign Exchange Fluctuations	2,457.68	957.61
Net Cash Flows Used In Financing Activities (C)	(4,358.43)	(4,069.43)
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	(3,289.48)	5,330.91
Cash And Cash Equivalents At The Beginning Of The Year	25,897.28	20,566.37
Cash And Cash Equivalents At The Year End {Refer To Note No. 14}	22,607.80	25,897.28
Components of Cash and Cash Equivalents :		
Balances with banks		
In Current Account	4,514.17	7,265.55
In Exchange Earners' Foreign Currency Account	541.78	761.72
In Fixed Deposit Account	17,532.48	17,849.76
Cash on hand	19.37	20.25
	22,607.80	25,897.28

The accompanying notes **1 to 53** are integral part of the consolidated Ind AS financial statements.

As per our report of even date

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Bhavesh Vora

Partner

Membership No. 043908

Place: Mumbai

Date: May 27, 2022

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Mukesh Shah

Managing Director

DIN:00106799

Tushar Shah

Director & CFO

DIN:00107144

Place: Mumbai

Date: May 27, 2022

Jayesh Shah

Director & CEO

DIN:00106919

Pooja Lohor

Company Secretary

Membership No. A28397

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

1. CORPORATE INFORMATION

Fine Organic Industries Limited (“the Parent Company”) is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Parent Company was converted into Public Company with effect from November 02, 2017 and consequently the name of the Company has changed from Fine Organic Industries Private Limited to Fine Organic Industries Limited. The registered office of the Company is situated in the State of Maharashtra.

The Consolidated Financial Statements were approved and authorized for issue with the resolution of the Board of Directors on May 27, 2022 and are subject to the approval of Shareholders in the Annual General Meeting. The Parent Company carries on business in India and

abroad, as manufacturers, processors, suppliers, distributors, dealers, importers, exporters of wide range of oleochemical-based additives used in foods, plastics, cosmetics, coatings and other specialty application in various industries.

The subsidiaries are engaged in trading of product manufactured by the Parent Company.

One of its jointly controlled entity incorporated in India is into the business of manufacturing, processing, supplying, distribution, dealership, importing and exporting of powder premixes for bakery & confectionary products and pan release agents.

Equity shares of the Group are listed on July 02, 2018 on BSE Limited and National Stock Exchange of India Limited (NSE).

The Parent Company has following investments in Subsidiaries and Joint Ventures:

Particulars	Name of Entities				
	Fine Organics (USA), Inc	Fine Organics Europe BV	Fine Zeelandia Private Limited	FineADD Ingredients GmbH (upto November 11, 2021)	Fine Organic Industries (Thailand) Co., Ltd.
Principal place of business and Country of Incorporation	United States of America	Belgium	India	Germany	Thailand
Description of the method used to account for investments	Line by line Consolidation	Line by line Consolidation	Equity method	Equity method	Equity method
Investee relationship	Subsidiary Company	Subsidiary Company	Joint Venture	Joint Venture	Joint Venture
Proportion of ownership interest	100.00%	*100.00%	50.00%	50.00%	45.00%

*From March 23, 2022.

2. BASIS OF PREPARATION:

2.1 Statement of compliance

The accompanying Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 notified under section 133 of the Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

2.2 Functional and presentation currency

Items included in the financial statements of each entities of the Group are measured using the currency of the primary economic environment in which the Parent Company operates (‘the functional currency’). The Consolidated Financial Statements are presented in Indian Rupees, which is the functional and presentation currency of the Company.

2.3 Basis of measurement

The consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Net defined benefit (assets)/ liabilities that are measured at fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgements

The preparation of the Consolidated Financial Statements in accordance with Ind AS requires use of judgements, estimates and assumptions, which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2022 are as follows:

a) Property, plant and equipment

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act except plant & machineries, which in the opinion of the Management represent the useful lives as they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Revenue from contracts with customers

The Group's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements

may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

c) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

d) Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits, if any. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

e) Contingent Liabilities, Commitments and Litigations

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Litigation

From time to time, the Group might be subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

2.5 Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both Financial and non-Financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the Management. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level-1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level-2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level-3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire

measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Operating cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.7 CURRENT / NON-CURRENT CLASSIFICATION

An entity shall classify an asset as current when:

- a) It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- b) It holds the asset primarily for the purpose of trading;
- c) It expects to realise the asset within twelve months after the reporting period; or
- d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when-

- a) It expects to settle the liability in its normal operating cycle;
- b) It holds the liability primarily for the purpose of trading;
- c) The liability is due to be settled within twelve months after the reporting period; or
- d) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

2.8 Note on Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

2.9 Basis of consolidation

The Consolidated financial statements (CFS) comprise the financial statements of the Parent Company, its subsidiaries & its jointly controlled entities as at the reporting date.

Subsidiaries

Subsidiaries include all the entities over which the Parent Company has control. The Parent Company controls an entity when it is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date on which the Parent Company attains control and are deconsolidated from the date that control ceases to exist.

Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint venture are accounted for using the equity method of accounting (see (c) below).

The CFS have been prepared on the following basis

- a) The financial statements of the Parent Company and its subsidiary companies have been consolidated on a line by line basis by adding together of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered, as per the applicable Accounting Standards in India. Accounting policies of the respective subsidiaries are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.
- b) The results of subsidiaries acquired or disposed of during the year are included in the CFS from the effective date of acquisition and up to the effective date of disposal, as appropriate.
- c) The CFS includes the share of profit / loss of the joint ventures which are accounted as per the ‘equity method’.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Company’s share of movements in OCI of the investee in OCI. Dividends received or receivable, if any from joint ventures

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Company's does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

- d) The CFS are presented, to the extent applicable, in accordance with the requirements of Schedule III of the 2013 Act as applicable to the Company's separate financial statements.
- e) Non-controlling interests, if any in the net assets of the subsidiaries that are consolidated consists of the amount of equity attributable to non-controlling shareholders at the date of acquisition and subsequent addition of their share of changes in equity.

Profit or loss and each component of OCI are attributed to the equity holders of the Parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment (PPE)

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

- a) Its purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- b) Any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by the Management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference

between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end. Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as capital advances under "Other non-current assets".

Leasehold rent payable to MIDC relating to new project of the Parent Company, during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Current Assets and the same will be amortised in the year of commencement of project.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated on pro-rata basis using the diminishing balance method on cost of items of property, plant and equipment less their estimated residual values over the estimated residual useful lives based on Schedule II of the Companies Act, 2013 except for plant & machinery.

In case of plant & machinery, based on internal assessment, the Management believes that the useful lives as given below best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets may differ from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible Assets	Useful lives as per Schedule II
Buildings	30 Years
Computers	
Computer – Server & Network	6 Years
Computer – Others	3 Years
Plant & Machinery	5 - 15 Years
Furniture and Fixtures	10 Years
Electrical Installation	10 Years
Motor Cars & Vehicles	8 Years
Office Equipments	5 Years
Laboratory Equipments	10 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.2 Intangible Assets

Recognition and measurement

Intangible assets comprise of computer software and patent / trademark, which acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values and it is included in depreciation and amortisation in the Statement of profit and loss.

Intangible assets are amortised over the estimated useful lives as given below:

Intangible Assets	Useful life
Computer Software (WDV Method)	3 Years
Patent / Trademark (SLM Method)	10 Years

3.3 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency

borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale less any investment income on the temporary investment of those borrowings.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.4 Impairment of Non-Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

3.5 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Company.

Minimum Alternate Tax (MAT) credit is recognised as a Deferred Tax Asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

3.6 Inventories

Inventories which comprise raw materials, packing materials, work-in-progress, finished goods, consumables and stores & spares are carried at the lower of cost and net realisable value.

The cost of inventories is based on weighted average basis and includes expenditure incurred in acquiring the inventories, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, defective and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

3.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of less than 3 months and more than 3 months but less than 12 months which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered as an integral part of the Group's cash Management.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

3.8 Trade Payables

Trade payables represent liabilities for goods including capital goods and services provided to the Group prior to the end of Financial year which are unpaid. Trade and other payables are reported as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.9 Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A Financial asset is measured at amortised cost using the effective interest rate method, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A Financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of

principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified in any of the above categories is measured at FVTPL.

Investment in subsidiaries, Associates and Joint Ventures

The Group has opted to account for its investments in subsidiaries, associates and joint venture at cost less provision for diminution other than temporary.

Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has made an irrevocable choice to present the value changes in 'Other Comprehensive Income'.

Impairment of Financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables, the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Derivative financial instruments and Hedge Accounting

The Parent Company uses various derivative financial instruments such as forwards and Interest rate swaps to mitigate the risk of changes in exchange rates and Interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

In case of loss / gains from interest rate swaps, directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Cash flow hedge

The Parent Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign

exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Fair Value Hedge

The Parent Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

b) De-recognition of Financial instruments

The Group derecognises a Financial asset when the contractual rights to the cash flows from the Financial asset expire or it transfers the Financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when and only when, the Group has legally enforceable right to set off the amount and it intends, either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

3.10 Business Combinations

Business combinations are accounted for using Ind AS 103 Business combination. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their respective fair value at the acquisition date, except certain assets and liabilities required to be measured as per applicable standards. Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as Goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired as Capital reserve i.e. Amalgamation reserve.

Business combinations arising from transfer of interests in entities that are under common control are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value, no adjustment are made to reflect fair values, or recognise any new assets or liabilities. The identity of the reserves is preserved and appears in the Financial Statements of the transferee in the same form in which they appeared in the Financial Statements of the transferor.

3.11 Revenue Recognition

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the goods.

Sale of Products

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The performance obligations in contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue from the sale of goods is measured based on the consideration specified in a contract with a customer, net of returns and allowances, trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and service tax. The group does not provide any warranties or maintenance contracts to its customers.

Variable consideration

This includes incentives, volume rebates, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or service to the customer and when the customer pays for that goods or service will be one year or less.

Cost to obtain a contract

The Group pays sales commission to its selling agents for each contract that they obtain for the group. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Costs to fulfill a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised.

Other Operating Revenues

Other operating revenue mainly consists of sale of scrap arising from the production of finished goods.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Interest income is included in finance income in the Statement of profit and loss.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Insurance and other claims

Revenue in respect of Insurance and other claim is recognised only on reasonable certainty of ultimate collection.

3.12 Foreign Currencies

Items included in the financial statements of each entities of the Group are measured using the currency of the primary economic environment in which the Parent Company operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupees, which is the functional and presentation currency of the Parent Company.

Transactions and balances

Transactions in foreign currencies are initially recorded by the group at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

3.13 Employee benefits

Short term employee benefits

Liabilities for short term employee benefits that are

expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are reported as current employee benefits payable in the balance sheet.

Post-employment benefits

a) Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method at the year end.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Employee Benefit Expense in the Statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

b) Defined contribution plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

3.14 Leases

As a lessee

Leases in which a significant portion of the risks and

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.15 Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the Management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past

events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

3.16 Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Parent Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.17 Earnings per share (EPS)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the equity by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

NOTE 4 NON CURRENT ASSETS : PROPERTY, PLANT AND EQUIPMENT (PPE)

Particulars	(₹ in lakhs)											
	Factory / Research Centre Building	Office Premises	Resi- dential Premises	Factory Flat	Plant and Equipments	Electrical Equip- ments	Laborato- ry Equip- ments	Office Equip- ments	Furni- ture & Fixtures	Com- puter & Periph- erals (in- cluding Server & Network)	Vehicles	Total Property Plant and Equipment
Gross Carrying Amount												
Balance as at April 1, 2020	14,983.19	105.66	77.44	2.76	20,593.21	2,053.83	860.44	728.31	763.85	737.17	893.33	41,799.19
Add: Additions during the year	837.90	-	-	-	1,203.26	148.90	50.36	91.98	49.99	104.38	93.44	2,580.21
Less: Disposals/ Adjustments	0.49	-	-	-	103.99	2.02	0.18	6.74	-	0.55	56.86	170.83
Balance as at March 31, 2021	15,820.60	105.66	77.44	2.76	21,692.48	2,200.71	910.62	813.55	813.84	841.00	929.91	44,208.57
Add: Additions during the year	3,112.82	175.55	-	-	3,016.56	473.06	25.57	103.17	48.33	259.31	103.80	7,318.18
Less: Disposals/ Adjustments	-	-	-	-	21.13	11.70	(1.72)	3.40	0.02	29.40	53.05	116.98
Balance as at March 31, 2022	18,933.42	281.21	77.44	2.76	24,687.91	2,662.07	937.91	913.32	862.15	1,070.91	980.66	51,409.77
Accumulated Depreciation												
Balance as at April 1, 2020	4,995.35	64.97	17.44	1.31	11,315.70	977.35	617.26	502.12	562.47	561.50	592.03	20,207.50
Add: Depreciation for the year	974.67	2.57	2.91	0.07	2,901.46	290.66	64.25	110.05	52.41	124.36	105.56	4,628.97
Less: Disposals/ Adjustments	0.17	-	-	-	97.23	1.70	0.08	6.40	-	0.51	52.96	159.05
Balance as at March 31, 2021	5,969.85	67.54	20.35	1.38	14,119.93	1,266.31	681.43	605.77	614.88	685.35	644.63	24,677.42
Add: Depreciation for the year	958.01	2.89	2.77	0.07	2,332.94	243.83	57.44	94.53	47.88	127.41	92.83	3,960.60
Less: Disposals/ Adjustments	-	-	-	-	15.30	10.33	(0.65)	2.70	0.01	28.19	45.83	101.71
Balance as at March 31, 2022	6,927.86	70.43	23.12	1.45	16,437.57	1,499.81	739.52	697.60	662.75	784.57	691.63	28,536.31
Net Carrying Amount												
Balance as at March 31, 2021	9,850.75	38.12	57.09	1.38	7,572.55	934.40	229.19	207.78	198.96	155.65	285.28	19,531.15
Balance as at March 31, 2022	12,005.56	210.78	54.32	1.31	8,250.34	1,162.26	198.39	215.72	199.40	286.34	289.03	22,873.45

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 5 NON CURRENT ASSETS : CAPITAL WORK IN PROGRESS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	2,630.42	584.11
Add:- Additions during the year	6,122.14	4,614.09
Less:- Capitalisation during the year	7,340.09	2,567.78
Balance at the end of the year	1,412.47	2,630.42

NOTE 5.1 FOR CAPITAL WORK-IN PROGRESS

(₹ in lakhs)

Particulars	As at March 31, 2022				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	919.41	219.25	262.06	11.75	1,412.47
-- Projects temporarily suspended	-	-	-	-	-
Total	919.41	219.25	262.06	11.75	1,412.47

(₹ in lakhs)

Particulars	As at March 31, 2021				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	2,321.19	266.48	41.01	1.74	2,630.42
-- Projects temporarily suspended	-	-	-	-	-
Total	2,321.19	266.48	41.01	1.74	2,630.42

NOTE 5.2 There is no Capital Work-in Progress, whose completion is overdue or has exceeded its cost compared to its original plan.

NOTE 6 NON CURRENT ASSETS : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Patents & Trademarks	Total Intangible Assets
Gross Carrying Amount			
Balance as at April 1, 2020	104.96	27.42	132.38
Add: Additions during the year	13.98	2.40	16.38
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2021	118.94	29.82	148.76
Add: Additions during the year	29.25	4.94	34.19
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2022	148.19	34.76	182.95
Accumulated Depreciation			
Balance as at April 1, 2020	36.86	9.78	46.64
Add: Depreciation for the year	44.91	3.03	47.94
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2021	81.77	12.81	94.58
Add: Depreciation for the year	26.44	3.24	29.68
Less: Disposals/ Adjustments	(1.58)	-	(1.58)
Balance as at March 31, 2022	109.79	16.05	125.84
Net Carrying Amount			
Balance as at March 31, 2021	37.17	17.01	54.18
Balance as at March 31, 2022	38.40	18.71	57.11

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 7 NON CURRENT FINANCIAL ASSETS : INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted Investment in Equity Instruments of Jointly Controlled Entity (At Cost)		
(i) Fine Zeelandia Private Limited (Current Year: 4,02,84,250 shares of ₹ 10 each fully paid up) (Previous Year: 4,02,84,250 shares of ₹ 10 each fully paid up)	3,002.96	3,105.11
(ii) FineADD Ingredients GmbH {refer to note no. 7.1} (Current Year: 2,500 shares of € 100 each fully paid up) (Previous Year: 2,500 shares of € 100 each fully paid up)	-	-
(iii) Fine Organic Industries (Thailand) Co., Ltd. (Current Year: 22,500 shares of Thai Baht 100 each fully paid up)	53.27	-
Unquoted Investment in Equity Instruments at FVTOCI		
(i) Saraswat Co-Operative Bank Limited (Current Year: 2,500 shares of ₹ 10 each fully paid up) (Previous Year: 2,500 shares of ₹ 10 each fully paid up)	4.83	4.80
Total	3,061.06	3,109.91

NOTE 7.1 DIMINUTION IN VALUE OF THE INVESTMENT IN A JOINT VENTURE

The Parent Company has fully provided for the diminution in the value of its investment in the Joint Venture Entity "FineADD Ingredients GmbH", in view of its decision not to proceed with the Joint Venture and accordingly recorded the provision for the balance amount of ₹ 120.73 lakhs in the books of account. The Joint Venture is in the process of liquidation.

NOTE 8 NON CURRENT FINANCIAL ASSETS : LOANS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loan to employees	131.59	123.49
Total	131.59	123.49

NOTE 9 NON CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits Rent (Amortised Cost)	36.98	36.12
Fixed Deposits with Bank (Original Maturity More than 12 months)	336.29	219.60
Total	373.27	255.72

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 10 DEFERRED TAX ASSET (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	930.51	814.85
Others	49.30	53.22
Gross Deferred Tax Asset (a)	979.81	868.07
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipments & Intangible Assets	-	-
Others	144.24	73.17
Gross Deferred Tax Liability (b)	144.24	73.17
Deferred Tax Assets (Net) (a-b)	835.57	794.90

NOTE 11 OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances (Unsecured, Considered good)	2,614.45	2,690.15
Security Deposits	253.55	253.09
Income Tax Refund Receivables	15.83	15.83
Prepaid Rent on Leasehold Land & Premises	3,215.29	3,255.64
Total	6,099.12	6,214.71

NOTE 11.1 DISCLOSURE TO OTHER NON CURRENT ASSETS - CAPITAL ADVANCES

The Parent Company has given an advance of ₹ 2,420 lakhs to MIDC for allotment of a plot at Pale, Ambarnath, which is disclosed under Capital advances. The MIDC has issued an allotment letter, however, the Parent Company is still unable to take possession of the said plot, as so far the MIDC has not created any of the basic infrastructure facilities such as water, electricity, roads etc. Upon possession, the Parent Company plans to setup a centralised warehousing facility, however, the Parent Company shall carry out a feasibility study and then decide upon the appropriate action to be taken for the said plot. Present value of the said plot as per the ready reckoner rate & the valuation report dated November 1, 2021 obtained by the Parent Company is higher than the advance given and accordingly, no provision is required to be made.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 12 CURRENT ASSETS : INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials and Packing Materials	11,354.97	5,026.82
Semi-Finished Goods	922.41	556.04
Trading Goods	3,393.46	1,725.38
Finished Goods	5,912.21	3,698.90
Consumables	164.69	59.50
Stores & Spares	1,810.81	1,551.30
Total	23,558.55	12,617.94

NOTE 13 CURRENT FINANCIAL ASSETS : TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured, Considered good	-	-
Unsecured		
Considered good	30,075.08	16,102.35
From Related Parties {Refer to note no. 42(b)}	61.51	60.51
Which have significant increase in Credit Risk	100.87	136.34
Sub Total	30,237.46	16,299.20
Less: Allowance for Expected Credit Loss	100.87	136.34
Total	30,136.59	16,162.86

Ageing for trade receivables as at March 31, 2022 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	19,603.68	10,435.60	49.66	26.76	53.98	67.78	30,237.46
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-

Ageing for trade receivables as at March 31, 2021 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	10,722.47	5,311.42	115.52	49.99	47.34	52.46	16,299.20
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 14 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
In Current Account	4,514.17	7,265.55
In Exchange Earners' Foreign Currency Account	541.78	761.72
In Fixed Deposit Account (With original maturity of less than 3 Months)	17,532.48	17,849.76
Cash on hand	19.37	20.25
Total	22,607.80	25,897.28

NOTE 15 CURRENT FINANCIAL ASSETS : BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
In Fixed Deposits (with original maturity of more than 3 months and 12 months or less)	648.03	477.01

NOTE 16 CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Security Deposit	24.14	23.96
Total	24.14	23.96

NOTE 17 CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax (Net of Provision for Income Tax)	654.47	526.99
Total	654.47	526.99

NOTE 18 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	401.78	314.50
Balance with Statutory / Government Authorities *	3,736.80	2,749.52
Gratuity Fund Balance with LIC of India	87.54	80.06
Other Advances (including advance to suppliers)	6,935.79	3,197.27
Total	11,161.91	6,341.35

* Balances with Government Authorities primarily include amounts realisable for GST, the unutilised GST input tax credits. These are generally realised within one year or utilised regularly. Accordingly, these balances have been classified as "Other Current Assets".

