

Fine Organic Industries Limited

(Formerly known as Fine Organic Industries Private Limited)

Regd. Office : Fine House, Anandji Street, Off M G Road,
Chhatkoper 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: August 21, 2020

To BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 00 1	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), 2015 ('Listing Regulations')

Dear Sir/Madam,

Pursuant to Regulation 34 (1) of the Listing Regulation, please find enclosed herewith the Annual Report of the Company along with the Notice of the Annual General Meeting for the Financial Year 2019-20.

In accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020, the aforesaid documents are being dispatched electronically to those Members whose email IDs are registered with the Company/KFin Technologies Private 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

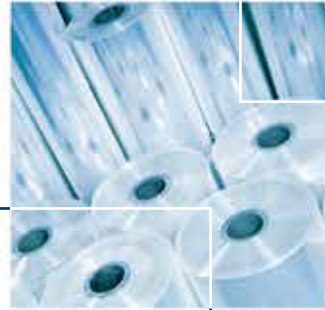
A handwritten signature in blue ink, appearing to read 'Pooja Lohor', is written over a light blue horizontal line.

Pooja Lohor
Company Secretary and Compliance Officer

Encl: as above

FINE ORGANICS

Fine Organic Industries Limited



Versatile

Annual Report

2019-20

Across the **pages**

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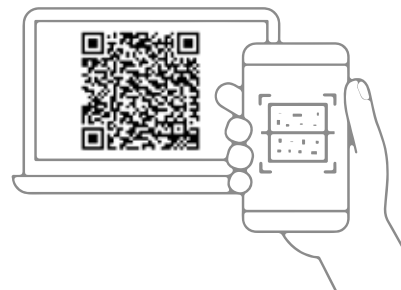
Financial Statements

85-197

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Please find our online version at
<https://www.fineorganics.com/investor-relations/financial-information/annual-reports>

Or simply scan the below QR code



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- Show cover page in two-page view

Investor Information

Market Capitalisation as at March 31, 2020	₹ 5,84,394 Lakhs
CIN	L24119MH2002PLC136003
BSE Code	541557
NSE Code	FINEORG
Bloomberg Code	FINEORG:IN
AGM Date	September 18, 2020
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 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 a number of 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.



We are **Versatile!**

At Fine Organic Industries Limited
(‘Fine Organics’ or ‘the Company’),
'a technical pinch of salt' is what we offer
to add remarkable value in a wide range
of applications

We are **Versatile**

by consistently expanding the scope of
solutions we offer

We are **Versatile**

by being committed to R&D and innovation

We are **Versatile**

by our endless zest for exploring
applications across industries

... .. And, in doing so, we are adding a
pinch of enrichment to peoples' lives.

A Pioneer of Unique **Specialty Additives**

Fine Organic Industries Limited is the largest manufacturer of Oleo-chemical based additives in India and a key producer globally.

R&D and innovation are at the forefront of Fine Organics. Backed by these two pillars, the Company has been leading through effectively developing and manufacturing an extensive range of additives. These additives are specially designed to impart excellent functionality in the end-product. Therefore, these are widely accepted and used in food, plastic, cosmetics, coatings and other specialty applications across numerous industries.

Manufactured at our ingeniously designed state-of-the-art manufacturing facilities, Fine Organics supplies high-quality additives at par with the global standards. Our facilities are located at Ambernath, Badlapur and Dombivali, producing over 400 specialty additives. The Company has been crafting success and achieving milestones over the years. Our journey is well-supported by a team of highly determined and passionate professionals. With a techno-commercial approach, our team is focused on developing in-house technologies and processes, with a strategic customer-centric research and development.





Vision

To become a preferred supplier of Oleo-chemical derivatives globally



Mission

- To use our expertise in Oleo-chemistry and build a compelling portfolio of specialty additives and ingredients
- To build 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



400+

Products

700+

Direct Customers

701

Employee Strength

70+

Presence in Countries

160+

Global Distribution Network

>17%

Women Employees

USA & Europe

Global Sales Offices & Warehouses

All above data points are as on March 31, 2020

A Legacy of **Versatility**

Leadership

- We are one of the early movers and the largest organised players of Oleo-chemical-based green additives in India with a remarkable global presence
- We are one of the six global players in the specialty food emulsifiers
- We are one of the five global players in the polymer additives industry
- We are one of the leading players to develop proprietary technology to manufacture green additives

Edge

- Our eco-friendly Oleo-derived green additives pass through stringent quality parameters as per customer specifications; thus, making us a partner of choice
- Our strategically planned, fully automated, in-house manufacturing set-up helps to deliver exceptional quality products consistently
- As our products directly enrich human lives and impact environment, we strictly abide by the protocols and regulations, as set by the regulatory and governing bodies



Strong R&D & Innovation

Our competitive, know-how based, integrated approach towards research, has allowed us to innovate and formulate, newer and more effective additives for diverse applications.