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 19 EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
AUTHORISED		
4,00,00,000 Equity Shares of ₹ 5 each (Previous Year: 4,00,00,000 Equity Shares of ₹ 5 each)	2,000.00	2,000.00
Total	2,000.00	2,000.00
ISSUED, SUBSCRIBED AND PAID-UP		
3,06,59,976 Equity Shares of ₹ 5 each (Previous Year: 3,06,59,976 Equity Shares of ₹ 5 each)	1,533.00	1,533.00
Total	1,533.00	1,533.00

Note 19.1 - Reconciliation of number of shares outstanding is set out below:

Particulars	As at March 31, 2022	As at March 31, 2021
Equity Shares at the beginning of the year	3,06,59,976	3,06,59,976
Add:- Shares issued during the year	-	-
Less:- Shares bought back during the year	-	-
Equity Shares at the end of the year	3,06,59,976	3,06,59,976

Note 19.2 - Terms/ rights attached to equity shares

The Parent Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Note 19.3 - Details of Shareholders holding more than 5 % shares of the Company

Name of share holders	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	% in Share Capital	Number of Shares	% in Share Capital
Prakash Damodar Kamat	44,52,835	14.52%	44,52,835	14.52%
Jyotsna Ramesh Shah	43,25,886	14.11%	43,25,886	14.11%
Tushar Ramesh Shah	36,99,182	12.07%	36,99,182	12.07%
Jayen Ramesh Shah	34,23,627	11.17%	34,23,627	11.17%
Bimal Mukesh Shah	21,16,827	6.90%	21,16,827	6.90%
Mukesh Maganlal Shah	17,64,045	5.75%	17,64,045	5.75%

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 19.4 - Disclosure of Shareholding of Promoters / Promoters Group

Disclosure of shareholding of Promoters / Promoters Group as at March 31, 2022 is as follows:

Sr Nos	Promoters / Promoters Group name	Shares held				% Change during the year
		As at March 31, 2022		As at March 31, 2021		
Promoters						
1	Prakash Damodar Kamat	44,52,835	14.52%	44,52,835	14.52%	0.00%
2	Mukesh Maganlal Shah	17,64,045	5.75%	17,64,045	5.75%	0.00%
3	Jayen Ramesh Shah	34,23,627	11.17%	34,23,627	11.17%	0.00%
4	Tushar Ramesh Shah	36,99,182	12.07%	36,99,182	12.07%	0.00%
5	Bimal Mukesh Shah	21,16,827	6.90%	21,16,827	6.90%	0.00%
6	Jyotsna Ramesh Shah	43,25,886	14.11%	43,25,886	14.11%	0.00%
Promoters Group						
7	Jayshree Mukesh Shah	5,68,572	1.85%	5,68,572	1.85%	0.00%
8	Neeta Jayen Shah	6,59,892	2.15%	6,59,892	2.15%	0.00%
9	Bina Tushar Shah	5,74,380	1.87%	5,74,380	1.87%	0.00%
10	Shaili Nirav Doshi	1,22,898	0.40%	1,22,898	0.40%	0.00%
11	Manali Vishal Doshi	76,614	0.25%	76,614	0.25%	0.00%
12	Rhea Tushar Shah	1,06,614	0.35%	1,06,614	0.35%	0.00%
13	Esha Tushar Shah	1,06,620	0.35%	1,06,620	0.35%	0.00%
14	R M Shah HUF	3,08,542	1.01%	3,09,042	1.01%	-0.16%
15	P D Kamat HUF	1,37,178	0.45%	1,37,178	0.45%	0.00%
16	M M Shah HUF	1,40,574	0.46%	1,40,574	0.46%	0.00%
17	Jayen R Shah HUF	3,06,978	1.00%	3,06,978	1.00%	0.00%
18	Tushar R Shah HUF	1,03,218	0.34%	1,03,218	0.34%	0.00%
19	Maltiben Pradipkumar Shah	19	0.00%	19	0.00%	0.00%
Total		2,29,94,501	75.00%	2,29,95,001	75.00%	

There is no change in promoters / promoters group shareholding during FY 2020-21.

Note 19.5 - Details of shares reserved for options and contracts / commitments for sale of shares / disinvestment

The Parent Company has not reserved any shares for issue of options and contracts / commitments for sale of shares / disinvestment.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 19.6 - Details of calls unpaid

There is no calls unpaid.

Note 19.7 - Subdivision of shares

The Shareholders vide a special resolution has approved sub division of equity shares of the Parent Company in the ratio of 2 shares of face value of ₹ 5 each for every existing 1 share of the face value of ₹ 10 each.

The requisite approvals for modification of the Memorandum and Articles of Association of the Parent Company had been accorded by the shareholders on November 6, 2017.

Note 19.8 - Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

- (i) The Parent Company has issued 2,80,000 Equity Shares of ₹ 10 Each in Financial year 2016-17 for consideration other than cash to the shareholders of Fine Research & Development Centre Private Limited ("FRDCPL") and Fine Speciality Surfactants Private Limited ("FSSPL") on account of Amalgamation.
- (ii) During the year ended March 31, 2018, the Parent Company has issued 1,02,19,992 Equity shares of ₹ 10 each (Pre Subdivision of shares) pursuant to the bonus issue of shares vide special resolution approved by the shareholders dated October 16, 2017.

The Parent Company has allotted 2 (Two) Fully paid up equity shares of ₹ 10 each for every 1 (One) Equity shares held by the shareholders (Including shares issued to the shareholders on account of amalgamation with FRDCPL & FSSPL).

Later on as per special resolution dated November 6, 2017, such shares are sub divided in to the ratio of 2 (Two) shares of face value of ₹ 5 each for every existing 1 (One) share of the face value of ₹ 10 each.

NOTE 20 OTHER EQUITY

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) Amalgamation Reserve	1,155.24	1,155.24
(Includes ₹ 4.23 lakhs On Account of Amalgamation)		
(b) Capital Reserve	10.02	-
(c) Retained Earnings		
Balance as at the beginning of the year	71,540.99	60,428.45
Add: Profit for the year	25,970.91	12,034.13
Reversal of loss of Joint Venture accounted as per Equity Method	120.73	-
Less: Dividend	3,372.60	919.76
Share of Non Controlling interest	9.92	1.83
Balance as at the end of the year	94,250.11	71,540.99
(d) Other Comprehensive Income		
Balance as at the beginning of the year	(470.85)	(703.75)
Add: Other Comprehensive Income for the year	271.50	232.90
Balance as at the end of the year	(199.35)	(470.85)
(e) Foreign Exchange Translation Reserve		
Balance as at the beginning of the year	(621.31)	(525.42)
Add: Addition / (Deletion)	(209.09)	(95.89)
Balance as at the end of the year	(830.40)	(621.31)
(f) Other Reserves		
Balance as at the beginning of the year	1.60	1.55
Add: Addition / (Deletion)	(0.03)	0.05
Balance as at the end of the year	1.57	1.60
Total (a + b + c + d + e + f)	94,387.19	71,605.67

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

- (a) **Amalgamation Reserve** - At the time of business combination under common control, amalgamation adjustment reserve of transferor company becomes amalgamation adjustment reserve of the transferee company. The Parent company established this reserve at the time of business combinations made in the earlier years.
- (b) **Capital Reserve** - The Group has recognised profit on account of purchase of shares of Subsidiary Company in capital reserve.
- (c) **Retained Earnings** represents undistributed accumulated earnings of the Group as on the balance sheet date.
- (d) **Other Comprehensive Income represents the following -**
1. The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve
 2. The Parent Company uses hedging instruments as part of its Management of interest rate risk associated with borrowings. For hedging interest rate risk, the Parent Company uses the interest rate swaps. To the extent this hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedged reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).
 3. Remeasurements, comprising of actuarial gains and losses are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.”
- (e) **Foreign Exchange Translation Reserve** represents the exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is presented within equity in the foreign currency translation reserve.
- (f) **Other Reserves** represents the reserve created by the Subsidiary Company in Europe as per the applicable Company law.

NOTE 21 NON CONTROLLING INTEREST

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Controlling interest in Subsidiary	6.91	5.08
Add:- Share of current year's profit	9.92	1.83
Less : Sale Proceeds	(16.83)	-
Total	-	6.91

NOTE 22 NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans		
Foreign Currency Borrowings - External Commercial Borrowings		
From Bank {Refer to note no. 22.1}	5,852.75	8,917.28
Less : Current Maturity {Refer to note no. 24}	(3,344.43)	(3,242.85)
Total	2,508.32	5,674.43

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 22.1 - Disclosure to Non Current Financial Liabilities : Borrowings

- (i) The foreign currency borrowings is secured against exclusive charge on specific Land & Building and Plant & Machinery of the borrower at plot no. N-42/1, MIDC, Anand Nagar, Additional Ambernath Industrial Area, Ambernath - 421501, Maharashtra.
- (ii) Remaining tenure of the borrowing is 21 Months

NOTE 23 NON CURRENT FINANCIAL LIABILITIES : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Derivatives Designated as Hedge		
Interest Rate Swaps	86.61	435.30
Total	86.61	435.30

NOTE 24 CURRENT FINANCIAL LIABILITIES : BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans		
Current maturities of Long-term Borrowings	3,344.43	3,242.85
Total	3,344.43	3,242.85

NOTE 25 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding due to Micro and Small Enterprises {Refer to note no. 25.1}	904.87	318.49
Others	14,450.56	9,459.64
Total	15,355.43	9,778.13

Note 25.1 - Disclosure to Current Financial Liabilities : Trade Payables

Dues to micro and small enterprises

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Parent Company on the basis of the information available with the Parent Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro and small enterprises amounting to ₹ 904.87 lakhs (Previous Year: ₹ 318.49 lakhs). The disclosure pursuant to MSMED Act based on the books of account is as under:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid	904.87	318.49
(ii) Interest due on above and the unpaid interest	2.34	3.27
(iii) Interest paid in terms of Section 16 of MSMED Act	-	-
(iv) Amount of payments made to supplier beyond the appointed day	-	-
(v) Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act, 2006	-	-

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(vi) Amount of Interest accrued and remaining unpaid	2.34	3.27
(vii) Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the MSMED Act,2006	-	-

(*) The interest has not been accrued in the books of account since the outstanding amount majorly includes retention amount payable after completion of contract period.

Ageing for trade payables outstanding as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	904.87	-	-	-	904.87
(ii) Others	14,262.01	112.73	13.78	62.04	14,450.56
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Ageing for trade payables outstanding as at March 31, 2021 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	318.49	-	-	-	318.49
(ii) Others	9,277.29	34.71	33.64	114.00	9,459.64
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

NOTE 26 CURRENT FINANCIAL LIABILITIES : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade / Security Deposits from Customers	145.58	250.89
Dividend Payable	1.59	0.72
Total	147.17	251.61

NOTE 27 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues Payable	642.93	66.52
Contractual Liabilities {refer to note no. 30.1}	792.13	365.03
Other Liabilities	160.06	0.42
Total	1,595.12	431.97

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 28 CURRENT LIABILITIES : PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for CSR Expenses {refer to note no. 37.1}	204.43	404.47
Provision for Expenses	2,826.32	940.42
Total	3,030.75	1,344.89

NOTE 29 CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax (Net of Income Tax paid)	1,647.11	457.11
Total	1,647.11	457.11

NOTE 30 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Revenue from Contracts with customers		
Sales - Specialty chemicals	1,85,990.64	1,10,768.19
Sales - Others	1,610.69	2,549.89
Total [A]	1,87,601.33	1,13,318.08
(B) Other Operating Revenue		
Income from sale of Scrap [B]	24.59	3.76
Total [A] + [B]	1,87,625.92	1,13,321.84

Note 30.1 - Other disclosure relating to Revenue from Contracts with Customers (Ind AS 115)

The Group is primarily in the Business of manufacture and sale of Specialty chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Group evaluates the credit limits for the trade receivables. The Group does not give significant credit period resulting in no significant financing component.

Further, disaggregation of revenue based on geography has been mentioned under segment information.
{refer to note no. 43.3}

Reconciliation of Revenue recognised from contracts with customers with Contract liabilities

(₹ in lakhs)

Particulars	F.Y. 2021-22	F.Y. 2020-21
Opening Contract Liability	365.03	284.07
Add: Addition to contract liability during the year	13,974.98	8,087.49
Less: Recognised as revenue during the year	13,547.88	8,006.53
Closing Contract liability	792.13	365.03

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Reconciliation of revenue as per contract price and as recognised in statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contract with customer as per Contract price	1,89,147.07	1,13,554.78
Less: Discounts and Rebates	21.31	22.88
Less: Sales Returns	1,524.43	213.82
Revenue from contract with customer as per statement of profit and loss	1,87,601.33	1,13,318.08

NOTE 31 OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income {Refer to note no. 31.1}	607.92	682.74
Net gain on foreign exchange fluctuations	2,457.68	957.61
Reversal of Expected Credit Loss	35.47	20.66
Other Non Operating Income		
Profit on Sale of Property, Plant and Equipment (Net of Loss)	7.37	1.56
Insurance claim received	192.48	13.68
Miscellaneous Income	5.22	33.52
Total	3,306.14	1,709.77

Note 31.1 - Particulars of Interest Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income from Financial Assets on Amortised Cost Basis [at EIR]	554.57	662.98
Interest Income from Non Financial Assets	53.35	19.76
Total	607.92	682.74

NOTE 32 COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw Materials and Packing Materials Consumed		
Opening Stock at the beginning of the year	5,026.82	5,495.69
Add : Purchases and incidental expenses	1,28,326.27	71,067.14
	1,33,353.09	76,562.83
Less : Closing stock at the end of the year	11,354.97	5,026.82
Total	1,21,998.12	71,536.01

Note 32.1 - Purchase of Stock-in-trade

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Traded Goods	1,038.56	487.29
Total	1,038.56	487.29

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 32.2 - Particulars of Material Consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw Materials	1,18,057.78	68,917.96
Packing Materials	3,940.34	2,618.05
Total	1,21,998.12	71,536.01

NOTE 33 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A] Opening stock of inventories		
Finished Goods	3,698.90	5,189.28
Semi-Finished Goods	556.04	147.49
Trading Goods	1,725.38	1,221.92
Total [A]	5,980.32	6,558.69
B] Closing Stock of inventories		
Finished Goods	5,912.21	3,698.90
Semi-Finished Goods	922.41	556.04
Trading Goods	3,393.46	1,725.38
Total [B]	10,228.08	5,980.32
Net Total [A] - [B]	(4,247.76)	578.37

NOTE 34 EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and other benefits to Directors	1,825.00	1,465.00
Salaries, wages & other benefits to others	6,579.05	6,016.10
Contribution to Provident Fund and Other Funds	224.07	220.05
Employee Welfare and other amenities	299.23	255.58
Total	8,927.35	7,956.73

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures as defined are given below:

A] Defined Contribution Plans

The Parent Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Parent Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefit.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Pension Scheme	85.25	80.36
Employer's Contribution to Provident fund	39.95	32.77
Total	125.20	113.13

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

B] Defined Benefits Plans

The Parent Company has used the Projected Unit Credit (PUC) actuarial method to assess the Plan's liabilities, including those related to death-in-service benefits. Under the PUC method, a 'Projected accrued benefit' is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The 'projected accrued benefit' is based on the Plan's accrual formula and upon the service as at the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the 'projected accrued benefits' as at the end of the year for the Plan's active members.

(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of Defined Benefit Obligation at beginning of the Year	1,145.35	1,017.78
Add : Service Cost		
(a) Current Service Cost	80.17	74.45
(b) Past Service Cost	-	-
(c) Loss/(Gain) from Settlement	-	-
Add: Current Interest Cost	72.16	65.14
Add: Benefit Paid	(82.01)	(23.50)
Add: Remeasurements of Actuarial (Gain) / Loss		
(a) From changes in Demographic assumptions		
(b) From changes in Financial assumptions	(34.92)	8.31
(c) From experience over the past year	20.83	3.17
Effect of Acquisition/ (Divestiture)	-	-
Transfer In/(Out)	-	-
Changes in Foreign Exchange Rates	-	-
Present value of Defined Benefit Obligation at the end of the Year	1,201.58	1,145.35

(ii) Reconciliation of opening & closing balances of fair value of plan assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair Value of Plan Asset at beginning of the Year	1,225.41	873.04
Add: Contributions Paid by Employer	71.42	311.77
Add: Benefits Paid / (Received)	(82.01)	(23.50)
Add: Interest Income on Plan assets	74.29	62.15
Re-measurements		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	-	1.95
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Effect of Acquisition/(Divestiture)	-	-
Transfer In/(Out)	-	-
Changes in foreign exchange rates	-	-
Fair Value of Plan Asset at the end of the Year	1,289.11	1,225.41
Actual Return on Plan Assets	74.29	64.10
Expected Employer Contributions for the coming year	-	-

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(iii) Expenses recognised in Statement of Profit and Loss

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Service Cost		
(a) Current Service Cost	80.17	74.45
(b) Past Service Cost	-	-
(c) Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	(2.13)	2.99
Employer Expenses	78.04	77.44

(iv) Net Liability/(Assets) recognised in the Balance Sheet

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Present Value of Defined Benefit Obligation at end of the Year	1,201.58	1,145.35
Less: Fair Value of Plan Asset at the end of the Year	1,289.11	1,225.41
Liability/ (Asset) recognised in the Balance Sheet	(87.53)	(80.06)
Funded Status [Surplus/(Deficit)]	87.53	80.06
Of which, Short term Liability		
Experience Adjustment on Plan Liabilities: (Gain)/Loss	20.83	3.17
Experience Adjustment on Plan Assets: Gain/(Loss)	-	-

(v) Percentage Break-down of Total Plan Assets

Particulars	As at	
	March 31, 2022	March 31, 2021
Equity instruments	0.00%	0.00%
Debt instruments	0.00%	0.00%
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	0.00%	0.00%
Of which, Conservative/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.00%	0.00%
Total	100.00%	100.00%

(vi) Assumptions used to determine the defined benefit obligation

Particulars	As at	
	March 31, 2022	March 31, 2021
Salary Growth Rate	5.00 % P.A.	5.00 % P.A.
Discount Rate(p.a.)	6.70% P.A.	6.30% P.A.
Interest Rate on net DBO	6.30% P.A.	6.40% P.A.
Withdrawal Rate	5.00 % P.A.	5.00 % P.A.
Mortality Table Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Expected weighted average remaining working life	7 years	7 years

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(vii) Movement in Other Comprehensive Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at start of year (Loss)/ Gain	(236.94)	(227.41)
Re-measurements on DBO		
(a) Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
(b) Actuarial (Loss)/Gain from changes in financial assumptions	34.92	(8.31)
(c) Actuarial (Loss)/Gain from experience over the past period	(20.83)	(3.17)
Re-measurements on Plan Assets		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	-	1.95
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at end of year (Loss)/ Gain	(222.85)	(236.94)

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of Sensitivity Analysis is given below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Salary Growth Rate	increases by ₹ 90.62 lakhs	decreases by ₹ 81.43 lakhs	increases by ₹ 88.07 lakhs	decreases by ₹ 81.09 lakhs
Discount Rate	decreases by ₹ 79.45 lakhs	increases by ₹ 89.99 lakhs	decreases by ₹ 79.42 lakhs	increases by ₹ 87.80 lakhs
Withdrawal Rate	increases by ₹ 8.47 lakhs	decreases by ₹ 9.5 lakhs	increases by ₹ 6.16 lakhs	decreases by ₹ 7.10 lakhs
Mortality (increase in expected lifetime by 1 year)	decreases by ₹ 0.34 lakhs	-	decreases by ₹ 0.17 lakhs	-
Mortality (increase in expected lifetime by 3 years)	decreases by ₹ 0.85 lakhs	-	decreases by ₹ 0.52 lakhs	-

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(ix) Movement in Surplus / (Deficit)

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Surplus / (Deficit) at start of year	80.06	(144.74)
Add : Net Acquisition Adjustment	-	-
Transfer In / (Out) on net basis	-	-
Movement during the year		
Less : Current Service Cost	(80.17)	(74.45)
Less : Past Service Cost	-	-
Add : Net Interest on net DBO	2.13	(2.99)
Re-measurements [Gains/ (Losses)]	14.09	(9.53)
Add : Employer Contributions/ Benefits paid	71.42	311.77
Surplus/ (Deficit) at end of year	87.53	80.06

(x) Risk Factors

Through its gratuity plans the Parent Company is exposed to a number of risks, the most significant of which are detailed below:-

Interest Risk

A decrease in the bond Interest rate will increase the plan liability; however, in case of gratuity plan this will be partially offset by an increase in the return on the plan's assets.

Longevity Risk

The present value of Gratuity plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the Gratuity plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of Instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status, if there are significant changes in the discount rate during the inter-valuation period.

NOTE 35 FINANCE COSTS

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses	369.56	522.43
Bank Charges and Commission	141.35	90.55
Total	510.91	612.98

NOTE 36 DEPRECIATION & AMORTISATION EXPENSES

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Property, Plant and Equipment	3,960.58	4,628.97
Amortisation on Intangible Assets	29.70	47.94
Total	3,990.28	4,676.91

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 37 OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement & Publicity Expenses	19.45	6.73
Auditors Remuneration:		
(i) Statutory Audit	27.75	26.50
(ii) Taxation Matters	9.50	8.50
(iii) Limited Review	9.75	9.00
(iv) Others	1.00	1.00
Remuneration to Cost Auditor	2.50	3.00
Consumption of Stores and Spares	37.22	36.74
Corporate Social Responsibility Expenses {refer to note no. 37.1}	397.88	398.35
Corporate Environmental Responsibility	14.76	-
Director Sitting fees	22.65	25.20
Electricity Charges	61.27	51.05
Freight and Forwarding charges	9,969.35	2,976.37
Insurance Charges	335.95	249.84
Laboratory Expenses	92.73	87.71
Legal and Professional fees	548.38	406.65
Other Administrative Expenses	288.80	306.83
Postage, Telephone and Telegram	109.38	94.63
Power, Fuel and Water Charges	7,729.98	5,225.44
Printing and Stationery Expenses	35.83	33.01
Product Registration fees	1.14	0.50
Bad Debts	20.31	-
Provision for Doubtful Receivables	25.00	-
Provision for Diminution in value of Joint Venture	120.73	39.60
Rent, Rates and Taxes	512.06	541.61
Repairs and Maintenance to:		
(i) Factory Building	118.16	93.17
(ii) Machinery	878.11	659.73
(iii) Others	312.81	215.98
Sales Promotion Expenses	33.86	14.42
Sales Commission	1,005.68	736.06
Security Charges	260.51	278.66
Seminar & Trade fair Expenses	65.27	19.49
Subscription, Membership, Books & Periodicals	53.86	77.80
Travelling and Conveyance Expenses	228.67	123.15
Vehicle Expenses	108.65	91.24
Total	23,458.95	12,837.96

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 37.1 - Corporate Social Responsibility Expenses:

The Company has spent an amount of ₹ 235.96 Lakhs pertaining to F.Y. 2021-22 and ₹ 115.64 Lakhs pertaining to F.Y. 2020-21, during the year ended March 31, 2022 and ₹ 242.20 Lakhs during the year ended March 31, 2021 respectively towards various CSR projects for the purpose other than construction/ acquisition of any asset. The Company has transferred ₹ 163.92 Lakhs (i.e. unspent amount for the ongoing CSR projects of the Company for the F.Y. 2021-22) to a separate bank account specially opened by the Company for the CSR. The Company already have ₹ 40.50 Lakhs (i.e. unspent amount for the ongoing CSR projects of the Company for the F.Y. 2020-21) in a separate bank account specially opened by the Company for the CSR.

(₹ in lakhs)

Details of CSR Expenditure:	For the year ended March 31, 2022	For the year ended March 31, 2021
A) Gross amount required to be spent by the Company during the year	397.88*	398.35
B) Amount spent during the year		
(i) Construction/acquisition of any asset	NIL	NIL
(ii) On purposes other than (i) above	235.96	242.2
C) Details related to spent / unspent obligations:		
(i) Amount spent in relation to Ongoing Project	17.00	15.2
(ii) Amount spent in relation to other than Ongoing Project	218.96	227
(iii) Amount transferred to Unspent CSR Account for Ongoing Projects	163.92	156.15

*The Company has received ₹ 2.00 lakhs on account of GST refund which will be added to the CSR obligation of the Company for the F.Y. 2021-22 as mentioned in point no. A. Considering the said refund amount, the total CSR obligation of the Company for the F.Y. 2021-22 was ₹ 399.88 Lakhs.

NOTE 38 RECONCILIATION OF REPORTED PROFIT TO TOTAL TAX EXPENSE

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before Tax	35,152.77	16,214.91
Applicable Income Tax rate	19.33%	24.79%
Expected income tax expense	6,793.58	4,019.34
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of Expenses / Provisions not deductible in determining taxable profit	2,416.61	251.30
Other Permanent Differences	103.66	109.97
Reported Income Tax Expense	9,313.85	4,380.61

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 39 DEFERRED TAX EXPENSES / (INCOME)

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipments & Intangible Assets	-	-
Others	(16.34)	91.73
Sub Total (A)	(16.34)	91.73
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	115.65	293.15
Others	-	-
Sub Total (B)	115.65	293.15
Deferred tax Expenses / (Income) [A-B]	(131.99)	(201.42)

NOTE 40 EARNINGS PER EQUITY SHARE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Computation of Profit (numerator)		
Net profit attributable to shareholders (₹ in lakhs)	25,970.91	12,034.13
(b) Weighted average number of shares (denominator)	3,06,59,976	3,06,59,976
Weighted Average number of Equity Shares used as denominator for calculating Basic & Diluted EPS	3,06,59,976	3,06,59,976
EPS (Basic & Diluted) (In ₹)	84.71	39.25

NOTE 41 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contingent Liabilities		
Income tax liability that may arise in respect of matters in appeal	574.97	532.17
Indirect tax liability that may arise in respect of matters in appeal	27.16	27.16
Commitments		
Estimated contracts remaining to be executed on capital account not provided	1,488.25	2,207.81
Bank Guarantee	758.61	833.20

The Financial Statements of the Group for the year ended March 31, 2022 has been approved by the Board of Directors in its meeting held on May 27, 2022. For the year ended March 31, 2022, dividend of ₹ 9 per share (Total dividend of ₹ 2,759.40 lakhs) has been proposed by the Board of Directors at its meeting held on May 27, 2022. The same is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and therefore proposed dividend has not been recognised as liability as at the Balance Sheet Date in line with Ind AS - 10 "Events after the Reporting Period."

It is not practicable for the Group to estimate the timings of the cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings. The Group does not expect any reimbursement in respect of the above contingent liabilities.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 42 RELATED PARTY TRANSACTIONS DISCLOSURE:

The Disclosure pertaining to the related parties as required by Indian Accounting Standard 24 issued by Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian accounting Standards) Rule, 2015 as amended are indicated below

(a) List of Related Parties and relationships

Sr. No	Name of the Related Party	Nature of Relationship
	Key Management Personnel (KMP)	
1	Prakash Damodar Kamat	Chairman
2	Mukesh Maganlal Shah	Managing Director
3	Jayen Ramesh Shah	Executive Director & CEO
4	Tushar Ramesh Shah	Executive Director & CFO
5	Bimal Mukesh Shah	Executive Director
6	Thiruvengadam Parthasarathi	Non-Executive Independent Director
7	Mahesh Pansukhlal Sarda	Non-Executive Independent Director
8	Kaushik Dwarkadas Shah	Non-Executive Independent Director
9	Prakash Krishnaji Apte	Non-Executive Independent Director
10	Pratima Madhukar Umarji	Non-Executive Independent Director
	Relative's of KMP	
11	Jyotsna Ramesh Shah	Relative of KMP
12	Jayshree Mukesh Shah	
13	Neeta Jayen Shah	
14	Bina Tushar Shah	
15	Esha Tushar Shah	
16	Rhea Tushar Shah	
17	Ramesh M. Shah - HUF	
18	Prakash D. Kamat - HUF	
19	Mukesh M. Shah - HUF	
20	Jayen R. Shah - HUF	
21	Tushar R. Shah - HUF	
22	Manali Vishal Doshi	
23	Shaili Nirav Doshi	
	Significant influence by KMP	
24	Smoothex Chemicals Private Limited	Significant influence by KMP
25	Fine Organics	
26	Olefine Organics	
27	Oleofine Organics SDN. BHD.	
28	Oleofine Organics (Thailand) Co., Ltd. (^)	
29	Fine Organic Industries	
	Joint Ventures	
30	Fine Zeelandia Private Limited	Joint Venture Entities
31	FineAdd Ingredients GmbH	
32	Fine Organic Industries (Thailand) Co., Ltd. (^)	

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(b) Transactions (in aggregate) with Related Parties during the period and their closing balances at the period end

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2021 to March 2022	April 2020 to March 2021	As at March 31, 2022	As at March 31, 2021
1	Director's Remuneration				
	Prakash Damodar Kamat	350.00	288.00	46.00	-
	Mukesh Maganlal Shah	350.00	288.00	30.50	-
	Jayen Ramesh Shah	350.00	288.00	30.50	-
	Tushar Ramesh Shah	350.00	288.00	30.50	-
	Bimal Mukesh Shah	350.00	288.00	30.50	-
	Thiruvengadam Parthasarathi	15.00	5.00	13.50	4.50
	Mahesh Pansukhlal Sarada	15.00	5.00	13.50	4.50
	Kaushik Dwarkadas Shah	15.00	5.00	13.50	4.50
	Prakash Krishnaji Apte	15.00	5.00	13.50	4.50
	Pratima Madhukar Umarji	15.00	5.00	13.50	4.50
2	Director's Sitting Fees				
	Thiruvengadam Parthasarathi	4.50	5.25	0.14	-
	Mahesh Pansukhlal Sarada	4.20	4.80	0.14	-
	Kaushik Dwarkadas Shah	4.95	5.25	-	-
	Prakash Krishnaji Apte	5.25	5.70	-	-
	Pratima Madhukar Umarji	3.75	4.20	0.14	-
3	Sale of Goods				
	Oleofine Organics SDN. BHD.	871.57	607.79	61.02	51.06
	Oleofine Organics (Thailand) Co., Ltd. (^)	-	86.52	-	-
	Fine Zeelandia Private Limited	1,642.51	1,296.52	-	-
4	Sale of Licence				
	Fine Zeelandia Private Limited	-	116.53	-	-
5	Sale of Components				
	Oleofine Organics SDN. BHD.	-	9.92	-	9.44
6	Purchase of Goods				
	Oleofine Organics SDN. BHD.	-	7.67	-	-
7	Purchase of Asset / Investment				
	Fine Organic Industries	0.12	-	-	-
	Tushar Shah (@)	6.81	-	-	-
8	Dividend paid				
	Prakash Damodar Kamat	489.81	133.59	-	-
	Jyotsna Ramesh Shah	475.85	129.78	-	-
	Tushar Ramesh Shah	406.91	110.98	-	-
	Jayen Ramesh Shah	376.60	102.71	-	-
	Bimal Mukesh Shah	232.85	63.50	-	-
	Mukesh Maganlal Shah	194.04	52.92	-	-
	Neeta Jayen Shah	72.59	19.80	-	-
	Bina Tushar Shah	63.18	17.23	-	-
	Jayshree Mukesh Shah	62.54	17.06	-	-
	Ramesh M. Shah HUF	33.99	9.27	-	-
	Jayen R. Shah HUF	33.77	9.21	-	-
	Mukesh M. Shah HUF	15.46	4.22	-	-
	Prakash D. Kamat HUF	15.09	4.12	-	-
	Shaili Nirav Doshi	13.52	3.69	-	-
	Rhea Tushar Shah	11.73	3.20	-	-
	Esha Tushar Shah	11.73	3.20	-	-
	Manali Vishal Doshi	8.43	2.30	-	-
	Tushar R. Shah HUF	11.35	3.10	-	-
9	Salary to Relatives				
	Manali Vishal Doshi	32.50	29.50	-	-
	Rhea Tushar Shah	0.58	-	-	-

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2021 to March 2022	April 2020 to March 2021	As at March 31, 2022	As at March 31, 2021
10	Export Commission				
	Oleofine Organics SDN. BHD.	4.12	7.20	-	1.11
11	Security Deposit - Rent (*)				
	Fine Organic Industries	-	-	15.90	14.46
	Oleofine Organics	-	-	2.40	3.00
12	Rent Expenses				
	Fine Organics	4.50	3.38	-	-
	Fine Organic Industries	144.42	122.10	-	-
	Oleofine Organics	66.36	53.46	-	-
	Smoothex Chemicals Private Limited	4.50	3.38	-	-
	Prakash Damodar Kamat	8.40	8.40	-	-
	Jyotsna Ramesh Shah	36.71	29.63	-	-
	Jayshree Mukesh Shah	8.40	8.40	-	-
	Bina Tushar Shah	8.40	8.40	-	-
13	Prepaid Rent Balance (*)				
	Fine Organic Industries	-	-	2.10	3.54
	Oleofine Organics	-	-	0.60	-
14	Reimbursement of Expenses				
	Mukesh Maganlal Shah	-	(1.47)	-	-
	Jayen Ramesh Shah	-	0.01	-	-
	Tushar Ramesh Shah	0.89	-	-	-
	Bimal Mukesh Shah	0.63	0.10	-	-
	Fine Zeelandia Private Limited	-	0.27	-	-
15	Investments in equity instruments (\$)				
	Fine Zeelandia Private Limited	-	-	3,002.96	3,105.11
	FineADD Ingredients GmbH {refer to note no. 7.1}	-	-	-	-
	Fine Organic Industries (Thailand) Co., Ltd. (^)	54.00	-	53.27	-
16	Interest Income on Advances / Security deposit (*)				
	Fine Organic Industries	1.45	1.44	1.45	1.44
	Oleofine Organics	0.26	0.32	0.26	0.32

^^ Ceased to become related party wef October 14, 2020.

* Includes Ind AS adjustments

^ Became a joint venture wef May 31, 2021.

\$ Closing balance of investment includes share of profit / (loss) from Joint Venture as per Equity Method of consolidation

(@) On March 23, 2022 Fine Organic Industries Limited acquired stake from a minority shareholder in Fine Organics Europe BV, a subsidiary of Fine Organic Industries Limited

Outstanding balances at the year-end are unsecured and interest free and settlement occurs In cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 43 OPERATING SEGMENT DISCLOSURE

The Group has identified its reportable segment as “Specialty chemicals” since the Chief Operating Decision Maker (CODM) evaluates the Group’s performance as a single segment in terms of Indian Accounting Standard 108 issued by Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian accounting Standards) Rule, 2015 as amended are indicated below .

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 43.1 - Disclosure for assets outside India

The Group does not have any non current non financial assets outside India

Note 43.2- Disclosure for major customers more than 10%

There are no transactions with single external customer which amounts to 10% or more of the Group's revenue.

Note 43.3- Geographic information

The geographic information analyses the Group's revenue and non-current assets by the Group's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings which are part of the specialty chemicals portfolio of the Group are managed on a worldwide basis from India.

The Group has disaggregated its revenue from contract with customers and trade receivables on a geographical basis as under:

Particulars	Revenue from contracts with customers	
	For the year ended March 31, 2022	For the year ended March 31, 2021
- In India	74,078.70	51,019.24
- Outside India	1,13,522.63	62,298.84
Total Revenue	1,87,601.33	1,13,318.08

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
	Trade Receivables	
- In India	7,766.53	5,159.51
- Outside India	22,470.94	11,139.69
Less : Expected Credit Loss on Trade Receivables	(100.87)	(136.34)
Total	30,136.59	16,162.86

(₹ in lakhs)

NOTE 44 INTERNAL FINANCIAL CONTROL SYSTEM

The Group implements and manages efficient internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, by maintaining proper records and reports in a timely manner. This is supplemented by an extensive programme of internal audit, reviewed by the Management and relevant policies, guidelines and procedures. The internal control is designed to ensure the reliability of financial and other records for preparing precise financial statements, maintaining accountability of assets and more. The Management is committed to regularly reviewing and making relevant amendments to the internal control system, as and when required. The Group's process framework provides well-documented standard operating procedures and authorities with adequate built-in controls. The internal control is further enhanced by an extensive programme of internal, external audits and periodic reviews by the Management.

The Group adopts and follows a risk mitigation strategy and reviews risk occurrence to find probable mitigation strategies. The Group's Risk Management Committee reviews risks and mitigation measures at regular intervals, and accordingly initiates corrective steps at times of need.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 45 DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013

(a) Investment Made in Joint Venture Companies (At Amortised Cost)

(₹ in lakhs)

Name of entity	As at March 31, 2022	As at March 31, 2021
Fine Zeelandia Private Limited	4,028.43	4,028.43
FineADD Ingredients GmbH {refer to note no. 7.1}	-	120.73
Fine Organic Industries (Thailand) Co., Ltd.	54.00	-

NOTE 46 OPERATING LEASE COMMITMENTS - COMPANY AS LESSEE

The Group's significant leasing arrangements are in respect of operating leases for building premises (offices, plant, godowns etc.). These leasing arrangements are non-cancellable in nature, and are usually renewable by mutual consent on mutually agreeable terms.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease payment recognised in the statement of profit and loss	43.35	60.12
Minimum lease payments under non cancellable operating leases payable		
Not later than 1 year	38.92	39.03
Later than 1 year but not less than 5 years	155.68	156.12
Later than 5 years	3,057.87	3,096.36
Total future minimum lease payment	3,252.47	3,291.51

NOTE 47 PURSUANT TO IND AS 31, FINANCIAL REPORTING OF INTERESTS IN JOINT VENTURE, THE DISCLOSURE RELATING TO THE JOINT VENTURE ARE AS FOLLOWS :

Interest in other Entities

The Group has invested in following Joint ventures and are consolidated as per equity method of accounting. These entities are in nature of closely held entities and are not listed on equity public exchange. The following table illustrates the summarised financial information of the Group's investment in joint ventures.