18

Scientists and Technicians

In-house

Plant Designing and Engineering



Diversified Product Portfolio

Our consistent innovation and an unwavering focus on core competencies enable us to develop a unique range of specialty additives for a wide variety of applications.

Foods

We have pioneered the manufacturing and marketing of food emulsifiers in India. We have also expanded our range to anti-fungal agents, bread improvers and beverage clouding agents, among others.

Plastics

We develop a diverse range of Oleo-chemistry based additives for PVC, Polyolefins, Styrenics, Polyamides & other Engineering Polymers, Rubbers and Elastomers.

Other Specialties

Our product range for CosPha applications serve as the base ingredients in formulations. They enhance appearance and use for end-users in cosmetic and healthcare products like creams, lotions and ointments among others.

Our Oleo-chemical proficiency has helped us develop a line of functional additives and special formulations that find applications in various types of coatings and various other applications like Feed Nutrition, Bitumen etc.

Diversified Customer Base

Our strong marketing and distribution have enabled us to build a strong customers base.

700+

Direct Customers

160+

Distributors

5,000+

End Users

Team Strength

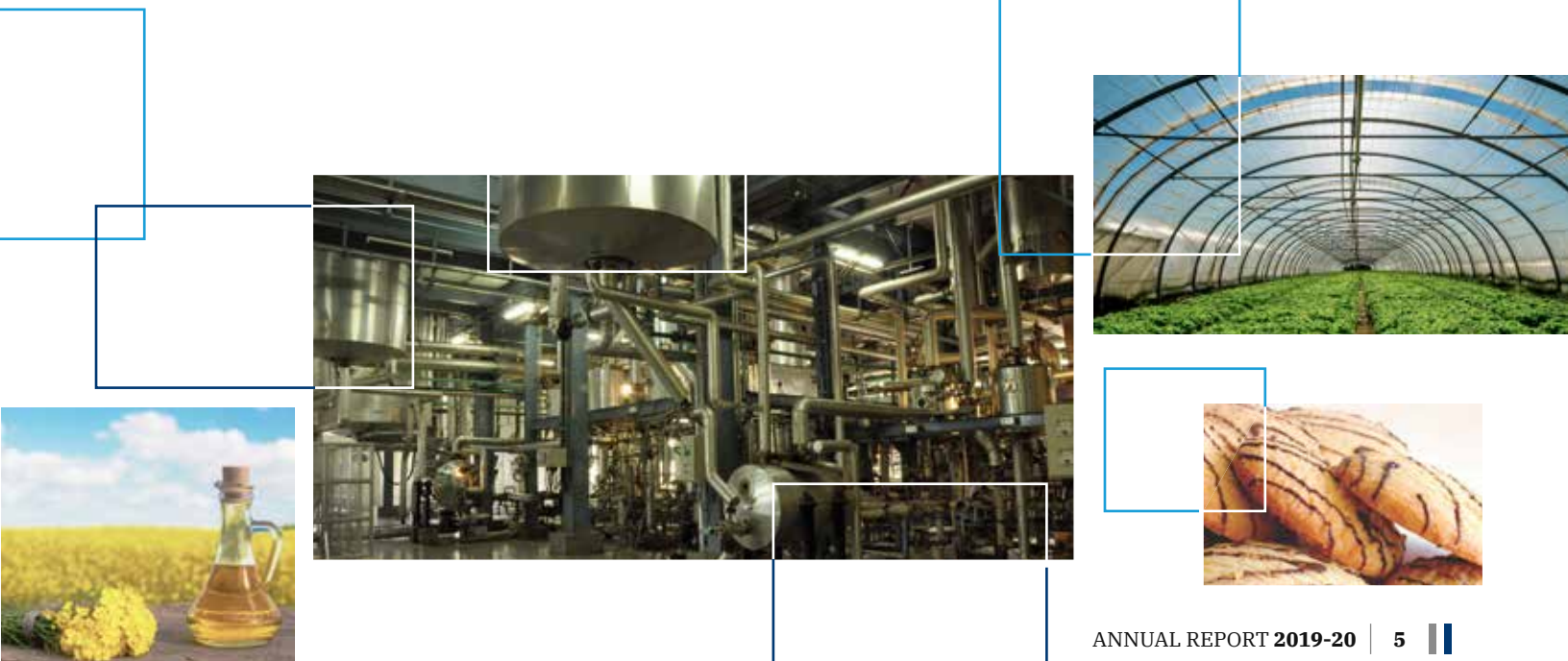
We strive to promote internal leadership with character integrity principles such as trust, fairness and strong values, synchronized with Fine Organics.