Name of the Joint Venture	Percentage of Ownership	
	As at March 31, 2022	As at March 31, 2021
Fine Zeelandia Private Limited (Incorporated in India)	50%	50%
FineADD Ingredients GmbH (Incorporated in Germany)	50%	50%
Fine Organic Industries (Thailand) Co., Ltd. (Incorporated in Thailand)	45%	-

Note 47.1 - Summarised Financial Position of the Group's Investment in Joint Venture - Fine Zeelandia Private Limited

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non current assets (A)	4,757.82	2,529.17
Current assets (B)	1,713.53	738.27
Total assets (A+B)	6,471.35	3,267.44
Non current liabilities (A)	-	-
Current liabilities (B)	401.63	136.12
Total liabilities (A+B)	401.63	136.12
Total equity (net assets)	6,069.72	3,131.32

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 47.2 - Summarised Financial Position of the Group's Investment in Joint Venture - FineADD Ingredients GmbH

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non current assets (A)	-	31.99
Current assets (B)	36,378.52	248.79
Total assets (A+B)	36,378.52	280.78
Non current liabilities (A)	-	-
Current liabilities (B)	36,378.52	254.49
Total liabilities (A+B)	36,378.52	254.49
Total equity (net assets)	-	26.29

Note 47.3 - Summarised Financial Position of the Group's Investment in Joint Venture - Fine Organic Industries (Thailand) Co., Ltd.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non current assets (A)	-	-
Current assets (B)	112.92	-
Total assets (A+B)	112.92	-
Non current liabilities (A)	-	-
Current liabilities (B)	0.46	-
Total liabilities (A+B)	0.46	-
Total equity (net assets)	112.46	-

NOTE 48 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments

(₹ in lakhs)

Particulars	Note Nos	Carrying Value		Fair Value	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
FINANCIAL ASSETS					
A] Financial assets at fair value through statement of profit & loss		-	-	-	-
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	Note 7	4.83	4.80	4.83	4.80
C] Financial assets at amortised cost					
Non Current Financial Assets : Investments	Note 7	3,056.23	3,105.11	3,056.23	3,105.11

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in lakhs)

Particulars	Note Nos	Carrying Value		Fair Value	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Non Current Financial Assets : Loans	Note 8	131.59	123.49	131.59	123.49
Non Current Financial Assets : Others	Note 9	373.27	255.72	373.27	255.72
Current Financial Assets : Trade Receivables	Note 13	30,136.59	16,162.86	30,136.59	16,162.86
Current Financial Assets : Cash and Cash Equivalents	Note 14	22,607.80	25,897.28	22,607.80	25,897.28
Current Financial Assets : Bank Balances	Note 15	648.03	477.01	648.03	477.01
Current Financial Assets : Others	Note 16	24.14	23.96	24.14	23.96
FINANCIAL LIABILITIES					
A] Financial liabilities at fair value through statement of profit & loss		-	-	-	-
B] Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	Note 22 & 24	5,852.75	8,917.28	5,852.75	8,917.28
Non Current Financial Liabilities : Others	Note 23	86.61	435.30	86.61	435.30
Current Financial Liabilities : Trade Payables	Note 25	15,355.43	9,778.13	15,355.43	9,778.13
Current Financial Liabilities : Others	Note 26	147.17	251.61	147.17	251.61

In all cases, the Management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

NOTE 49 FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Note 49.1 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2022:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
FINANCIAL ASSETS					
A) Financial assets at fair value through statement of profit & loss		-	-	-	-
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	March 31, 2021 {Refer Note No. 49.3}	4.83	-	4.83	-
C) Financial assets at amortised cost					
Non Current Financial Assets : Investments	March 31, 2022	3,056.23	-	-	3,056.23
Non Current Financial Assets : Loans	March 31, 2022	131.59	-	-	131.59
Non Current Financial Assets : Others	March 31, 2022	373.27	-	-	373.27
Current Financial Assets : Trade Receivables	March 31, 2022	30,136.59	-	-	30,136.59
Current Financial Assets : Cash and Cash Equivalents	March 31, 2022	22,607.80	-	-	22,607.80
Current Financial Assets : Bank Balances	March 31, 2022	648.03	-	-	648.03
Current Financial Assets : Others	March 31, 2022	24.14	-	-	24.14

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through statement of profit & loss	-	-	-	-	-
B) Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2022	5,852.75	-	-	5,852.75
Non Current Financial Liabilities : Others	March 31, 2022	86.61	-	-	86.61
Current Financial Liabilities : Trade Payables	March 31, 2022	15,355.43	-	-	15,355.43
Current Financial Liabilities : Others	March 31, 2022	147.17	-	-	147.17

*Refer Note no .2.5 for Fair value measurement method

Note 49.2 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2021:

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
FINANCIAL ASSETS					
A) Financial assets at fair value through statement of profit & loss	-	-	-	-	-
B) Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	March 31, 2020 {Refer Note No. 49.3}	4.80	-	4.80	-
C) Financial assets at amortised cost					
Non Current Financial Assets : Investments	March 31, 2021	3,105.11	-	-	3,105.11
Non Current Financial Assets : Loans	March 31, 2021	123.49	-	-	123.49
Non Current Financial Assets : Others	March 31, 2021	255.72	-	-	255.72
Current Financial Assets : Trade Receivables	March 31, 2021	16,162.86	-	-	16,162.86
Current Financial Assets : Cash and Cash Equivalents	March 31, 2021	25,897.28	-	-	25,897.28
Current Financial Assets : Bank Balances	March 31, 2021	477.01	-	-	477.01
Current Financial Assets : Others	March 31, 2021	23.96	-	-	23.96
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through statement of profit & loss		-	-	-	-
B) Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2021	8,917.28	-	-	8,917.28
Non Current Financial Liabilities : Others	March 31, 2021	435.30	-	-	435.30
Current Financial Liabilities : Trade Payables	March 31, 2021	9,778.13	-	-	9,778.13
Current Financial Liabilities : Others	March 31, 2021	251.61	-	-	251.61

*Refer Note no .2.5 for Fair value measurement method

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 49.3 - Measurement of Fair Value : Valuation techniques

The following table shows the valuation techniques used in measuring Level 2 and 3 fair values for assets and liabilities carried at fair value through OCI and profit or loss

Type	Valuation Technique
FINANCIAL ASSETS	
A) Financial assets at fair value through statement of profit & loss	Not Applicable
B) Financial assets at fair value through OCI Non current financial assets: Investments	Level - 2: The fair value is determined as on the reporting date based on value per share derived from net worth of the Group as per the latest available annual report, since there is no other publically available market based information for similar entities.
C) Financial assets at amortised cost Non Current Financial Assets : Investments	Level - 3: The fair value is determined as on the reporting date based on amortised cost method by considering the discount rates based on yields of comparable investments or the transaction values where these are short term in nature.
Non current financial assets: Loans	
Non current financial assets: Others	
Current financial assets : Trade receivables	
Current financial assets : Cash and cash equivalents	
Current financial assets : Bank balances	
Current financial assets : Others	
FINANCIAL LIABILITIES	
A) Financial liabilities at fair value through statement of profit & loss	Not Applicable
B) Financial liabilities at amortised cost:	Level - 3: The fair value is determined as on the reporting date based amortised cost method.
Non current financial liabilities : Borrowings (including current maturity of long term borrowing)	
Non Current Financial Liabilities : Others	
Current financial liabilities : Trade payables	
Current financial liabilities : Others	

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

NOTE 50 CAPITAL MANAGEMENT

For the purposes of the Group's capital Management, capital includes issued equity share capital, all other reserves and borrowed capital less reported cash and cash equivalents.

The primary objective of the Group's capital Management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value.

The Group's policy is to borrow primarily through banks to maintain sufficient liquidity. The Group also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Group.

The Group monitors capital on the basis of cost of capital. The Group is not subject to any externally imposed capital requirements.

The following table summaries the capital of the Group:

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Long Term Borrowing (including current maturities of long term borrowings)	5,852.75	8,917.28
Less: Cash and cash equivalents (#)	23,592.12	26,593.89
TOTAL BORROWING (NET)	(17,739.37)	(17,676.61)
Equity Share Capital	1,533.00	1,533.00
Other Equity	94,387.19	71,605.67
TOTAL EQUITY	95,920.19	73,138.67
Gearing ratio (Net Debt/ Total Equity)	(0.18)	(0.24)

No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

(#) Including Bank balances referred in Note No .15

NOTE 51 FINANCIAL RISK MANAGEMENT FRAMEWORK

A) Financial Risk Management

The Group's activities primarily expose it to various risks such as Market Risks, Credit Risk and Liquidity Risk. Those are explained below :

1) Market Risk

Market Risks arise due to Changes in Interest rates, Foreign Exchange rates and changes in Market prices.

(i) Interest Rate Risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's exposure to the risk of changes in market rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's policy is generally to undertake long-term borrowings using facilities that carry floating-interest rate. The Group manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Moreover, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure.

As the Group does not have exposure to any floating-interest bearing assets its interest income and related cash inflows are not materially affected by changes in market interest rates.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

As at the end of reporting period, the Group had following long term variable interest rate borrowings and derivatives to hedge the interest rate risk are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Notional value of liability	5,852.75	8,917.28
Less: Interest Rate Swap on above Liability	5,852.75	8,917.28
Net exposure	-	-

Disclosure of Effects of Interest Rate Swaps Hedge accounting on Financial Position as at March 31, 2022

(₹ in lakhs)

Particulars	Nominal value of liability	Carrying amount of hedging instrument	Maturity date	Hedge ratio
Interest Rate Risk				
- Interest Rate Swaps	5,852.75	86.61	December 2023	1:1

Disclosure for gain / (loss) recognised in cashflow hedging reserve and recycled during the year

For 2021-22 (₹ in lakhs)

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	435.30	-	-	348.69	348.69	86.61

For 2020-21 (₹ in lakhs)

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	755.86		-	320.56	320.56	435.30

Interest rate sensitivity

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

(ii) Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Parent Company enters into forward exchange contracts to hedge its foreign currency exposures in USD and Euro.

a) Exposure in foreign currency - Hedged

The Parent Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any Derivative Instruments for trading and Speculation purposes.

The Forward Exchange Contracts used for hedging foreign exchange currency exposure and outstanding as at reporting date as at under:

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(Amount in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent
Forward Contract to Sell	122	\$ 197.25	14,953.52	29	\$28.50	2,094.75
Forward Contract to Purchase	21	\$ 61.62	4,671.15	-	-	-
Forward Contract to Sell	51	€ 64.25	5,439.41	36	€ 25.00	2,152.50

b) The unhedged exposures as at the end of the reporting date as as follows

(Amount in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
Financial Assets				
Trade Receivables	-	-	6,507.89	\$88.54
Financial Liabilities				
Trade Payables	-	-	591.24	\$8.34
Trade Payables	5.63	€ 0.07	4.64	€ 0.05
Long term Borrowings	5,852.75	\$77.21	8,917.28	\$121.32
Net Exposure	(5,852.75)	(\$77.21)	(3,000.62)	(\$41.12)
Net Exposure	(5.63)	(€ 0.07)	(4.64)	(€ 0.05)

In case of change in the currencies by 1%, the change in the profit would be as under :

(Amount in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Change	USD \$	EURO €	Change	USD \$	EURO €
1% Depreciation in ₹	1%	(58.53)	(0.06)	1%	(30.01)	(0.05)
1% Appreciation in ₹	1%	58.53	0.06	1%	30.01	0.05

(iii) Market Price Risks

The Group is affected by the price stability of certain commodities. Purchases of Raw Materials from our top 2 suppliers constitute approximately 39.09% of our total purchases made from all suppliers. We do not enter into supplier contracts for duration of period of more than 3-6 months. If suppliers do not supply us, there can be no assurance that we will be able to identify alternative suppliers in future at similar cost. Any disruption in the supply of the raw materials could disrupt our manufacturing operations, which could have a material adverse effect on our business, results of operations and financial condition.

The Group's total imports of raw materials is approximately 31.00% (P.Y.: 26.29%) of the total raw material consumed. The cost of our imported raw material affected by the fluctuation in the rate of foreign exchange of the currency in which we purchase these raw materials primarily in USD and the Rupee. The Group has a risk Management framework aimed at prudently managing the price risk arising from the volatility in commodity prices and freight costs and tries to pass on increases in the costs to its customers to whatever extent possible.

2) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares and Balances with Banks.

The Group holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits (generally between 30 to 90 days) and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended March 31, 2022 is 0.18% (P.Y. 0.57%) of the total trade receivables. The Group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

3) Liquidity Risk

The Group manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Group has obtained fund and non-fund based borrowings from banks. The Group invests its surplus funds in bank fixed deposit which carry low credit risks.

All payments are made on due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Group has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

Maturity to Financial Liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Particulars	(₹ in lakhs)				
	Outstanding Balance as on March 31, 2022	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings (including Current maturity on Long Term Borrowings)	5852.75	3344.43	2508.32	-	-
Trade Payable	15,355.43	15,355.43	-	-	-
Securities Deposits taken	145.58	145.58	-	-	-
Dividend Payable	1.59	1.59	-	-	-
Statutory Dues Payable	642.93	642.93	-	-	-
Contractual Liabilities	792.13	792.13	-	-	-
Other Liabilities	160.06	160.06	-	-	-
Provision	3,030.75	3,030.75	-	-	-
Income Tax Payable	1,647.11	1,647.11	-	-	-

NOTE 52 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 FOR COMPANY PREPARING CONSOLIDATED FINANCIAL STATEMENTS:

For March 31, 2022

Sr. No	Name of the entity	Net Assets i.e Total Assets (minus) Total Liabilities		Share in Profit or Loss		Share in other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other comprehensive Income	Amount
A	Parent								
A.1	Fine Organic Industries Limited	99.93	95,849.60	96.52	25,066.93	100.00	271.50	96.56	25,338.43
B	Subsidiaries- Foreign								
B.1	Fine Organics (USA) Inc	1.17	1,126.66	4.81	1,248.40	-	-	4.76	1,248.40
B.2	Fine Organics Europe BV	2.55	2,441.94	7.29	1,892.69	-	-	7.21	1,892.69

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Sr. No	Name of the entity	Net Assets i.e Total Assets (minus) Total Liabilities		Share in Profit or Loss		Share in other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other comprehensive Income	Amount
C	Joint Ventures (Investment as per equity method)								
C.1	Fine Zeelandia Private Limited	(1.07)	(1,025.47)	(0.39)	(102.15)	-	-	(0.39)	(102.15)
C.2	Fine Organic Industries (Thailand) Co., Ltd.	0.00	(0.73)	0.00	(0.73)	-	-	0.00	(0.73)
D	Ajustments arising out of consolidation	(2.58)	(2,471.81)	(8.22)	(2,134.23)	-	-	(8.13)	(2,134.23)
	Total	100.00	95,920.19	100.00	25,970.91	100.00	271.50	100.00	26,242.41

For March 31, 2021

A	Parent								
1	Fine Organic Industries Limited	101.02	73,883.77	95.50	11,493.18	100.00	232.90	95.59	11,726.08
B	Subsidiaries- Foreign								
1	Fine Organics (USA) Inc	(0.03)	(23.72)	0.13	16.17	-	-	0.13	16.17
2	Fine Organics Europe BV	0.95	697.94	2.83	340.12	-	-	2.77	340.12
	Minority Interest on all Subsidiaries	0.01	6.91	-	-	-	-	-	-
C	Joint Ventures (Investment as per equity method)								
	Fine Zeelandia Private Limited	(1.26)	(923.32)	(1.08)	(130.45)	-	-	(1.06)	(130.45)
	FineADD Ingredients GmbH	(0.17)	(120.73)	-	-	-	-	-	-
D	Ajustments arising out of consolidation	(0.52)	(382.18)	2.62	315.11	-	-	2.57	315.11
	Total	100.00	73,138.67	100.00	12,034.13	100.00	232.90	100.00	12,267.03

NOTE 53 OTHER STATUTORY INFORMATION

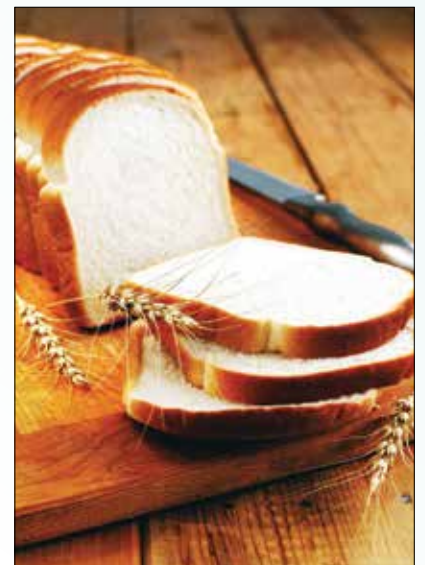
- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any transactions with the companies struck off during the year.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.



We manufacture specialty green additives for diverse applications:



FINE ORGANIC INDUSTRIES LIMITED

Fine House, Anandji Street, Off M.G. Road,
Ghatkopar East, Mumbai - 400 077, Maharashtra, India
Tel: +91 (22) 2102 5000 | Fax: +91 (22) 2102 8899
Email: investors@fineorganics.com
Website: www.fineorganics.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that Twentieth Annual General Meeting of the Members of Fine Organic Industries Limited will be held on Tuesday, August 23, 2022 at 11.00 a.m. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 along with the Report of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 along with the Report of Auditors thereon.
3. To declare a Final Dividend of ₹ 9 per equity share of face value of ₹ 5 each for the financial year 2021-22.
4. To appoint a Director in place of Mr. Mukesh Shah (DIN: 00106799), who retires by rotation and being eligible, offers himself for Re-appointment.
5. **To Re-appoint M/s. B Y & Associates, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.**

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 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. B Y & Associates, Chartered Accountants, Mumbai (Firm Registration No. 123423W) be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office for a term of three (3) consecutive years commencing from the financial year 2022-23 and shall hold office from the conclusion of ensuing 20th Annual General Meeting till the conclusion of 23rd Annual General Meeting, subject to their eligibility under Section 141 of the Companies Act, 2013 during the tenure of said appointment at a remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to the above resolution.”

SPECIAL BUSINESS

6. Ratification of Remuneration to 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 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force, the remuneration payable to M/s Y. R. Doshi & Associates, Cost Accountants, having Firm Registration Number 000286, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending on March 31, 2023 amounting to ₹ 3,00,000 (Rupees Three lakhs only) plus Goods and Service Tax as applicable and reimbursement of actual out of pocket expenses, be and is hereby ratified.”

7. Appointment of Mr. Nikhil Kamat as a Director of the Company.

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

“RESOLVED THAT Mr. Nikhil Kamat (DIN: 00107233), who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 27, 2022 pursuant to Section 161(1) of the Companies Act, 2013 (the “Act”) and Rules made thereunder, read with the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

8. Appointment of Mr. Nikhil Kamat as a Whole Time 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 the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) [including any statutory modification(s) / amendment(s) / re-enactment(s) thereof for the time being in force], Articles of Association of the Company, on the basis of recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, Mr. Nikhil Kamat (DIN: 00107233) be and is hereby appointed as a Whole Time Director of the Company, liable to retire by rotation, for a period of five (5) years with effect from June 27, 2022 on the terms and conditions including the remuneration as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said appointment and remuneration in such manner as may be agreed to between the Board and Mr. Nikhil Kamat.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the five (5) years tenure as a Whole Time Director, the remuneration as set out in the Explanatory Statement annexed to this Notice, be paid or granted to him as the minimum remuneration subject to the applicable provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such things including execution of agreements and take all such steps as may be considered necessary, expedient, usual or proper to give full effect to the above resolution.

9. Re-Appointment of Mr. Mukesh Shah as a Managing 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 the provisions of

Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(‘Listing Regulations’) [including any statutory modification(s) / amendment(s) / re-enactment(s) thereof for the time being in force], Articles of Association of the Company, on the basis of recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, the consent of the Members be and is hereby accorded to the re-appointment of Mr. Mukesh Shah (DIN: 00106799) as the Managing Director of the Company, designated as a Chairman and Managing Director, for a period of five (5) years with effect from November 6, 2022 on the terms and conditions including the remuneration as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said appointment and remuneration in such manner as may be agreed to between the Board and Mr. Mukesh Shah.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the five (5) years tenure as a Managing Director, the remuneration as set out in the Explanatory Statement annexed to this Notice, be paid or granted to him as the minimum remuneration subject to the applicable provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deed, matters, things and take all such steps as may be considered necessary, expedient, usual or proper to give full effect to the above resolution.”

10. Re-appointment of Mr. Jayen Shah as a Whole Time Director and Chief Executive Officer 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 the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act, SEBI (Listing Obligations and Disclosure

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Requirements) Regulations, 2015 ('Listing Regulations') [including any statutory modification(s) / amendment(s) / re-enactment(s) thereof for the time being in force], Articles of Association of the Company, on the basis of recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, the consent of the Members be and is hereby accorded to the re-appointment of Mr. Jayen Shah (DIN: 00106919) as a Whole Time Director and Chief Executive Officer of the Company, liable to retire by rotation, for a period of five (5) years with effect from November 6, 2022 on the terms and conditions including the remuneration as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said appointment and remuneration in such manner as may be agreed to between the Board and Mr. Jayen Shah.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the five (5) years tenure as a Whole Time Director and Chief Executive Officer, the remuneration as set out in the Explanatory Statement annexed to this Notice, be paid or granted to him as the minimum remuneration subject to the applicable provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such things including execution of agreements and take all such steps as may be considered necessary, expedient, usual or proper to give full effect to the above resolution."

11. Re-appointment of Mr. Tushar Shah as a Whole Time Director and Chief Financial Officer 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 the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') [including any statutory modification(s) / amendment(s) / re-enactment(s) thereof for the time being in force], Articles of Association of the Company, on the basis

of recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, the consent of the Members be and is hereby accorded to the re-appointment of Mr. Tushar Shah (DIN: 00107144) as a Whole Time Director and Chief Financial Officer of the Company, liable to retire by rotation, for a period of five (5) years with effect from November 6, 2022 on the terms and conditions including the remuneration as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said appointment and remuneration in such manner as may be agreed to between the Board and Mr. Tushar Shah.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the five (5) years tenure as a Whole Time Director and Chief Financial Officer, the remuneration as set out in the Explanatory Statement annexed to this Notice, be paid or granted to him as the minimum remuneration subject to the applicable provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such things including execution of agreements and take all such steps as may be considered necessary, expedient, usual or proper to give full effect to the above resolution."

12. Re-appointment of Mr. Bimal Shah as a Whole Time 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 the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') [including any statutory modification(s) / amendment(s) / re-enactment(s) thereof for the time being in force], Articles of Association of the Company, on the basis of recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, the consent of the Members be and is hereby accorded to the re-appointment of Mr. Bimal Shah (DIN: 03424880)

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

as a Whole Time Director of the Company, liable to retire by rotation, for a period of five (5) years with effect from November 6, 2022 on the terms and conditions including the remuneration as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said appointment and remuneration in such manner as may be agreed to between the Board and Mr. Bimal Shah.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the five (5) years tenure as a Whole Time Director, the remuneration as set out in the Explanatory Statement annexed to this Notice, be paid or granted to him as the minimum remuneration subject to the applicable provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such things including execution of agreements and take all such steps as may be considered necessary, expedient, usual or proper to give full effect to the above resolution."

13. Re-appointment of Mr. Prakash Apte as an Independent Non-Executive 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 the provisions of section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder read with Schedule IV to the Act, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") as amended, Articles of Association of the Company, on the basis of recommendation of Nomination & Remuneration Committee and Board of Directors of the Company ('the Board'), Mr. Prakash Apte (DIN: 00196106), being eligible for re-appointment as an Independent Non-Executive Director and who has submitted a declaration that he meets the criteria of independence as provided in the Act and Rules framed thereunder and the Listing Regulations, be and is hereby re-appointed as an Independent Non-Executive Director on the Board of the Company, not liable to retire by rotation for the second term of five (5) consecutive years commencing from November 13, 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such things including execution of agreements and take all such steps as may be considered necessary, desirable and expedient for giving effect to this Resolution."

14. Re-appointment of Mr. Thiruvengadam Parthasarathi as an Independent Non-Executive 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 the provisions of section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder read with Schedule IV to the Act, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") as amended, Articles of Association of the Company, on the basis of recommendation of Nomination & Remuneration Committee and Board of Directors of the Company ('the Board'), Mr. Thiruvengadam Parthasarathi (DIN: 00016375), being eligible for re-appointment as an Independent Non-Executive Director and who has submitted a declaration that he meets the criteria of independence as provided in the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, be and is hereby re-appointed as an Independent Non-Executive Director on the Board of the Company, not liable to retire by rotation for the second term of five (5) consecutive years commencing from November 13, 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such things including execution of agreements and take all such steps as may be considered necessary, desirable and expedient for giving effect to this Resolution."

15. Re-appointment of Mr. Mahesh Sarda as an Independent Non-Executive 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 the provisions of section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder read with Schedule IV to the Act, and the

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) as amended, Articles of Association of the Company, on the basis of recommendation of Nomination & Remuneration Committee and Board of Directors of the Company (‘the Board’), Mr. Mahesh Sarda (DIN: 00023776), being eligible for re-appointment as an Independent Non-Executive Director and who has submitted a declaration that he meets the criteria of independence as provided in the Act and Rules framed thereunder and the Listing Regulations, be and is hereby re-appointed as an Independent Non-Executive Director on the Board of the Company, not liable to retire by rotation for the second term of five (5) consecutive years commencing from November 13, 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such things including execution of agreements and take all such steps as may be considered necessary, desirable and expedient for giving effect to this Resolution.”

16. Re-appointment of Ms. Pratima Umarji as an Independent Non-Executive 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 the provisions of section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with Schedule IV to the Act, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) as amended, Articles of Association of the Company, on the basis of recommendation of Nomination & Remuneration Committee and Board of Directors of the Company (‘the Board’), Ms. Pratima Umarji (DIN: 05294496), being eligible for re-appointment as an Independent Non-Executive Director and who has submitted a declaration that she meets the criteria of independence as provided in the Act and Rules framed thereunder and the Listing Regulations, be and is hereby re-appointed as an Independent Non-Executive Director on the Board of the Company, not liable to retire by rotation for the second term of five (5) consecutive years commencing from November 13, 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such things including execution

of agreements and take all such steps as may be considered necessary, desirable and expedient for giving effect to this Resolution.”

17. Re-appointment of Mr. Kaushik Shah as an Independent Non-Executive 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 the provisions of section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with Schedule IV to the Act, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) as amended, Articles of Association of the Company, on the basis of recommendation of Nomination & Remuneration Committee and Board of Directors of the Company (‘the Board’), Mr. Kaushik Shah (DIN: 00124756), being eligible for re-appointment as an Independent Non-Executive Director and who has submitted a declaration that he meets the criteria of independence as provided in the Act and Rules framed thereunder and the Listing Regulations, be and is hereby re-appointed as an Independent Non-Executive Director on the Board of the Company, not liable to retire by rotation for the second term of five (5) consecutive years commencing from January 24, 2023.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such things including execution of agreements and take all such steps as may be considered necessary, desirable and expedient for giving effect to this Resolution.”

18. Commission to Non-Executive Directors of the Company (other than Managing Director and Whole Time Directors).

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

“RESOLVED THAT in supersession of the resolution passed by the members in the Nineteenth Annual General Meeting held on August 24, 2021, pursuant to the provisions of Section 197, 198 and all other applicable provisions of the Companies Act, 2013 (“the Act”), read with Schedule V to the Act, the Companies (Appointment and Remuneration of

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Managerial Personnel) Rules, 2014, Regulation 17 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof), so long as the Company has a Managing Director or Whole-time Director or Manager, the Company do pay to its Directors (other than the Managing Director and Whole-time Director), a commission not exceeding 1% of the net profits of the Company in any financial year, commencing from April 1, 2021, computed in the manner laid down in Section 198 of the Act, such commission being divisible among the Directors (other than the Managing Director and Whole-time Director) in such proportion as the Board of Directors may from time to time determine PROVIDED HOWEVER THAT the aggregate amount of commission being paid to such Directors (other than the Managing Director and Whole-time Director) shall not exceed ₹ 1 Crore (Rupees One Crore Only) during any financial year.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and

things as may be deemed necessary and settle any/ or all questions/ matters arising with respect to the above matter and take such further steps, as may be considered desirable or expedient by the Board for the purpose of giving effect to this Resolution.

By Order of the Board of Directors

Pooja Lohor

Company Secretary

Date: June 27, 2022

Place: Mumbai

Registered Office:

FINE ORGANIC INDUSTRIES LIMITED

CIN: L24119MH2002PLC136003

Fine House, Anandji Street,

Off M.G.Road, Ghatkopar East,

Mumbai - 400 077, Maharashtra, India

Tel: +91-22-21025000, Fax: +91-22-21026666

E-mail: investors@fineorganics.com

Website: www.fineorganics.com

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General circulars dated May 5, 2022, January 13, 2021, May 5, 2020, April 13, 2020 and April 8, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM without physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its Circulars dated May 13, 2022, January 15, 2021 and May 12, 2020 ('SEBI Circulars') has also granted relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permitted the holding of AGM through VC/OAVM without physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and the MCA Circulars, the 20th AGM of the Company is being held through VC/OAVM.
2. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars read with Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy by the Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In accordance with the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc. authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote either through remote e-voting or during AGM together with attested specimen signature(s) of the duly authorised representative(s). The said Resolution / Authorisation shall be sent electronically through registered email address to the Scrutiniser at co.secretaries@gmail.com with a copy marked to evoting@kfintech.com.
5. Participation of Members through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
6. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 to 18 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
7. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.fineorganics.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Limited (KFintech) at <https://evoting.kfintech.com>.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 17, 2022 to Tuesday, August 23, 2022 (both days inclusive) for the purpose of determining the members who shall be entitled to receive the dividend for the financial year 2021-22. The final dividend for the financial year 2021-22, if declared at the AGM, will be paid on and from 6th day from the conclusion of AGM to those members, whose names appear in the Register of Members and Register of Beneficial Owners maintained by NSDL and CDSL as at the close of business hours on Tuesday, August 16, 2022.
9. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

numbers, PAN etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company records which will help the Company and the Company's Registrars and Transfer Agents, KFintech to provide efficient and better services.

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 has made it mandatory for shareholders holding shares in physical form to furnish PAN, KYC (i.e., postal address with pin code, email address, mobile number, bank account details, specimen signature, Demat account details) and their nominee details to the KFintech. Further details and relevant forms to update the abovementioned are available on the Company's website at <https://www.fineorganics.com/investor-relations/shareholder-information/kyc-and-nomination-updation-forms>.

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the weblink at <https://www.fineorganics.com/investor-relations/shareholder-information/kyc-and-nomination-updation-forms>.

10. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 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, members are requested to hold the shares in dematerialised form.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their Depository Participant (DP) in case the shares are held

in electronic form and to KFintech in case the shares are held in physical form.

12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.
13. In line with the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA, in case the Company is unable to pay the dividend to any Member directly in their bank account through the electronic mode, due to non-availability of their latest bank account details, the Company shall dispatch the dividend warrant/demand draft to such Members.
14. Pursuant to Section 101 and Section 136 of the Act read with the relevant Rules made thereunder, to support the 'Green Initiative' announced by the Government of India; read with applicable circulars, the Company is sending the Annual Report, Notice of the AGM and e-voting instructions only in electronic form to the registered email addresses of the Members. Therefore, those Members who have not yet registered their email addresses or who have become Members post sending this Notice of AGM are requested to get their email addresses registered by following the procedure given below:
 - i. Those Members who have not registered their email address, mobile numbers, address and bank details (including any changes thereof) may please contact and validate/update their details with their respective Depository Participant(s) for shares held in electronic form.
 - ii. Members who have not registered their email address as a consequence of which the Annual Report, Notice of AGM and e-voting instructions could not be serviced, may temporarily get their email address and mobile number updated with the Company's RTA, by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided in the abovementioned link to capture the email address and mobile number for sending the soft copy of the Notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to einward.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

ris@kfintech.com. Members may however note that this is a temporary registration and the Company urges all Members to get their email address and mobile number registered with their respective Depository Participant(s).

- iii. Alternatively, a Member may send an email request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy for electronic folios for sending the Annual report, Notice of AGM and the e-voting instructions by email.
 - iv. Members only desiring to download the Annual Report and Notice of the AGM, may visit the website of the Company www.fineorganics.com or the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com respectively, or the website of the RTA viz. <https://evoting.kfintech.com/> for the same.
15. 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). However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during 2022-23 does not exceed ₹ 5,000. The withholding tax rate (TDS rate) would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company.

A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to investors@fineorganics.com latest by 11:59 p.m. (IST) on August 16, 2022.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

In respect of resident shareholders, the TDS rate is subject to section 206AB of the Income-tax Act (effective from July 1, 2021) which specifies higher rate of TDS for specified persons who have not furnished their PAN / Not filed ITR for preceding two years. In such cases tax has to be deducted at higher of the following rates in case of payments to the specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

In cases where Sections 206AA and 206AB are applicable i.e. the shareholder has not submitted the PAN as well as not filed the return; tax will be deducted at higher of the two rates prescribed in these sections.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investors@fineorganics.com. The aforesaid declarations and documents need to be submitted by the shareholders latest by 11:59 p.m. (IST) on August 16, 2022.

16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to investors@fineorganics.com.

17. Voting through electronic means

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with, Rule 20 of Companies (Management and Administration) Rules, 2014 (amended from time to time) and sub-regulation (1) & (2) of Regulation 44 of Listing Regulations, the Company is pleased to provide Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 20th AGM by electronic means and has engaged the services of KFintech to provide the facility

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') as well as e-voting at the AGM through VC/OAVM ('e-voting at the AGM').

Remote E-voting: The remote e-voting period commences on Friday, August 19, 2022 from 9.00 a.m. and ends on Monday, August 22, 2022 at 5.00 p.m. During this period, the Members of the Company holding shares in physical form or in dematerialised form, as on the cut-off date, being Tuesday, August 16, 2022, may cast their vote by electronic means in the manner and process set out herein below. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

The instructions and other information relating to remote e-voting are as under:

I. Login method for e-Voting: Applicable only for Individual shareholders holding securities in Demat

As per the 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 their respective Depositories and Depository Participants as detailed below. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Option 1 – Login through Depositories

NSDL	CDSL
<p>Members who have already registered and opted for IDEAS facility to follow below steps: Go to URL: https://eservices.nsd.com Click on the "Beneficial Owner" icon under 'IDEAS' section. On the new page, enter the existing User ID and Password. Post successful authentication, click on "Access to e-Voting" Click on the Company name or e-Voting service provider and you will be re-directed to e-Voting service provider website (i.e. KFintech) for casting the vote during the remote e-Voting period.</p>	<p>Members who have already registered and opted for Easi / Easiest to follow below steps: Go to URL: https://web.cdslindia.com/myeasi/home/login; or URL: www.cdslindia.com and then go to Login and select New System Myeasi. Login with user id and password. The option will be made available to reach e-Voting page without any further authentication. Click on Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.</p>
<p>User not registered for IDEAS e-Services To register click on link: https://eservices.nsd.com (Select "Register Online for IDEAS"); or https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow the steps mentioned in Point no. 1 above.</p>	<p>User not registered for Easi/Easiest Option to register is available at: https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. Follow the steps mentioned in Point no. 1 above.</p>
<p>First-time users can visit the e-Voting website directly and follow the process below: Go to URL: https://www.evoting.nsd.com/ Click on the icon "Login" which is available under 'Shareholder/Member' section. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website (i.e. KFintech) for casting your vote during the remote e-Voting period.</p>	<p>First-time users can visit the e-Voting website directly and follow the process below: Go to URL: www.cdslindia.com Click on the icon "E-Voting" Provide demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress. Click on the Company name and you will be redirected to e-Voting service provider website (i.e. KFintech) for casting your vote during the remote e-Voting period.</p>

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Option 2 - Login through Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website of KFintech for casting your vote during the remote e-Voting period.

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the abovementioned website. For any technical issues, Members may contact as below:

NSDL	CDSL
NSDL helpdesk by email to: evoting@nsdl.co.in or call at toll-free no.: 1800 1020 990 or 1800 22 44 30	CDSL helpdesk by email to: helpdesk.evoting@cdslindia.com or call at 022-23058738, 23058542-43

II. Login method for e-Voting: Applicable only for Members holding shares in physical form and for Non-Individual Members (holding shares either in physical or demat):

- A. Members whose email IDs are registered with the Company / Depository Participant(s):
- Launch internet browser by typing the URL: <https://evoting.kfintech.com/>.
 - Members whose email IDs are registered with the Company/ Depository Participants will receive an email from KFintech which will include details of E-Voting Event Number (EVEN) i.e., 6750, USER ID and password. Members are requested to use these credentials at the Remote Voting Login at the abovementioned URL.
 - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 6750 followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.
 - After entering these details appropriately, click on "LOGIN".
 - You will now reach password change menu wherein you are required to mandatorily change your password. The

new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc). The system will prompt you to change your password and update your contact details like mobile number, email ID etc., on first login. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- You need to login again with the new credentials.
 - On successful login, the system will prompt you to select the "EVENT" i.e., Fine Organic Industries Limited – 6750.
 - On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST", it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
 - Voting has to be done for each resolution of the 20th AGM Notice separately. In case you do not desire to cast your vote on any specific resolution it will be treated as abstained.
 - You may then cast your vote by selecting an appropriate option and click on "Submit".
 - A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they confirm the voting on all the resolutions by clicking "SUBMIT".
- B. Members who have not registered their e-mail address**
- Please register your email address as mentioned in para 14 of the "Notes" and obtain the User ID and Password.
 - Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

- I. Voting at the AGM: Those Members who are present in the Meeting through VC / OAVM and have not cast their vote on resolutions through remote e-voting, can vote through e-voting at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.
- II. A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

Other Instructions:

- a. Members holding shares either in physical form or in dematerialised form, as on the close of business hours on Tuesday, August 16, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Any person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- b. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date, i.e. Tuesday, August 16, 2022 may obtain the login ID and password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to +91 9212993399
 1. Example for NSDL:
MYEPWD <SPACE> IN12345612345678
 2. Example for CDSL:
MYEPWD <SPACE> 1402345612345678
 3. Example for Physical:
MYEPWD <SPACE> XXXX1234567890
(XXXX being E-Voting Event Number)
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. In case of any queries, you may refer Help & FAQ section of <https://evoting.kfintech.com> or call KFinTech on Toll-Free No. 1-800-309-4001.
- iv. Member may send an e-mail request to einward.ris@kfintech.com. However, KFinTech shall endeavour to send User ID and Password to those new Members whose e-mail IDs are available.
- c. The Board of Directors has appointed M/s. K S & Associates, Practicing Company Secretaries (C. P. No.5163) as a Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- d. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon 3 unsuccessful attempts. In such an event, you will need to go through the ‘Forgot User Details/Password?’ or ‘Physical User Reset Password?’ option available on <https://evoting.kfintech.com> to reset the password.
- e. In case of any query pertaining to e-voting, please visit Help & FAQ’s section and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFinTech website) or contact Mr. Umesh Pandey from KFinTech at evoting@kfintech.com or call KFinTech’s toll free number 1-800-309-4001 for any further clarifications.
- f. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- g. The Results declared along with the Scrutiniser’s Report(s) will be available on the website of the Company (www.fineorganics.com) and on e-voting at <https://evoting.kfintech.com> and will be communicated to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

18. Instructions for Members attending the AGM through VC/OAVM and E-voting at the AGM

- a. Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com/> by clicking on the tab 'video conference' and using their e-voting login credentials provided in the email received from the Company / KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the Members who have not registered their e-mail address or do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice.
- b. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such scheduled time.
- c. The e-Voting window shall be activated upon instructions of the Chairman during the AGM proceedings. Upon the declaration by the Chairperson about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page. Members would need to click on the "Instapoll" icon and follow the instructions to vote on the resolutions. Only those shareholders, who are present in the AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.
- d. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Microsoft Edge, Mozilla Firefox.
- e. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- f. Post your Question: Members who may want to express their views or post questions with regard to the accounts or any matter to be placed at the AGM, may do so by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the email received from Kfintech. On successful login select "Post Your Question" option to post their queries in the window provided. The window shall remain active from Friday, August 19, 2022 at 9.00 a.m. up to Monday, August 22, 2022 at 11.00 a.m.

Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date i.e. Tuesday, August 16, 2022.
- g. A video guide assisting the members attending AGM is available for quick reference at URL:

<https://cruat04.kfintech.com/emeetings/video/howitworks.aspx>
- h. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

Summarised information at glance:

Particulars	Details
Time and Date of AGM	Tuesday, August 23, 2022 at 11.00 a.m. (IST)
Venue/Mode	Through video conference at below link: https://emeetings.kfintech.com/
Book closure dates	Wednesday, August 17, 2022 to Tuesday, August 23, 2022 (both days inclusive)
Record date for payment of final dividend	Tuesday, August 16, 2022
Final dividend recommended for FY'22	₹ 9 per equity share
Cut-off date for e-voting	Tuesday, August 16, 2022
E-voting Start time and date	Friday, August 19, 2022 at 9.00 a.m.
E-voting end time and date	Monday, August 22, 2022 at 5.00 p.m.
E-voting website links (Please use as applicable to you)	https://emeetings.kfintech.com/ https://evoting.kfintech.com https://eservices.nsdl.com https://web.cdslindia.com/myeasi/home/login

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Particulars	Details
Weblink for temporary registration to receive AGM notice and credentials for e-voting / AGM	https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx
E-voting Event Number (EVEN)	6750
Contact details of RTA	KFin Technologies Limited Selenium, Tower B, Plot No - 31 and 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi, Telangana - 500032, India Email ids einward.ris@kfintech.com Website: https://www.kfintech.com Toll free number 1-800-309-4001.

By Order of the Board of Directors

Pooja Lohor

Company Secretary

Date: June 27, 2022

Place: Mumbai

Registered Office:

FINE ORGANIC INDUSTRIES LIMITED

CIN: L24119MH2002PLC136003

Fine House, Anandji Street,

Off M.G.Road, Ghatkopar East,

Mumbai - 400 077, Maharashtra, India

Tel: +91-22-21025000, Fax: +91-22-21026666

E-mail: investors@fineorganics.com

Website: www.fineorganics.com

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

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

Item No. 5

M/s. B Y & Associates, Chartered Accountants, Mumbai (Firm Registration No. 123423W) were appointed as Statutory Auditors of the Company for a term of five (5) years from the conclusion of 15th Annual General Meeting till the conclusion of 20th Annual General Meeting.

After evaluating and considering various factors such as competency of the audit team, efficiency in conduct of audit, independence, etc. and based on the recommendations of the Audit Committee and the Board of Directors of the Company at its meeting held on May 27, 2022, it is proposed to re-appoint M/s. B Y & Associates, Chartered Accountants, having Firm Registration No. 123423W, as the Statutory Auditors of the Company for the second term of three (3) consecutive years, who shall hold office from the conclusion of this 20th AGM till the conclusion of the 23rd AGM of the Company. The Board of Directors has approved a remuneration of ₹ 31 lakhs for conducting the statutory audit for the financial year 2022-23, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The remuneration proposed to be paid to the Statutory Auditors during their second term would be in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

M/s. B Y & Associates, Chartered Accountants (the Firm) is registered with ICAI and has Firm Registration No. 123423W. The Firm provides auditing and assurance services to various clients in diverse sectors and holds the 'Peer Review' certificate issued by ICAI. M/s. B Y & Associates have given their consent for their re-appointment as Statutory Auditors of the Company and have issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. B Y & Associates have confirmed that they are eligible for the proposed re-appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned,

financially or otherwise, in the resolution mentioned at Item No. 5.

The Board of Directors recommend the Ordinary resolution as set out in Item No. 5 of the Notice for approval of the Members.

Item No.6

Pursuant to the provisions of Section 148 of the Act, the Company is required to conduct the audit of its cost records by a Cost Accountant in Practice. Upon the recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment and remuneration of M/s. Y. R. Doshi & Associates, Cost Accountants as the Cost Auditors of the Company to conduct audit of cost records of the Company for the financial year 2022-23, at a remuneration of ₹ 3,00,000 (Rupees Three lakhs only) plus Goods and Service Tax as applicable and reimbursement of actual out-of-pocket expenses incurred.

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2022-23.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the Resolution mentioned at Item No. 6 of the Notice.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 6 of the Notice for the approval of the Members.

Item Nos. 7 and 8

Mr. Prakash Kamat, the Executive Chairman of the Company passed away on June 17, 2022. Late. Mr. Prakash Kamat was actively involved with the operations of the Company. In order to fill the vacancy in the Board caused due to aforesaid reason, the Nomination and Remuneration Committee at their meeting held on June 27, 2022 recommended the candidature of Mr. Nikhil Dattatraya Kamat, Senior Vice President - Operations of the Company for appointment as a Whole-time Director on the Board of the Company.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Mr. Nikhil Kamat (DIN: 00107233) was appointed as an Additional Director with effect from June 27, 2022 till the ensuing AGM by the Board of Directors at its meeting held on June 27, 2022. The Board of Directors in the same meeting approved the appointment of Mr. Nikhil Kamat as the Whole Time Director of the Company with effect from June 27, 2022 for a period of five (5) years, subject to the approval of members of the Company.

The brief profile of Mr. Nikhil Kamat is as follows:

Mr. Nikhil Kamat, aged 59 years, holds a degree of Master of Science in Biochemistry (Food Technology) from University of Mumbai (ICT). He has been associated with the Fine Organics Group since the year 1987. He has a work experience in operations, production planning, handling technical, environmental and regulatory tasks. He has played a crucial role in setting up the plants across the organisation. He oversees and monitors the working of all the plants across the organisation. He was earlier designated as a Senior Vice President – Operations of Fine Organic Industries Limited and with effect from June 27, 2022, he has been appointed as an Executive Director by the Board of Directors of the Company.

Mr. Nikhil Kamat has given a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad. Mr. Nikhil Kamat fulfils the conditions for eligibility contained in Part I of Schedule V to the Companies Act, 2013.

The expertise, experience and knowledge of Mr. Nikhil Kamat would be of immense benefit to the Company.

The approval of the Members is sought for Mr. Nikhil Kamat's appointment as Whole Time Director of the Company on the terms and conditions as under:

1. Term: For a period of five (5) years with effect from June 27, 2022.
2. Designation: Whole Time Director
3. Duties: Mr. Nikhil Kamat to discharge such functions, exercise such powers and perform and discharge such duties and responsibilities as the Board of Directors ("the Board") of the Company shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, Mr. Nikhil Kamat shall manage and conduct the business and affairs of the Company.
4. Remuneration:
Salary of ₹ 10,00,000 (Rupees Ten Lakh only) per month or such higher salary as may be decided by the Board and/or Nomination and Remuneration Committee of the Board in the range of ₹ 10,00,000 to ₹ 30,00,000 per month during the tenure of five (5) years as the Whole Time Director.
5. Performance linked incentive, as may be determined by the Nomination and Remuneration Committee, from time to time, not exceeding ₹ 50,00,000 per annum.
6. Commission, as may be determined, from time to time, upto 1% of the Profits before tax of the Company subject to the overall ceiling laid down under sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder.
7. Benefits, Perquisites, Allowances: In addition to the basic salary referred above, Mr. Nikhil Kamat shall be entitled to:
 - (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation;
 - (ii) Reimbursement of all medical expenses incurred for self and family as per Company's rules. In addition, hospitalisation expenses incurred in India or abroad for self and family will be paid on actual basis as per the Company's rules;
 - (iii) Personal accident insurance coverage as per Company's Rules;
 - (iv) Leave travel allowance for self and family, once in a year incurred in accordance with the Company's rules;
 - (v) Fees of clubs, subject to maximum of two (2) clubs. This will not include admission and life membership fees;
 - (vi) Reimbursement of actual entertainment expenses incurred in or about the business of the Company within India or abroad;
 - (vii) Use of Company maintained cars with drivers for business and personal use;
 - (viii) Use of communication devices for business and personal use;

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

- (ix) Contributions to provident fund, superannuation or annuity fund and any other retirement benefits;
 - (x) Encashment of leave at the end of his tenure as per policy of the Company.
8. Valuation of perquisites: Perquisites shall be valued as per the Income Tax Rules, wherever applicable, and in the absence of any such rules, it shall be valued at actual cost.
9. Computation of ceiling: The contribution to provident fund, gratuity and encashment of leave shall not be included in the computation of perquisites for the purposes of ceiling to the extent these are not taxable under the Income-tax Act, 1961.
10. Overall Remuneration:
The aggregate of salary and perquisites as specified above or paid additionally to the Whole Time Director in accordance with the rules, which the Board may in its absolute discretion pay to the Whole Time Director from time to time, shall be in compliance with the provisions of Section 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013, (including any statutory modification(s) / amendment(s) / re-enactment(s) thereof, for the time being in force).
11. Minimum Remuneration:
Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of Mr. Nikhil Kamat as a Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites, Allowances and Commission in compliance with applicable provisions of the Act and Schedule V thereto, as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.
12. Mr. Nikhil Kamat to comply with the Company's Code of Conduct for Directors & Senior Management Personnel, Code for Prevention of Insider Trading, as amended from time to time.
13. Termination of employment: (i) The Company to be entitled to terminate the employment of Mr. Nikhil Kamat as Whole Time Director by giving notice in writing upon the happening of any of the following: (a) committing a breach of any of the terms, provisions or covenants of his appointment; (b) wilful violation of the Company's

Code of Conduct; (c) conviction for an offence involving moral turpitude; (d) any gross or wilful negligence of his duties as Whole Time Director. In each of the above cases, any such termination shall only become effective upon receiving 30 (thirty) days' prior written notice from the Company. (ii) Either the Company or Mr. Nikhil Kamat may terminate the Agreement by giving not less than 3 (three) calendar months' prior notice in writing to the other without the necessity of showing any cause.

Mr. Nikhil Kamat shall be liable to retire by rotation and his re-appointment as such Director shall not be deemed to constitute a break in his appointment as a Whole Time Director during the tenure of the appointment.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the candidature of Mr. Nikhil Kamat (DIN: 00107233) as a Whole Time Director, to be appointed under the provisions of the Companies Act, 2013.

The additional details of Mr. Nikhil Kamat as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to this Notice.

The Board recommends passing of Ordinary Resolution set out at item no. 7 of the Notice and passing of Special Resolution set out at item no. 8 of the Notice. Mr. Nikhil Kamat, being an appointee and his relatives are deemed to be concerned or interested, financially or otherwise, in the resolution set out at item no. 7 and 8 of the Notice. Other than the above no other Director/ Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at item no.7 and 8 of the Notice.

Item No.9

In terms of the Companies Act, 2013 and Rules made thereunder, the appointment of Mr. Mukesh Shah (DIN: 00106799) as a Managing Director of the Company for a period of five (5) consecutive years with effect from November 6, 2017 was approved by the members of the Company in the Extra Ordinary General Meeting held on November 6, 2017.

Based on the recommendation of the Nomination and Remuneration Committee and performance evaluation of Mr. Mukesh Shah, the Board of Directors of the Company,

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

at its meeting held on May 27, 2022 unanimously approved the re-appointment of Mr. Mukesh Shah (DIN: 00106799) as Managing Director of the Company for a period of five (5) years, with effect from November 6, 2022 subject to the approval of the members of the Company. The terms and conditions governing his appointment including remuneration were also approved.

Late. Mr. Prakash Kamat was a Chairman and Whole Time Director of the Company and with his demise, the Company was required to designate one of the existing Directors as the Chairman of the Board. Hence, the Board of Directors at its meeting held on June 27, 2022 appointed Mr. Mukesh Shah as the Chairman of the Board of Directors of the Company.

Further, Mr. Mukesh Shah has given a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad. Mr. Mukesh Shah fulfils the conditions for eligibility contained in Part I of Schedule V to the Companies Act, 2013.

Mr. Mukesh Shah, aged 66 years, holds a Bachelor's Degree in Science from the University of Mumbai. He joined the Fine Organics in 1973 and has been associated with the Company since inception. He has played a key role in establishing quality control and Global sales and Marketing. He holds an expertise in Oleochemical based additives. He formed and guided a team of sales and marketing professionals that helped the organisation's products reach customers across India and find applications beyond the food industry.

Considering the knowledge, expertise and experience of Mr. Mukesh Shah, his continued association with the Company would be of immense benefit to the Company. Therefore, the approval of the Members is sought for Mr. Mukesh Shah's re-appointment as a Managing Director of the Company on the terms and conditions as under:

1. Term: For a period of five (5) years with effect from November 6, 2022. He shall not be liable to retire by rotation.
2. Designation: Chairman and Managing Director
3. Duties: Mr. Mukesh Shah to discharge such functions, exercise such powers and perform and discharge such duties and responsibilities as the Board of Directors ("the Board") of the Company shall from time to time

in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, Mr. Mukesh Shah shall manage and conduct the business and affairs of the Company.

4. Remuneration:

Salary of ₹ 30,00,000 (Rupees Thirty lakhs only) per month or such higher salary as may be decided by the Board and/or Nomination and Remuneration Committee of the Board in the range of ₹30,00,000 to ₹ 50,00,000 per month during the tenure of five (5) years as the Managing Director.

5. Performance linked incentive, as may be determined by the Nomination and Remuneration Committee, from time to time, not exceeding ₹ 50,00,000 per annum.

6. Commission, as may be determined, from time to time upto 1% of the profits before tax of the Company subject to the overall ceiling laid down under sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

7. Benefits, Perquisites, Allowances: In addition to the basic salary referred above, Mr. Mukesh Shah shall be entitled to:

- (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.
- (ii) Reimbursement of all medical expenses incurred for self and family as per Company's rules. In addition, hospitalisation expenses incurred in India or abroad for self and family will be paid on actual basis as per the Company's rules.
- (iii) Personal accident insurance coverage as per Company's Rules.
- (iv) Leave travel allowance for self and family, once in a year incurred in accordance with the Company's rules.
- (v) Fees of clubs, subject to maximum of two (2) clubs. This will not include admission and life membership fees.
- (vi) Reimbursement of actual entertainment expenses incurred in or about the business of the Company within India or abroad.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

- (vii) Use of Company maintained cars with drivers for business and personal use.
 - (viii) Use of communication devices for business and personal use.
 - (ix) Contributions to provident fund, superannuation or annuity fund and any other retirement benefits.
 - (x) Encashment of leave at the end of his tenure as per policy of the Company.
8. Valuation of perquisites: Perquisites shall be valued as per the Income Tax Rules, wherever applicable, and in the absence of any such rules, it shall be valued at actual cost.
9. Computation of ceiling: The contribution to provident fund, gratuity and encashment of leave shall not be included in the computation of perquisites for the purposes of ceiling to the extent these are not taxable under the Income-tax Act, 1961.
10. Overall remuneration:
The aggregate of salary and perquisites as specified above or paid additionally to the Managing Director in accordance with the rules, which the Board may in its absolute discretion pay to the Managing Director from time to time, shall be in compliance with the provisions of Section 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013, (including any statutory modification(s) / amendment(s) / re-enactment(s) thereof, for the time being in force).
11. Minimum Remuneration:
Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of Mr. Mukesh Shah as a Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites, Allowances and Commission in compliance with applicable provisions of the Act and Schedule V thereto, as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.
12. Mr. Mukesh Shah to comply with the Company's Code of Conduct for Directors & Senior Management Personnel, Code for Prevention of Insider Trading, as amended from time to time.

13. Termination of employment: (i) The Company to be entitled to terminate the employment of Mr. Mukesh Shah as a Managing Director by giving notice in writing upon the happening of any of the following: (a) committing a breach of any of the terms, provisions or covenants of his appointment; (b) wilful violation of the Company's Code of Conduct; (c) conviction for an offence involving moral turpitude; (d) any gross or wilful negligence of his duties as a Chairman and Managing Director. In each of the above cases, any such termination shall only become effective upon receiving 30 (thirty) days' prior written notice from the Company. (ii) Either the Company or Mr. Mukesh Shah may terminate the Agreement by giving not less than 3 (three) calendar months' prior notice in writing to the other without the necessity of showing any cause.

The additional details of Mr. Mukesh Shah as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to this Notice.

The Board recommends passing of the Special Resolution set out at item no. 9 of the Notice. Mr. Mukesh Shah, being an appointee and his relatives who also include Mr. Bimal Shah, Whole Time Director of the Company are deemed to be concerned or interested, financially or otherwise, in the resolution set out at item no. 9 of the Notice. Other than the above, no other Director/ Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at item no. 9 of the Notice.

Item No.10

In terms of the Companies Act, 2013 and Rules made thereunder, the appointment of Mr. Jayen Shah (DIN: 00106919) as Whole Time Director and Chief Executive Officer of the Company for a period of five (5) consecutive years with effect from November 6, 2017 was approved by the members of the Company in the Extra Ordinary General Meeting held on November 6, 2017.

Based on the recommendation of the Nomination and Remuneration Committee and performance evaluation of Mr. Jayen Shah, the Board of Directors of the Company, at its meeting held on May 27, 2022 unanimously approved the re-appointment of Mr. Jayen Shah (DIN: 00106919) as Whole Time Director and Chief Executive Officer of the Company for

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

a period of five (5) years, with effect from November 6, 2022 subject to the approval of the members of the Company. The terms and conditions governing his appointment including remuneration were also approved. Further, Mr. Jayen Shah has given a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad. Mr. Jayen Shah fulfils the conditions for eligibility contained in Part I of Schedule V to the Companies Act, 2013.

Mr. Jayen Shah, aged 58 years, holds a Master's degree in science (Oil Technologies) from the University of Mumbai (ICT). He joined the Fine Organics Group in 1986 and has been associated with the Company since inception. He was instrumental in creating a vendor-partner network needed to support the Company. He played a key role in developing and managing channel partners for the organisation's products in India. He has experience in procurement, vendor development and business development. He has received the distinguished alumnus award under the entrepreneurship category by UAA, ICT in May 2021.

Considering the knowledge, expertise and experience of Mr. Jayen Shah, his continued association with the Company would be of immense benefit to the Company. Therefore, the approval of the Members is sought for Mr. Jayen Shah's appointment as Whole Time Director and Chief Executive Officer of the Company on the terms and conditions as under:

1. Term: For a period of five (5) years with effect from November 6, 2022.
2. Designation: Whole Time Director and Chief Executive Officer
3. Duties: Mr. Jayen Shah to discharge such functions, exercise such powers and perform and discharge such duties and responsibilities as the Board of Directors ("the Board") of the Company shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, Mr. Jayen Shah shall manage and conduct the business and affairs of the Company.
4. Remuneration:
Salary of ₹ 30,00,000 (Rupees Thirty lakhs only) per month or such higher salary as may be decided by the Board and/or Nomination and Remuneration Committee of the Board in the range of ₹ 30,00,000 to ₹ 50,00,000 per month during the tenure of five (5) years as the Whole Time Director and Chief Executive Officer.
5. Performance linked incentive, as may be determined by the Nomination and Remuneration Committee, from time to time, not exceeding ₹ 50,00,000 per annum.
6. Commission, as may be determined, from time to time, upto 1% of the profits before tax of the Company subject to the overall ceiling laid down under sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder.
7. Benefits, Perquisites, Allowances: In addition to the basic salary referred above, Mr. Jayen Shah shall be entitled to:
 - (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.
 - (ii) Reimbursement of all medical expenses incurred for self and family as per Company's rules. In addition, hospitalisation expenses incurred in India or abroad for self and family will be paid on actual basis as per the Company's rules.
 - (iii) Personal accident insurance coverage as per Company's Rules.
 - (iv) Leave travel allowance for self and family, once in a year incurred in accordance with the Company's rules.
 - (v) Fees of clubs, subject to maximum of two (2) clubs. This will not include admission and life membership fees.
 - (vi) Reimbursement of actual entertainment expenses incurred in or about the business of the Company within India or abroad.
 - (vii) Use of Company maintained cars with drivers for business and personal use.
 - (viii) Use of communication devices for business and personal use.
 - (ix) Contributions to provident fund, superannuation or annuity fund and any other retirement benefits.
 - (x) Encashment of leave at the end of his tenure as per policy of the Company.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

8. Valuation of perquisites: Perquisites shall be valued as per the Income Tax Rules, wherever applicable, and in the absence of any such rules, it shall be valued at actual cost.
9. Computation of ceiling: The contribution to provident fund, gratuity and encashment of leave shall not be included in the computation of perquisites for the purposes of ceiling to the extent these are not taxable under the Income-tax Act, 1961.
10. Overall remuneration:

The aggregate of salary and perquisites as specified above or paid additionally to the Whole Time Director and Chief Executive Officer in accordance with the rules, which the Board may in its absolute discretion pay to Whole Time Director and Chief Executive Officer from time to time, shall be in compliance with the provisions of Section 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013, (including any statutory modification(s) / amendment(s) / re-enactment(s) thereof, for the time being in force).
11. Minimum remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of Mr. Jayen Shah as a Whole Time Director and Chief Executive Officer, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites, Allowances and Commission in compliance with applicable provisions of the Act and Schedule V thereto, as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.
12. Mr. Jayen Shah to comply with the Company's Code of Conduct for Directors & Senior Management Personnel, Code for Prevention of Insider Trading as amended from time to time.
13. Termination of employment: (i) The Company to be entitled to terminate the employment of Mr. Jayen Shah as Whole Time Director and Chief Executive Officer by giving notice in writing upon the happening of any of the following: (a) committing a breach of any of the terms, provisions or covenants of his appointment; (b) wilful violation of the Company's Code of Conduct; (c) conviction for an offence involving moral turpitude; (d) any gross or wilful negligence of his duties as Whole

Time Director and Chief Executive Officer. In each of the above cases, any such termination shall only become effective upon receiving 30 (thirty) days' prior written notice from the Company. (ii) Either the Company or Mr. Jayen Shah may terminate the Agreement by giving not less than 3 (three) calendar months' prior notice in writing to the other without the necessity of showing any cause.