>11%

Employees Completed
25 Years' Journey with us

>12%

Comprise 1st & 2nd
Generation of Employees



Chairman's Message



“

We believe our focus on product innovation through continuous development has been critical to our versatile presence across several applications.

”

Dear Shareholders,

I am delighted to share with you the events and developments of our Company during FY 2019-20. We continued performing well in most of our sectors during the year. However, the last few days of March 2020, we witnessed one of the severest health crisis in recent times – Coronavirus (COVID-19). It has not just thrown challenges at us but also changed a lot of dynamics at the global level and opening up new possibilities. The world is exploring manufacturing alternatives and India is well-placed to harness the opportunity coming its way.

Performance Snapshot

The financial performance for FY 2019-20 reported a slight de-growth in revenues owing to the lockdowns. However, we were successful in registering a growth of 6.22% and 29.06% in EBITDA and PAT figures on a standalone basis, respectively. During the year, we successfully commenced production at our third facility at Ambernath. With regards to our other expansion project at Patalganga, construction activities have already begun and are moving on track as planned. This facility will be dedicated to food additives for exports and growing domestic markets.

Versatility and Innovations

Versatility is the strength needed to evolve, recreate, explore, discover, and finally learn. The versatility of our products and solutions is an outcome of our constant R&D and innovation. It is a result of our determination and conviction that has allowed us to adapt quickly to the market needs. Besides, our in-house proprietary technology and process development capabilities have allowed us to build a diversified product portfolio. Over the years, these products have been finding their applications in varied applications. Besides, we have also consistently delivered need-based solutions to constantly cater to the varied client needs.

COVID-19: Response

The world's exposure to COVID-19 has sparked a sense of personal hygiene and how it has taken a new priority in our lives. We ensured that all the health and safety protocols were followed at the plant level to keep our staff safe. On the business front, our versatile nature and strong innovation capability



The versatility of our products and solutions is an outcome of our constant R&D and innovation. It is a result of our determination and conviction that has allowed us to adapt quickly to the market needs.



made us responsive to the need of the hour. We developed a metal-free Oleo-chemical based antimicrobial additive, which can be used in plastic-based PPEs as well as variety of plastic products to attain superior protection. Further, with the forced lockdowns, we envisaged people stocking up groceries. Hence, we enhanced our focus on the food emulsifiers for biscuits and bakery products, which witnessed a larger offtake during the pandemic.

India: An Emerging Alternative

COVID-19 has disrupted the global supply chain in various sectors. Companies across the world are facing shortages, which is leading them to find an alternative. With the right prospects, cost advantage and suitable manufacturing conditions, India is becoming the most preferable and above all, most desired location for outsourcing specialty chemicals. Hence, Indian Specialty Chemicals Industry stands to gain immensely from the underlying opportunity.

Closing Note

Going ahead, I am confident that our disciplined strategy, prudent approach, focus on agile execution and our committed team will enable us to improve our performance further, creating greater shareholder value.

I would like to thank our partners across the value chain for their impeccable commitment and services in these challenging times. The contribution made by our employees is truly commendable in the continued success of Fine Organics amidst such testing times. I would also like to extend my gratitude towards our customers, associates and vendors for their sustained support. I humbly express my sincere appreciation to all our Board Members and Shareholders for their continued faith, trust, encouragement and support that allowed us to evolve over the years and has given us the confidence to keep exploring ourselves year on year.

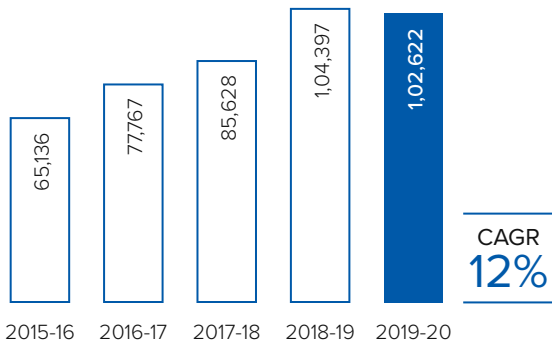
Best wishes,
Prakash Kamat

Chairman and Executive Director

Numbers: Our Stability in Versatility

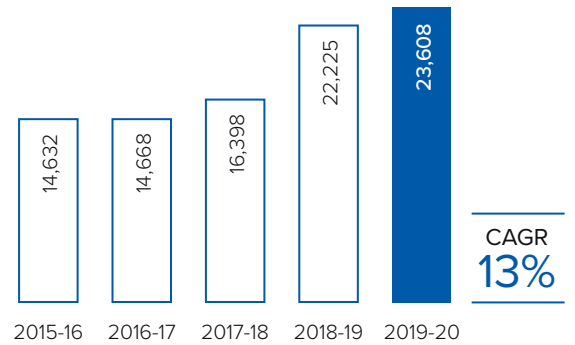
Revenue from Operations

(₹ in lakhs)



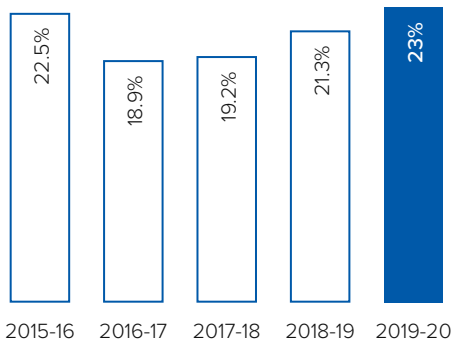
EBITDA

(₹ in lakhs)



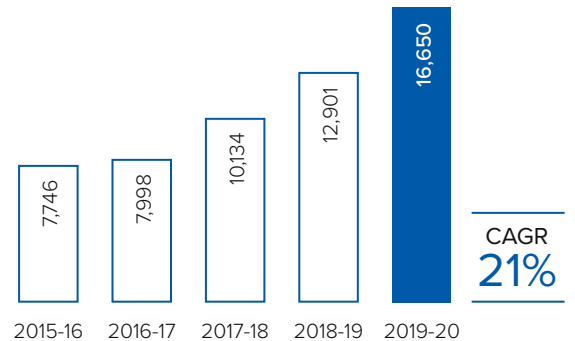
EBITDA Margin

(in %)



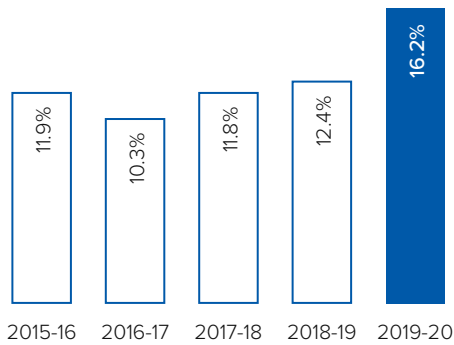
PAT

(₹ in lakhs)



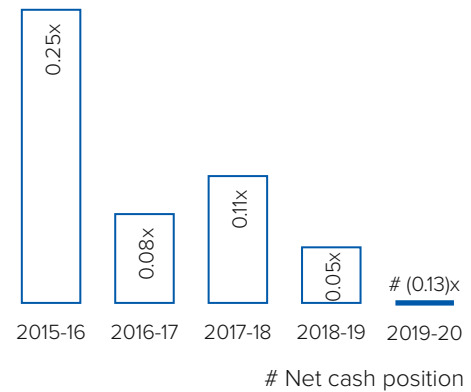
PAT Margin

(in %)



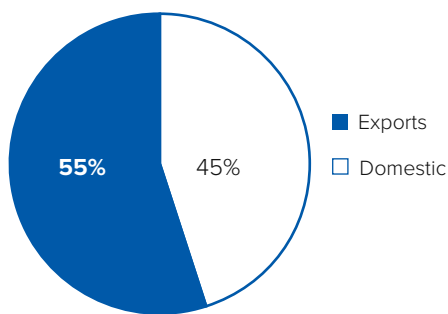
Debt : Equity

(x)



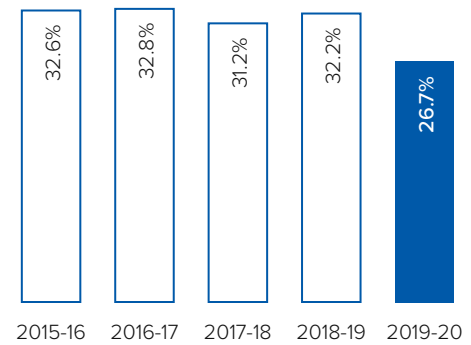
Revenue Distribution in 2019-20

(in %)



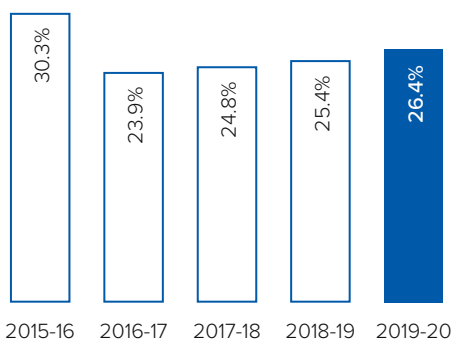
RoCE

(in %)



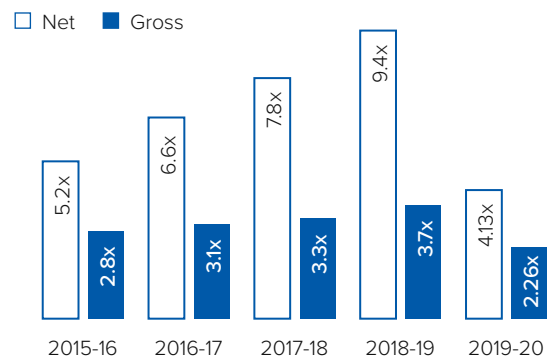
Return on Net Worth

(in %)



Fixed Asset Turnover

(x)



EBITDA: Earnings before interest, tax, depreciation, and amortisation Less other non-operating income
PAT: Profit after tax RoCE: Return on Capital Employed. *All the figures are on standalone basis

R&D and Innovation: **Cruising through Versatile Applications across Segments**





R&D and innovation are the strongest foundations of our remarkable structure. It is our identity and our point of influence that drives versatility.