Mr. Jayen Shah shall be liable to retire by rotation and his re-appointment as such Director shall not be deemed to constitute a break in his appointment as a Whole Time Director and Chief Executive Officer during the tenure of the appointment.

The additional details of Mr. Jayen Shah as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to this Notice.

The Board recommends passing of the Special Resolution set out at item no. 10 of the Notice. Mr. Jayen Shah, being an appointee and his relatives who also include Mr. Tushar Shah, Whole Time Director and Chief Financial Officer of the Company are deemed to be concerned or interested, financially or otherwise, in the resolution set out at item no. 10 of the Notice. Other than the above, no other Director/ Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at item no. 10 of the Notice.

Item No.11

In terms of the Companies Act, 2013 and Rules made thereunder, the appointment of Mr. Tushar Shah (DIN: 00107144) as Whole Time Director and Chief Financial Officer of the Company for a period of five (5) consecutive years with effect from November 6, 2017 was approved by the members of the Company in the Extra Ordinary General Meeting held on November 6, 2017.

Based on the recommendation of the Nomination and Remuneration Committee and performance evaluation of Mr. Tushar Shah, the Board of Directors of the Company, at its meeting held on May 27, 2022 unanimously approved the re-appointment of Mr. Tushar Shah (DIN: 00107144) as Whole Time Director and Chief Financial Officer of the Company for a period of five (5) years, with effect from November 6, 2022 subject to the approval of the members of the Company. The

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

terms and conditions governing his appointment including remuneration were also approved. Further, Mr. Tushar Shah has given a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad. Mr. Tushar Shah fulfils the conditions for eligibility contained in Part I of Schedule V to the Companies Act, 2013.

Mr. Tushar Shah, aged 54 years, has completed second year while pursuing for bachelors' in science from the University of Mumbai. He joined the Fine Organics Group in 1989 and has been associated with the Company since inception. He has led several change management initiatives like the introduction of enterprise resource planning, customer relationships management and financial systems that helped the Company to scale up its operations. He played a key role in the development of the Company's first automated additive manufacturing facility. He was instrumental in the setting up of offices in the USA and Europe.

Considering the knowledge, expertise and experience of Mr. Tushar Shah, his continued association with the Company would be of immense benefit to the Company. Therefore, the approval of the Members is sought for Mr. Tushar Shah's appointment as Whole Time Director and Chief Financial Officer of the Company on the terms and conditions as under:

1. Term: For a period of five (5) years with effect from November 6, 2022.
2. Designation: Whole Time Director and Chief Financial Officer
3. Duties: Mr. Tushar Shah to discharge such functions, exercise such powers and perform and discharge such duties and responsibilities as the Board of Directors ("the Board") of the Company shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, Mr. Tushar Shah shall manage and conduct the business and affairs of the Company.
4. Remuneration:

Salary of ₹ 30,00,000 (Rupees Thirty lakhs only) per month or such higher salary as may be decided by the Board and/or Nomination and Remuneration Committee of the Board in the range of ₹ 30,00,000 to ₹ 50,00,000

per month during the tenure of five (5) years as the Whole Time Director and Chief Financial Officer.
5. Performance linked incentive, as may be determined by the Nomination and Remuneration Committee, from time to time, not exceeding ₹ 50,00,000 per annum.
6. Commission, as may be determined, from time to time, upto 1% of the profits before tax of the Company subject to the overall ceiling laid down under sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder.
7. Benefits, Perquisites, Allowances: In addition to the basic salary referred above, Mr. Tushar Shah shall be entitled to:
 - (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.
 - (ii) Reimbursement of all medical expenses incurred for self and family as per Company's rules. In addition, hospitalisation expenses incurred in India or abroad for self and family will be paid on actual basis as per the Company's rules.
 - (iii) Personal accident insurance coverage as per Company's Rules.
 - (iv) Leave travel allowance for self and family, once in a year incurred in accordance with the Company's rules.
 - (v) Fees of clubs, subject to maximum of two (2) clubs. This will not include admission and life membership fees.
 - (vi) Reimbursement of actual entertainment expenses incurred in or about the business of the Company within India or abroad.
 - (vii) Use of Company maintained cars with drivers for business and personal use.
 - (viii) Use of communication devices for business and personal use.
 - (ix) Contributions to provident fund, superannuation or annuity fund and any other retirement benefits.
 - (x) Encashment of leave at the end of his tenure as per policy of the Company.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

8. Valuation of perquisites: Perquisites shall be valued as per the Income Tax Rules, wherever applicable, and in the absence of any such rules, it shall be valued at actual cost.
9. Computation of ceiling: The contribution to provident fund, gratuity and encashment of leave shall not be included in the computation of perquisites for the purposes of ceiling to the extent these are not taxable under the Income-tax Act, 1961.
10. Overall remuneration
The aggregate of salary and perquisites as specified above or paid additionally to the Whole Time Director and Chief Financial Officer in accordance with the rules, which the Board may in its absolute discretion pay to the Whole Time Director and Chief Financial Officer from time to time, shall be in compliance with the provisions of Section 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013, (including any statutory modification(s) / amendment(s) / re-enactment(s) thereof, for the time being in force).
11. Minimum Remuneration:
Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of Mr. Tushar Shah as a Whole Time Director and Chief Financial Officer, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites, Allowances and Commission in compliance with applicable provisions of the Act and Schedule V thereto, as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.
12. Mr. Tushar Shah to comply with the Company's Code of Conduct for Directors & Senior Management Personnel, Code for Prevention of Insider Trading, as amended from time to time.
13. Termination of employment: (i) The Company to be entitled to terminate the employment of Mr. Tushar Shah as Whole Time Director and Chief Financial Officer by giving notice in writing upon the happening of any of the following: (a) committing a breach of any of the terms, provisions or covenants of his appointment; (b) wilful violation of the Company's Code of Conduct; (c) conviction for an offence involving moral turpitude; (d) any gross or wilful negligence of his duties as Whole Time Director and Chief Financial Officer. In each of the

above cases, any such termination shall only become effective upon receiving 30 (thirty) days' prior written notice from the Company. (ii) Either the Company or Mr. Tushar Shah may terminate the Agreement by giving not less than 3 (three) calendar months' prior notice in writing to the other without the necessity of showing any cause.

Mr. Tushar Shah shall be liable to retire by rotation and his re-appointment as such Director shall not be deemed to constitute a break in his appointment as a Whole Time Director and Chief Financial Officer during the tenure of the appointment.

The additional details of Mr. Tushar Shah as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to this Notice.

The Board recommends passing of the Special Resolution set out at item no. 11 of the Notice. Mr. Tushar Shah, being an appointee and his relatives who also include Mr. Jayen Shah, Whole Time Director and Chief Executive Officer of the Company are deemed to be concerned or interested, financially or otherwise, in the resolution set out at item no. 11 of the Notice. Other than the above no other Director/ Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at item no. 11 of the Notice.

Item No.12

In terms of the Companies Act, 2013 and Rules made thereunder, the appointment of Mr. Bimal Shah (DIN: 03424880) as Whole Time Director of the Company for a period of five (5) consecutive years with effect from November 6, 2017 was approved by the members of the Company in the Extra Ordinary General Meeting held on November 6, 2017.

Based on the recommendation of the Nomination and Remuneration Committee and performance evaluation of Mr. Bimal Shah, the Board of Directors of the Company, at its meeting held on May 27, 2022 unanimously approved the re-appointment of Mr. Bimal Shah (DIN: 03424880) as Whole Time Director of the Company for a period of five (5) years, with effect from November 6, 2022 subject to the approval of the members of the Company. The terms and conditions governing his appointment including remuneration were also approved. Further, Mr. Bimal Shah has given a declaration

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad. Mr. Bimal Shah fulfils the conditions for eligibility contained in Part I of Schedule V to the Companies Act, 2013.

Mr. Bimal Shah, aged 41 years, holds a bachelor's degree in science from Purdue University and a master's degree in management from Boston College. He joined the Fine Organics Group in 2009. Under the mentorship of Late. Mr. Prakash Kamat, Chairman and Whole Time Director of the Company, Mr. Bimal Shah has transitioned into a position to lead several initiatives for upcoming projects, processes and additional capacities. He has experience in engineering, R & D, operations, instrumentation and projects.

Considering the knowledge, expertise and experience of Mr. Bimal Shah, his continued association with the Company would be of immense benefit to the Company. Therefore, the approval of the Members is sought for Mr. Bimal Shah's appointment as Whole Time Director of the Company on the terms and conditions set hereinabove.

1. Term: For a period of five (5) years with effect from November 6, 2022.
2. Designation: Whole Time Director
3. Duties: Mr. Bimal Shah to discharge such functions, exercise such powers and perform and discharge such duties and responsibilities as the Board of Directors ("the Board") of the Company shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, Mr. Bimal Shah shall manage and conduct the business and affairs of the Company.
4. Remuneration:

Salary of ₹ 30,00,000 (Rupees Thirty lakhs only) per month or such higher salary as may be decided by the Board and/or Nomination and Remuneration Committee of the Board in the range of ₹ 30,00,000 to ₹ 50,00,000 per month during the tenure of five (5) years as the Whole Time Director.
5. Performance linked incentive, as may be determined by the Nomination and Remuneration Committee, from time to time, not exceeding ₹ 50,00,000 per annum.

6. Commission, as may be determined, from time to time, upto 1% of the profits before tax of the Company subject to the overall ceiling laid down under sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder.
7. Benefits, Perquisites, Allowances: In addition to the basic salary referred above, Mr. Bimal Shah shall be entitled to:
 - (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.
 - (ii) Reimbursement of all medical expenses incurred for self and family as per Company's rules. In addition, hospitalisation expenses incurred in India or abroad for self and family will be paid on actual basis as per the Company's rules;
 - (iii) Personal accident insurance coverage as per Company's Rules.
 - (iv) Leave travel allowance for self and family, once in a year incurred in accordance with the Company's rules.
 - (v) Fees of clubs, subject to maximum of two (2) clubs. This will not include admission and life membership fees.
 - (vi) Reimbursement of actual entertainment expenses incurred in or about the business of the Company within India or abroad.
 - (vii) Use of Company maintained cars with drivers for business and personal use.
 - (viii) Use of communication devices for business and personal use.
 - (ix) Contributions to provident fund, superannuation or annuity fund and any other retirement benefits.
 - (x) Encashment of leave at the end of his tenure as per policy of the Company.
8. Valuation of perquisites: Perquisites shall be valued as per the Income Tax Rules, wherever applicable, and in the absence of any such rules, it shall be valued at actual cost.
9. Computation of ceiling: The contribution to provident fund, gratuity and encashment of leave shall not be

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

included in the computation of perquisites for the purposes of ceiling to the extent these are not taxable under the Income-tax Act, 1961.

10. Overall remuneration

The aggregate of salary and perquisites as specified above or paid additionally to the Whole Time Director in accordance with the rules, which the Board may in its absolute discretion pay to the Whole Time Director from time to time, shall be in compliance with the provisions of Section 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013, (including any statutory modification(s) / amendment(s) / re-enactment(s) thereof, for the time being in force).

11. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of Mr. Bimal Shah as a Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites, Allowances and Commission in compliance with applicable provisions of the Act and Schedule V thereto, as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.

12. Mr. Bimal Shah to comply with the Company's Code of Conduct for Directors & Senior Management Personnel, Code for Prevention of Insider Trading, as amended from time to time.

13. Termination of employment: (i) The Company to be entitled to terminate the employment of Mr. Bimal Shah as Whole Time Director by giving notice in writing upon the happening of any of the following: (a) committing a breach of any of the terms, provisions or covenants of his appointment; (b) wilful violation of the Company's Code of Conduct; (c) conviction for an offence involving moral turpitude; (d) any gross or wilful negligence of his duties as Whole Time Director. In each of the above cases, any such termination shall only become effective upon receiving 30 (thirty) days prior written notice from the Company. (ii) Either the Company or Mr. Bimal Shah may terminate the Agreement by giving not less than 3 (three) calendar months' prior notice in writing to the other without the necessity of showing any cause.

Mr. Bimal Shah shall be liable to retire by rotation and his re-appointment as such Director shall not be deemed to

constitute a break in his appointment as a Whole Time Director during the tenure of the appointment.

The additional details of Mr. Bimal Shah as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to this Notice.

The Board recommends passing of the Special Resolution set out at item no.12 of the Notice. Mr. Bimal Shah, being an appointee and his relatives who also include Mr. Mukesh Shah, Managing Director of the Company are deemed to be concerned or interested, financially or otherwise, in the resolution set out at item no. 12 of the Notice. Other than the above no other Director/ Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at item no. 12 of the Notice.

Item No.13

Pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act, 2013, Mr. Prakash Apte was appointed as Independent Director on the Board of the Company for a term of five (5) years upto November 12, 2022 by the Members at the Extra-Ordinary General Meeting of the Company held on November 13, 2017.

As per Section 149(10) of the Act, an Independent Director can be re-appointed for another term of upto five (5) consecutive years by passing special resolution by the Company.

Based on performance evaluation and recommendation of Nomination and Remuneration Committee and as per the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Board of Directors of the Company at their meeting held on May 27, 2022 approved the re-appointment of Mr. Prakash Apte as an Independent Director on the Board of the Company for a further (second) term of five (5) years commencing from November 13, 2022. Further, Mr. Prakash Apte has given a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

or abroad. The Company has also received the declaration stating that he meets the criteria for independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16 (1)(b) of the Listing Regulations. Mr. Prakash Apte has further confirmed that he is in compliance with the Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

Brief resume of Mr. Prakash Apte pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meeting is provided below:

Mr. Prakash Apte, aged 68 years, has a B.E. (Mech) degree from the University of Pune and a Diploma in Business Management from University of Mumbai. He has attended various executive and leadership development programs at Harvard Business School, INSEAD and IMD. His professional career spans over 40 years, most of which has been with global multinationals like Ciba Geigy, Novartis and Syngenta in various positions related to Specialty Chemicals, Pharma and Agribusiness industries respectively. He was the Country Head and Managing Director of Syngenta India for over a decade from 2000 to 2011 and thereafter its Non-Executive Chairman till September 2021. He takes keen interest in developmental initiatives. He was instrumental in setting up Syngenta Foundation India focusing on resource poor farmers and rural entrepreneurship in 2005. In 2016, he catalysed setting up of the Indo Swiss Centre of Excellence which aims to provide world-class training in advanced vocational skills. Mr. Prakash Apte has served on the Boards of both these not-for-profit entities till mid-2021. Mr. Prakash Apte would bring with him immense experience to the Company in the areas of Global Business and Strategy, Finance, Corporate Governance, Leadership, Personal Values etc.

Presently, Mr. Prakash Apte is Chairman of the Kotak Mahindra Bank Limited. He also serves on the Boards of Kotak Mahindra Life Insurance Company Limited and GMM Pfadler Limited.

A copy of the draft letter for appointment of Mr. Prakash Apte as an Independent Non-Executive Director setting out terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, upto and including the date of AGM of the Company.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the candidature of Mr. Prakash Apte (DIN: 00196106) as an Independent Non-Executive Director, to be re-appointed under the provisions of the Companies Act, 2013.

The Board considers that his continued association with the Company would be of immense benefit to the Company. Accordingly, the Board recommends the re-appointment of Mr. Prakash Apte as an Independent Non-Executive Director for a second term of five (5) consecutive years commencing from November 13, 2022 for approval of the Members of the Company by way of Special Resolution.

The additional details of Mr. Prakash Apte as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to this Notice.

Except Mr. Prakash Apte, being appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 13 of the accompanying Notice of the AGM.

Item No. 14

Pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act, 2013, Mr. Thiruvengadam Parthasarathi was appointed as Independent Director on the Board of the Company for a term of five (5) years upto November 12, 2022 by the Members at the Extra-Ordinary General Meeting of the Company held on November 13, 2017.

As per Section 149(10) of the Act, an Independent Director can be re-appointed for another term of upto five (5) consecutive years by passing special resolution by the Company.

Based on performance evaluation and recommendation of Nomination and Remuneration Committee and as per the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Board of Directors of the Company at their meeting held on May 27, 2022 approved the re-appointment of Mr. Thiruvengadam Parthasarathi as Independent Director on the Board of the Company

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

for a further (second) term of five (5) years commencing from November 13, 2022. Further, Mr. Thiruvengadam Parthasarathi has given a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad. The Company has also received the declaration stating that he meets the criteria for independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16 (1)(b) of the Listing Regulations. Mr. Thiruvengadam Parthasarathi has further confirmed that he is in compliance with the Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

Brief resume of Mr. Thiruvengadam Parthasarathi pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meeting is provided below:

Mr. Thiruvengadam Parthasarathi, aged 70 years, holds a bachelor of technology degree in chemical engineering from the Indian Institute of Technology, Madras and a post graduate diploma in industrial engineering from the Training Institute for Productivity and Industrial Engineering. He is also a fellow member of The Institute of Cost Accountants of India. He was the Senior Director of the Deloitte Touche Tohmatsu India Private Limited (DTTIPL). He has over 40 years of experience in Management Consultancy with a breadth of experience in India, the Middle and Far East Asia, Africa, Europe and the USA. Mr. Thiruvengadam Parthasarathi would bring with him immense experience to the Company in the areas of Global Business and Strategy, Finance, Corporate Governance, Leadership, Personal Values etc.

Presently, Mr. Thiruvengadam Parthasarathi serves on the Boards of Centum Electronics Limited, DTDC Express Limited, DTDC 3PL and Fulfilment Limited, Western India Plywoods Limited, Ace Multi Axes Systems Limited, Surin Automotive Private Limited and Micromatic Machine Tools Private Limited.

A copy of the draft letter for appointment of Mr. Thiruvengadam Parthasarathi as an Independent Non-Executive Director setting out terms and conditions is available for inspection without any fee by the Members at the Registered Office of

the Company during normal business hours on any working day, upto and including the date of AGM of the Company.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the candidature of Mr. Thiruvengadam Parthasarathi (DIN: 00016375) as an Independent Non-Executive Director, to be re-appointed under the provisions of the Companies Act, 2013.