We believe in continuous development and innovation to set higher standard in products to cater our customers with excellent performance. Therefore, these are the integrated aspects of our well-founded and impactful identity.

The process of manufacturing plant-based green additives involves significant expertise in the specified area by virtue of which, the Company has successfully claimed the key position in world's major producers of oleochemical derivatives.

Our success is the result of sustained efforts over the decades in areas of product innovation, process technology improvements, increases in scale, improved raw material procurement and focus on cultural understanding of consumers.

We have developed in-house process design expertise to construct our production facilities. This helps us to effectively cater the market needs and significantly reduces capital expenditure costs for expansions as compared to other players.



Our Products: Unique and Versatile Journey of Oleo-chemistry

The Company features an impressive range of additives for varied applications across industries. Our products are the strongest tool in the journey in delivering exceptional Oleochemistry based solutions to customers and consistently delivering high-quality services.



Food

- Additives can help to protect food through imparting anti-staling and anti-fungal properties in breads, cakes and other bakery products
- Effective and sustained stabilisation of the food formulations along with benefits such as crispiness, texture and volume can be achieved by using suitable additive in food products
- They enhance quality of chocolate both visually as well as in terms of end-properties, for instance – smoothness and creamy consistency and homogeneous texture
- They act as additives in maintaining the eating quality and freshness of food
- They aid in improving the integrity of product structure and in imparting desired mouth feel of the food products

Plastics

- Challenge of excess surface friction and drag during film production and processing is effectively overcome by suitable additives
- Preventing surface defects to offer superior aesthetics is a key function attained by dispersing additives offered by the Company
- Recently developed green antimicrobial additive is helping plastics become safer and protect the customers
- Offers additives to enhance polymer processing and increase production rate by reducing surface friction
- They help attaining superior visibility in plastics films via converting the condensed water droplets into a transparent layer; helps in films used in food packaging and agricultural application
- They also contribute in making plastics safer for handling, making moulding process more efficient through better mould release and reducing dust pick-up in the final product by dissipating static charge



CosPha

- Additives are capable to offer excellent consistency in creams, ointments and lotions
- They help to achieve pearlescent effect, which increases the consumer appeal
- They contribute in cleansing formulations as mild co-surfactant and antimicrobial components
- They enable manufacturing of products with different structures like creams, gels, pastes and lotions among others
- They aid in achieving long term physical stability in formulations during the transport and storage
- They help in enriching sensory perception and the chemical stability of sensitive active agents



Feed Nutrition

- Natural 100% vegetable oil-based nutritional supplement and natural anti-microbials in feeds facilitate the growth in birds and cattle
- Improved health and immunity in animals also results in high quality and more nutritious derived products such as milk and milk based products
- These additives, being 100% bio based, offer benefits through improved animal health and fertility
- These products further provide natural nutritional replacements to synthetic chemical products for animals, which are more beneficial for their health and wellness



Rubber/TPE Additives

- Additives are added to improve compounding and processing of rubber via improved flow, easy release and surface quality
- They find wide applications across, conveyor belts, dock fenders, automotive parts, hoses and shoe soles, among others



Coatings and other Specialty Additives

- Our wide range of specialty performance additives for various industries
- Additives help products in the fields of coatings including anti-settling agents, emulsifiers, thickening/anti-sagging agents, wetting and dispersing agents, defoamers, biocides and anti-mar waxes, thereby improving the appearance and performance of the coatings
- They add in printing process by offering required slip and antiblocking properties, ensuring high quality in printed surface
- They contribute to critical applications such as road marking paint through offering excellent quality via surface modification

Board of **Directors**



Prakash Kamat

Executive Director & Chairman

- Holds M.Sc. Tech-Master of Science & Tech (Oils) from Institute of Chemical Technology (formerly UDCT)
- Associated with the Group since inception having experience in product development, process technology and R&D



Mukesh Shah

Managing Director

- Holds a Bachelor's degree in Science; joined in 1973
- Played a key role in establishing quality control and global sales and marketing