The Board considers that his continued association with the Company would be of immense benefit to the Company. Accordingly, the Board recommends the re-appointment of Mr. Thiruvengadam Parthasarathi as an Independent Non-Executive Director for a second term of five (5) consecutive years commencing from November 13, 2022 for approval of the Members of the Company by way of Special Resolution.

Pursuant to Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, a listed entity shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect. Mr. Thiruvengadam Parthasarathi will be crossing 75 years of age during the tenure of his proposed re-appointment. This special resolution being considered at item no. 14 of the Notice of this AGM for his re-appointment in the second term shall also be considered as sufficient compliance with the provisions of Regulation 17(1A) of the Listing Regulations for his re-appointment and no separate resolution is being considered for the same.

The additional details of Mr. Thiruvengadam Parthasarathi as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to this Notice.

Except Mr. Thiruvengadam Parthasarathi, being appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 14 of the accompanying Notice of the AGM.

Item No. 15

Pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act, 2013, Mr. Mahesh Sarda was appointed as Independent Director on the Board of the Company for a term of five (5) years upto November 12, 2022 by the Members at the Extra-Ordinary General Meeting of the Company held on November 13, 2017.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

As per Section 149(10) of the Act, an Independent Director can be re-appointed for another term of upto five (5) consecutive years by passing special resolution by the Company.

Based on performance evaluation and recommendation of Nomination and Remuneration Committee and as per the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the Board of Directors of the Company at their meeting held on May 27, 2022 approved the re-appointment of Mr. Mahesh Sarma as an Independent Director on the Board of the Company for a further (second) term of five (5) years commencing from November 13, 2022. Further, Mr. Mahesh Sarma has given a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad. The Company has also received the declaration stating that he meets the criteria for independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16 (1)(b) of the Listing Regulations. Mr. Mahesh Sarma has further confirmed that he is in compliance with the Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (‘IICA’).

Brief resume of Mr. Mahesh Sarma pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meeting is provided below:

Mr. Mahesh Sarma, aged 72 years, holds a bachelor’s degree in commerce from the University of Mumbai and a bachelor’s degree in law from Saurashtra University. He also holds a certificate of practice from the Institute of Chartered Accountants of India (“ICAI”). He is also a qualified Company Secretary. Previously he was a partner at Deloitte Haskins & Sells LLP. He has 48 years of experience in the field of chartered accountancy. Mr. Mahesh Sarma would bring with him immense experience to the Company in the areas of Global Business and Strategy, Finance, Corporate Governance, Leadership, Personal Values etc.

Presently, Mr. Mahesh Sarma serves on the Board of John Energy Limited, Kesarjan Building Centre Private Limited and Landmark Cars (East) Private Limited.

A copy of the draft letter for appointment of Mr. Mahesh Sarma as an Independent Non-Executive Director setting out terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, upto and including the date of AGM of the Company.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the candidature of Mr. Mahesh Sarma (DIN: 00023776) as an Independent Non-Executive Director, to be re-appointed under the provisions of the Companies Act, 2013.

The Board considers that his continued association with the Company would be of immense benefit to the Company. Accordingly, the Board recommends the re-appointment of Mr. Mahesh Sarma as an Independent Non-Executive Director for a second term of five (5) consecutive years commencing from November 13, 2022 for approval of the Members of the Company by way of Special Resolution.

Pursuant to Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, a listed entity shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect. Mr. Mahesh Sarma will be crossing 75 years of age during the tenure of his proposed re-appointment. This special resolution being considered at item no. 15 of the Notice of this AGM for his re-appointment in the second term shall also be considered as sufficient compliance with the provisions of Regulation 17(1A) of the Listing Regulations for his re-appointment and no separate resolution is being considered for the same.

The additional details of Mr. Mahesh Sarma as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to this Notice.

Except Mr. Mahesh Sarma, being appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 15 of the accompanying Notice of the AGM.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Item No. 16

Pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act, 2013, Ms. Pratima Umarji was appointed as Independent Director on the Board of the Company for a term of five (5) years upto November 12, 2022 by the Members at the Extra-Ordinary General Meeting of the Company held on November 13, 2017. Further since Ms. Pratima Umarji had attained the age of 75 years, the Company had ratified her appointment by passing Special Resolution at its Seventeenth AGM held on July 30, 2019.

As per Section 149(10) of the Act, an Independent Director can be re-appointed for another term of upto five (5) consecutive years by passing special resolution by the Company.

Based on performance evaluation and recommendation of Nomination and Remuneration Committee and as per the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Board of Directors of the Company at their meeting held on May 27, 2022 approved the re-appointment of Ms. Pratima Umarji as Independent Director on the Board of the Company for a further (second) term of five (5) years commencing from November 13, 2022. Further, Ms. Pratima Umarji has given a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director and she has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad. The Company has also received the declaration stating that she meets the criteria for independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16 (1) (b) of the Listing Regulations. Ms. Pratima Umarji has further confirmed that she is in compliance with the Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

Brief resume of Ms. Pratima Umarji pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meeting is provided below:

Ms. Pratima Umarji, aged 77 years, holds a bachelor's degree in law and economics from the University of Mumbai. She has worked in the law and judiciary department of the

Government of Maharashtra as the principal secretary and was a member of expert committee constituted by City and Industrial Development Corporation of Maharashtra Limited. She is currently working as a panel member of the "Lok Adalat" set up by the High Court of Bombay. Ms. Pratima Umarji would bring with her immense experience to the Company in the areas of Corporate Governance, Leadership, Personal Values etc.

A copy of the draft letter for appointment of Ms. Pratima Umarji as an Independent Non-Executive Director setting out terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, upto and including the date of AGM of the Company.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the candidature of Ms. Pratima Umarji (DIN: 05294496) as an Independent Non-Executive Director, to be re-appointed under the provisions of the Companies Act, 2013.

The Board considers that her continued association with the Company would be of immense benefit to the Company. Accordingly, the Board recommends the re-appointment of Ms. Pratima Umarji as an Independent Non-Executive Director for a second term of five (5) consecutive years commencing from November 13, 2022 for approval of the Members of the Company by way of Special Resolution.

Pursuant to Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, a listed entity shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect. Accordingly, the Company had passed a special resolution on July 30, 2019 for appointment of Ms. Pratima Umarji as Independent Director since she was crossing the age of 75 years. The aforementioned special resolution along with the proposed special resolution at item no. 16 of the Notice of this AGM shall also be considered as sufficient compliance with the provisions of Regulation 17(1A) of the Listing Regulations for her re-appointment and no separate resolution is being considered for the same.

The additional details of Ms. Pratima Umarji as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to this Notice.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Except Ms. Pratima Umarji, being appointee and her relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 16 of the accompanying Notice of the AGM.

Item No. 17

Pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act, 2013, Mr. Kaushik Shah was appointed as Independent Director on the Board of the Company for a term of five (5) years upto January 23, 2023 by the Members at the Extra-Ordinary General Meeting of the Company held on January 24, 2018.

As per Section 149(10) of the Act, an Independent Director can be re-appointed for another term of upto five (5) consecutive years by passing special resolution by the Company.

Based on performance evaluation and recommendation of Nomination and Remuneration Committee and as per the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Board of Directors of the Company at their meeting held on May 27, 2022 approved the re-appointment of Mr. Kaushik Shah as an Independent Director on the Board of the Company for a further (second) term of five (5) years commencing from January 24, 2023. Further, Mr. Kaushik Shah has given a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director and he has not been debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad. The Company has also received the declaration stating that he meets the criteria for independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16 (1)(b) of the Listing Regulations. Mr. Kaushik Shah has further confirmed that he is in compliance with the Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

Brief resume of Mr. Kaushik Shah pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meeting is provided below:

Mr. Kaushik Shah, aged 71 years, holds a bachelor's degree in commerce from the University of Mumbai. He is a qualified Chartered Accountant, Company Secretary and a Law Graduate. He has been awarded the 'Suri Memorial Fund' award for the best paper on the 'Commercial Laws and other Taxes', and the M.M. Shah prize for the best paper on 'Taxation' by the ICAI. Prior to joining our Company, he was the Managing Director of Fulford (India) Limited. He has work experience in managing the business of pharmaceutical operations. Mr. Kaushik Shah would bring with him immense experience to the Company in the areas of Global Business and Strategy, Finance, Corporate Governance, Leadership, Personal Values etc.

Presently, Mr. Kaushik Shah serves on the Board of Sahyam Foundation.

A copy of the draft letter for appointment of Mr. Kaushik Shah as an Independent Non-Executive Director setting out terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, upto and including the date of AGM of the Company.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the candidature of Mr. Kaushik Shah (DIN: 00124756) as an Independent Non-Executive Director, to be re-appointed under the provisions of the Companies Act, 2013.

The Board considers that his continued association with the Company would be of immense benefit to the Company. Accordingly, the Board recommends the re-appointment of Mr. Kaushik Shah as an Independent Non-Executive Director for a second term of five (5) consecutive years commencing from January 24, 2023 for approval of the Members of the Company by way of Special Resolution.

Pursuant to Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, a listed entity shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect. Mr. Kaushik Shah will be crossing 75 years of age during the tenure of his proposed re-appointment. This special resolution being considered at item no. 17 of the Notice of this AGM for his re-appointment in the second term shall also be considered as sufficient compliance with the provisions of Regulation 17(1A) of the Listing Regulations for his re-appointment and no separate resolution is being considered for the same.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

The additional details of Mr. Kaushik Shah as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to this Notice.

Except Mr. Kaushik Shah, being appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 17 of the accompanying Notice of the AGM.

Item No.18

A company may pay remuneration to its directors who are neither managing directors nor whole-time directors in accordance with the provisions of section 197 the Companies Act, 2013 (“the Act”), the Rules made thereunder and as per Schedule V to the Act.

Further, in accordance with the provisions of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any remuneration to non-executive directors other than sitting fees shall be approved by the shareholders of the Company in general meeting.

The Company at its 19th Annual General Meeting held on August 24, 2021 had approved the payment of commission to non-executive Directors of the Company subject to a

ceiling of aggregate amount ₹ 50 lakhs during any financial year commencing from April 1, 2020.

On recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on May 27, 2022 approved revision in the ceiling of aggregate amount towards payment of commission to Non-executive Directors of the Company (other than Managing Director and Whole Time Directors) from ₹ 50 lakhs to ₹ 1 crore in any financial year which shall not be exceeding 1% of the net profits of the Company (computed in the manner laid down in Section 198 of the Act) in any financial year, commencing from April 1, 2021, and such commission shall be divisible among the Directors in such proportion as the Board of Directors may from time to time determine.

It is proposed to seek Members’ approval for the revision in payment of commission described as above to Non-executive Directors of the Company (other than Managing Director and Whole Time Directors) in any financial year with effect from April 1, 2021.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives except all of the Non-Executive Directors and their respective relatives are deemed to be concerned or interested in the Resolution mentioned at Item No. 18.

The Board of Directors recommends the Special Resolution as set out in Item No. 18 of the Notice for the approval of the Members.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Details of the Director seeking appointment/ re-appointment at the ensuing Annual General Meeting

Name of Director	Nikhil Kamat	Mukesh Shah
Date of Birth	August 26, 1962	September 14, 1955
Age	59 years	66 years
Director Identification Number	00107233	00106799
Date of First Appointment	June 27, 2022	May 24, 2002
Qualification, Experience in specific functional areas and brief resume	Refer Item no. 7 and 8 of the Explanatory statement.	Refer Item no. 9 of the Explanatory statement.
Directorship in other Companies*	NIL	NIL
Chairperson / Member of the Committees of the Board of Directors of the Company	Risk Management Committee – Member Executive Committee – Member (w.e.f. June 27, 2022)	Stakeholders Relationship Committee - Member Nomination and Remuneration Committee – Member (w.e.f. June 27, 2022) Corporate Social Responsibility Committee - Member Executive Committee – Chairman (w.e.f. June 27, 2022)
Chairperson / Member of the Committees of the Board of Directors of the other Companies in which he is a Director**	NIL	NIL
Terms and conditions of Reappointment / Appointment	Refer Item no. 7 and 8 of the Explanatory statement.	Refer Item no. 9 of the Explanatory statement.
Last Drawn Remuneration (for 2021-22)	NIL (Since he was not a Director)	Salary - ₹ 3,00,00,000 p.a. Commission - ₹ 50,00,000
No. of shares held in the Company	19 Equity shares (Face value of ₹ 5 per share)	17,64,045 Equity shares (Face value of ₹ 5 per share)
Inter se Relationship between Directors	Mr. Nikhil Kamat does not have any inter-se relationship with other Directors of the Company.	Father of Mr. Bimal Shah - Executive Director of the Company.
No. of Board meetings attended during the Financial Year (2021-22)	NA	3
Listed Companies from which he/she resigned in the past three years	NIL	NIL

Name of Director	Jayen Shah	Tushar Shah
Date of Birth	August 6, 1963	March 18, 1968
Age	58 years	54 years
Director Identification Number	00106919	00107144
Date of First Appointment	May 24, 2002	May 24, 2002
Qualification, Experience in specific functional areas and brief resume	Refer Item no. 10 of the Explanatory statement.	Refer Item no. 11 of the Explanatory statement.
Directorship in other Companies*	NIL	NIL
Chairperson / Member of the Committees of the Board of Directors of the Company	Corporate Social Responsibility Committee - Chairman Audit Committee - Member Stakeholders Relationship Committee - Member Risk Management Committee - Member Executive Committee - Member	Audit Committee - Member Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member Executive Committee - Member
Chairperson / Member of the Committees of the Board of Directors of the other Companies in which he is a Director**	NIL	NIL

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Name of Director	Jayen Shah	Tushar Shah
Terms and conditions of Reappointment / Appointment	Refer Item no. 10 of the Explanatory statement.	Refer Item no. 11 of the Explanatory statement.
Last Drawn Remuneration (for 2021-22)	Salary - ₹ 3,00,00,000 p.a. Commission - ₹ 50,00,000	Salary - ₹ 3,00,00,000 p.a. Commission - ₹ 50,00,000
No. of shares held in the Company	34,23,627 Equity shares (Face value of ₹ 5 per share)	36,99,182 Equity shares (Face value of ₹ 5 per share)
Inter se Relationship between Directors	Brother of Mr. Tushar Shah - Executive Director and CFO of the Company	Brother of Mr. Jayen Shah - Executive Director and CEO of the Company
No. of Board meetings attended during the Financial Year (2021-22)	4	3
Listed Companies from which he/she resigned in the past three years	NIL	NIL

Name of Director	Bimal Shah	Prakash Apte
Date of Birth	January 17, 1981	May 6, 1954
Age	41 years	68 years
Director Identification Number	03424880	00196106
Date of First Appointment	April 1, 2011	November 13, 2017
Qualification, Experience in specific functional areas and brief resume	Refer Item no. 12 of the Explanatory statement.	Refer Item no. 13 of the Explanatory statement.
Directorship in other Companies*	NIL	Kotak Mahindra Bank Limited Kotak Mahindra Life Insurance Company Limited GMM Pfauldler Limited
Chairperson / Member of the Committees of the Board of Directors of the Company	Executive Committee - Member	Risk Management Committee – Chairman Audit Committee - Member Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member
Chairperson / Member of the Committees of the Board of Directors of the other Companies in which he is a Director**	NIL	Kotak Mahindra Life Insurance Company Limited Audit Committee - Chairman
Terms and conditions of Reappointment / Appointment	Refer Item no. 12 of the Explanatory statement.	Refer Item no. 13 of the Explanatory statement.
Last Drawn Remuneration (for 2021-22)	Salary - ₹ 3,00,00,000 p.a. Commission - ₹ 50,00,000	Sitting fees – ₹ 5,25,000 Commission payable – ₹ 15,00,000 (subject to approval in ensuing Annual General Meeting – Refer Item no. 18 of the Explanatory Statement)
No. of shares held in the Company	21,16,827 Equity shares (Face value of ₹ 5 per share)	NIL
Inter se Relationship between Directors	Son of Mr. Mukesh Shah - Chairman and Managing Director of the Company	Mr. Prakash Apte does not have any inter-se relationship with other Directors of the Company.
No. of Board meetings attended during the Financial Year (2021-22)	4	4
Listed Companies from which he/she resigned in the past three years	NIL	NIL

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Name of Director	Thiruvengadam Parthasarathi	Mahesh Sarda
Date of Birth	December 28, 1951	July 18, 1950
Age	70 years	72 years
Director Identification Number	00016375	00023776
Date of First Appointment	November 13, 2017	November 13, 2017
Qualification, Experience in specific functional areas and brief resume	Refer Item no. 14 of the Explanatory statement.	Refer Item no. 15 of the Explanatory statement.
Directorship in other Companies*	Centum Electronics Limited DTDC Express Limited DTDC 3PL and Fulfilment Limited Western India Plywoods Limited Ace Multi Axes Systems Limited	John Energy Limited
Chairperson / Member of the Committees of the Board of Directors of the Company	Nomination and Remuneration Committee - Chairman Audit Committee - Member Risk Management Committee - Member	Audit Committee - Chairman Nomination and Remuneration Committee - Member
Chairperson / Member of the Committees of the Board of Directors of the other Companies in which he is a Director**	Centum Electronics Limited Audit Committee - Member Western India Plywoods Limited Audit Committee - Member DTDC Express Limited Audit Committee - Chairman	John Energy Limited Audit Committee - Member
Terms and conditions of Reappointment / Appointment	Refer Item no. 14 of the Explanatory statement.	Refer Item no. 15 of the Explanatory statement.
Last Drawn Remuneration (for 2021-22)	Sitting fees – ₹ 4,50,000 Commission payable – ₹ 15,00,000 (subject to approval in ensuing Annual General Meeting – Refer Item no. 18 of the Explanatory Statement)	Sitting fees – ₹ 4,20,000 Commission payable – ₹ 15,00,000 (subject to approval in ensuing Annual General Meeting – Refer Item no. 18 of the Explanatory Statement)
No. of shares held in the Company	NIL	NIL
Inter se Relationship between Directors	Mr. Thiruvengadam Parthasarathi does not have any inter-se relationship with other Directors of the Company.	Mr. Mahesh Sarda does not have any inter-se relationship with other Directors of the Company.
No. of Board meetings attended during the Financial Year (2021-22)	4	4
Listed Companies from which he/she resigned in the past three years	NIL	NIL

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Name of Director	Pratima Umarji	Kaushik Shah
Date of Birth	October 2, 1944	November 1, 1950
Age	77 years	71 years
Director Identification Number	05294496	00124756
Date of First Appointment	November 13, 2017	January 24, 2018
Qualification, Experience in specific functional areas and brief resume	Refer Item no. 16 of the Explanatory statement.	Refer Item no. 17 of the Explanatory statement.
Directorship in other Companies*	NIL	NIL
Chairperson / Member of the Committees of the Board of Directors of the Company	Stakeholders Relationship Committee - Chairperson Nomination and Remuneration Committee - Member	Audit Committee - Member Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member
Chairperson / Member of the Committees of the Board of Directors of the other Companies in which he is a Director**	NIL	NIL
Terms and conditions of Reappointment / Appointment	Refer Item no. 16 of the Explanatory statement.	Refer Item no. 17 of the Explanatory statement.
Last Drawn Remuneration (for 2021-22)	Sitting fees – ₹ 3,75,000 Commission payable – ₹ 15,00,000 (subject to approval in ensuing Annual General Meeting – Refer Item no. 18 of the Explanatory Statement)	Sitting fees – ₹ 4,95,000 Commission payable – ₹ 15,00,000 (subject to approval in ensuing Annual General Meeting – Refer Item no. 18 of the Explanatory Statement)
No. of shares held in the Company	NIL	NIL
Inter se Relationship between Directors	Ms. Pratima Umarji does not have any inter-se relationship with other Directors of the Company.	Mr. Kaushik Shah does not have any inter-se relationship with other Directors of the Company.
No. of Board meetings attended during the Financial Year (2021-22)	4	4
Listed Companies from which he/she resigned in the past three years	NIL	NIL

*Includes Directorships in Public Companies only.

**Includes the Chairpersonship/ Membership in the Audit Committee and Stakeholders Relationship Committee only of the Public Companies.