Jayen Shah

Executive Director and CEO

- Holds a Master's degree in Science; joined in 1986
- Instrumental in creating a strong vendor-partner network, established Fine Zeelandia Private Limited (Joint Venture)



Tushar Shah

Executive Director & CFO

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



Bimal Shah

Executive Director

- Holds a Bachelor's degree in Science from Purdue University and a Master's degree from Boston College; joined in 2009
- Led initiatives for new projects and processes and automation of manufacturing process



Prakash Apte

Independent Director

- Holds a Bachelor's degree in Mechanical Engineering; on the Board since November 2017
- Previously served as MD of Syngenta India



Kaushik Shah

Independent Director

- Holds a Bachelor's degree in Commerce, a qualified Chartered Accountant and Company Secretary; on the Board since January 2018
- Previously served as MD of Fulford (India)



Mahesh Sarda

Independent Director

- A qualified Chartered Accountant, holds a Bachelor's degree in Law; on the Board since November 2017
- Previously served as a Partner at Deloitte Haskins & Sells



Parthasarathi Thiruvengadam

Independent Director

- Holds a B. Tech degree in chemical engineering from IIT Madras and a postgraduate in Industrial Engineering and fellow member of the Institute of Cost Accountants of India; on the Board since November 2017
- Previously served as a Senior Director at Deloitte India



Pratima Umarji

Independent Director

- Holds degree in Economics and Law; on the Board since November 2017
- Current panel member of the 'Lok Adalat', Bombay High Court

Corporate Information

BOARD OF DIRECTORS

Mr. Prakash Damodar Kamat	<i>Executive Director & Chairman</i>
Mr. Mukesh Maganlal Shah	<i>Managing Director</i>
Mr. Jayen Ramesh Shah	<i>Executive Director & Chief Executive Officer</i>
Mr. Tushar Ramesh Shah	<i>Executive Director & Chief Financial Officer</i>
Mr. Bimal Mukesh Shah	<i>Executive Director</i>
Mr. Prakash Krishnaji Apte	<i>Independent Director</i>
Mr. Kaushik Dwarkadas Shah	<i>Independent Director</i>
Mr. Mahesh Pansukhlal Sarada	<i>Independent Director</i>
Mr. Parthasarathi Thiruvengadam	<i>Independent Director</i>
Mrs. Pratima Madhukar Umarji	<i>Independent Director</i>

BOARD COMMITTEES

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

Mr. Parthasarathi Thiruvengadam, *Chairman*
Mrs. Pratima Madhukar Umarji
Mr. Mahesh Pansukhlal Sarada
Mr. Prakash Damodar Kamat

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

RISK MANAGEMENT COMMITTEE

Mr. Prakash Krishnaji Apte, *Chairman*
Mr. Parthasarathi Thiruvengadam
Mr. Jayen Ramesh Shah
Mr. Nikhil Kamat
Ms. Sonali Bhadani

EXECUTIVE COMMITTEE

Mr. Prakash Damodar Kamat, *Chairman*
Mr. Mukesh Maganlal Shah
Mr. Jayen Ramesh Shah
Mr. Tushar Ramesh Shah
Mr. Bimal Mukesh Shah

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mrs. Pratima Madhukar Umarji, *Chairman*
Mr. Prakash Krishnaji Apte
Mr. Kaushik Dwarkadas Shah
Mr. Mukesh Maganlal Shah
Mr. Jayen Ramesh Shah
Mr. Tushar Ramesh Shah

BANKERS

Union Bank of India
Citibank, N.A.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Pooja Lohor

AUDITORS

B Y & Associates Chartered Accountants

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 PRIVATE LIMITED
Selenium Tower - B, Plot Number 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032 India
Tel: +91 40 6716 2222, 33211000
Email: einward.ris@kfintech.com
Website: www.kfintech.com

WORKS

- Additional MIDC, Ambernath (E) - 421501
- Khervai MIDC, Badlapur (E) - 421503
- Additional MIDC, Ambernath (E) - 421506
- Millennium Business Park, MIDC, Mahape, Navi Mumbai - 400710
- Phase-II MIDC, Dombivali (E) - 421204
- Phase-I MIDC, Dombivali (E) - 421203
- MIDC, Chemical Zone, Ambernath West, Thane, Maharashtra - 421501

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

The Indian economy's growth softened to 4.2% in 2019-20 compared to 6.1% in 2018-19. This can be attributed to slowdown in a number of areas: private consumption, investment in infrastructure and sluggish manufacturing growth and exports. To bring the stability back in economy, the Government undertook various measures such as corporate tax cuts, reduction in repo and reverse repo rates and structural reforms. With these changes implemented; the economy was set for a rebound. But the sudden outbreak of Coronavirus in March 2020, struck the economy hard. As a preventive measure, the Government announced a nationwide lockdown in phased manner. This resulted in temporary shutdown of economic activities. To revive the economy and bring in some breather, the Government has announced a fiscal stimulus worth ₹ 20 lakh crores in mid-May 2020. Broad based in nature, the stimulus focuses on the five pillars of growth – economy, infrastructure, technology-driven system, demography and demand. This may help in encouraging the private investment, boost liquidity in the market and increase investment in infrastructure on a long term.

Outlook

The Coronavirus impact on the economy is anticipated to last longer. In view of this, the Government announced a set of stimulus measures for the immediate short-term, and for the medium term, a set of long-pending reforms in agriculture, labour and other industries. The package aiming at expenditure for poor households/skilled domestic workers, migrant workers, agriculture, a fiscal package for business and credit guarantees and equity infusion to MSME's will positively bolster growth in the long term. Furthermore, this package may strengthen the economy qualitatively and commercially because, it focuses on long-term employment and opportunities. Strategic lifting of the nationwide lockdown in a phased manner can assure restoration of economic activities to bring back the growth rate on the track at the same time ensuring minimum health risks are involved.

INDUSTRY STRUCTURE AND DEVELOPMENT

Indian Specialty chemicals market

Specialty chemicals are a group of high-value chemicals, known for their end-use performance-enhancing qualities. The specialty chemicals market in India

has been flourishing over the past few years owing to increased demand from wide range of end-user industries spanned across food processing, personal care to home care and more.

OleoChemistry

The global oleochemicals market is valued at US\$ 22 billion in 2020 and is expected to reach US\$ 31.9 billion by 2025. Oleochemicals finds application in numerous major fields including polymers, pharmaceutical and personal care, soaps and detergents, food and beverages and others. The oleochemicals industry will benefit from the rising demand for green chemicals, growing application base in personal care and pharmaceutical industry and generous availability of raw materials. Amongst all, soap and detergents hold the substantial market for oleochemicals. Additionally, the use of oleochemical in personal care sector is estimated to grow due to its cost-efficiency and rising awareness/preference of natural chemicals.

(Source: https://www.millioninsights.com/industry-reports/oleochemicals-market?utm_source=wordpress&utm_medium=referral&utm_campaign=Prity_4June2020)

<https://www.businesswire.com/news/home/20200529005201/en/Global-22-Billion-Oleochemicals-Market-2020-2028-->)

Industry Segments

1. Foods

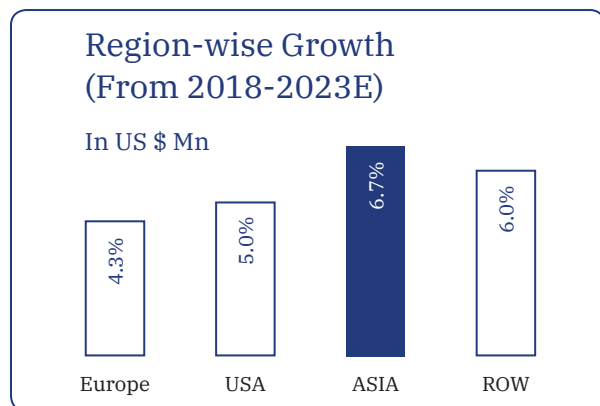
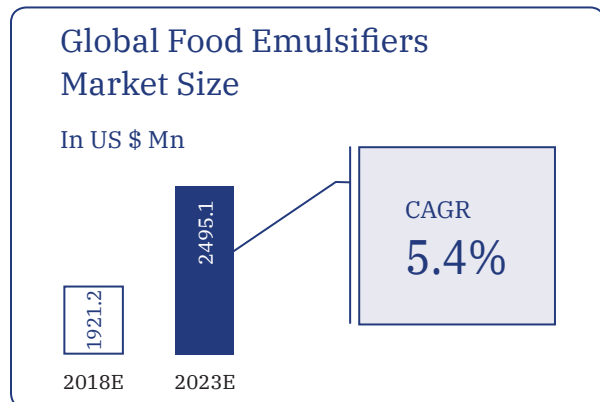
Food additives are substances which are directly added to food for improving the taste, visual appeal, nutritional value, texture, safety and shelf life. Some of the commonly used food additives include flavours and essences, colouring agents, preservatives, emulsifiers, texturizing agents and sweeteners. They are used in dairy & frozen, bakery & confectionery, processed food products & beverages and in other processed foods.

Global scenario

Global plant-sourced food emulsifiers market is expected to reach US\$ 2,495.1 million by 2023 at a CAGR of 5.4% during 2018-2023. The major factors driving the demand for food emulsifiers market are: rise in consumption of processed foods, increasing population with a rising level of urbanisation,

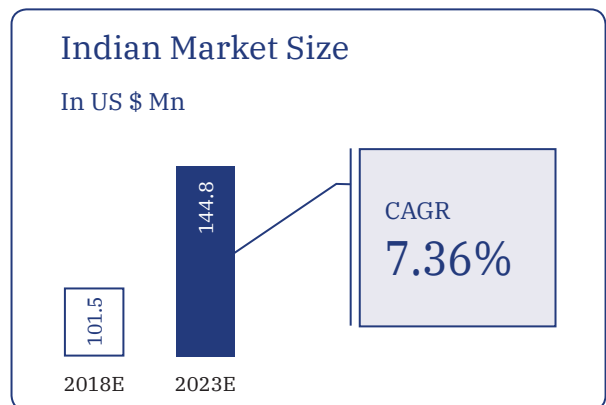
MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

presence of a broad consumer base coupled with the high growth of the food and beverage sectors and increasing number of end-use applications due to multifunctional attributes of emulsifiers.

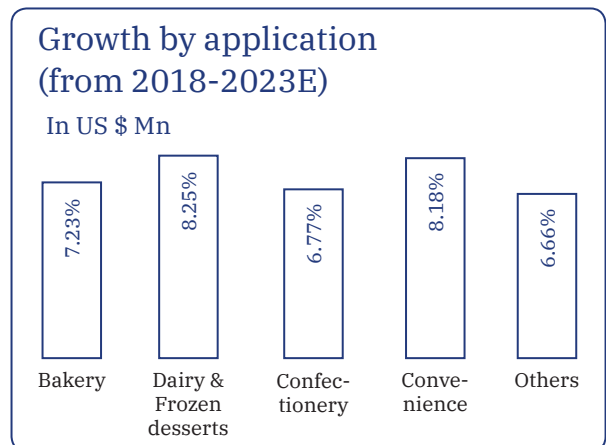


Indian scenario

The Indian food emulsifiers market is expected to reach US\$ 144.8 million by 2023 at a CAGR of 7.36% during 2018-2023. Changing lifestyle, shift towards convenient, processed, and packaged products, a growing affinity towards convenience products, and rising demand for healthier and better-for-you products are expected to stimulate the market growth. The major application areas for emulsifiers in India are Bread, Biscuits other Bakery & confectionery products and other Convenience foods. Growing awareness and demand for healthier and organic food products is expected to propel the usage of emulsifiers in the country further. Additionally, the demands for bakery products like biscuits, cakes & pastries, chocolates & dairy products have been increasing, making emulsifier an essential additive.



(Above data includes all emulsifiers including commodity emulsifiers like soya lecithin)



(Source: MarketsandMarkets)

Opportunities

- Changing lifestyle, shifting pattern and rising penetration of ready-to-eat convenience foods, processed and packaged food products among working class is projected to drive demand for food additives in India
- Surging demand for malt drinks will further drive the market for food emulsifiers
- The increasing demand for premium ice creams, frozen desserts and other dairy products in India will drive demand for emulsifier market
- Rise in health awareness and quality consciousness of consumers in developed nations demands for healthy packaged foods
- Further, rising disposable incomes and busy lifestyles are increasing demand for packaged, processed and ready-to-eat foods

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

2. Plastics

Plastics possess multiple impressive properties and benefits, due to which, they have been the key material of choice in consumer as well as luxury goods and thus is reflected in remarkable volumes. Additives impart promising functionalities and offer value addition resulting in superior end-performance. Commonly used plastics additives include processing aids, antioxidants, fillers, UV stabilisers, plasticisers, catalysts, antiblocks, flame retardants, anti-fogs, green plasticisers, slip, antistats, lubricants, stabilisers and more. These additives cover a wide range of applications, for instance – packaging and functional films, automotive, consumer goods, wires and cables, pipes, medical, construction etc.

Global scenario

The global plastic additives market was valued at approx. US\$ 43.82 billion in 2018 and is expected to reach around US\$ 61.25 billion by 2025, at a CAGR of 4.9%. Based on type, the market for plastic additives is classified into antioxidants, antiblocks, UV stabilisers, fillers, catalysts, lubricants, processing aids, flow improvers, slip additives, antistatic additives, pigment wetting agents, filler dispersants, antifog additives, plasticisers, stabilisers, flame retardants, impact modifiers and others. Increasing use of plastic additives in end use industries, growing plastic consumption coupled with replacement of conventional materials by plastics in several applications and shifting customer preferences to plastic products owing to their low price and increased durability are key driving forces of market growth.

(Source: [https://www.globenewswire.com/news-release/2019/07/08/1879228/0/en/Global-Plastic-Additives-Market-Will-Reach-US\\$-61-25-Billion-By-2025-Zion-Market-Research.html](https://www.globenewswire.com/news-release/2019/07/08/1879228/0/en/Global-Plastic-Additives-Market-Will-Reach-US$-61-25-Billion-By-2025-Zion-Market-Research.html))

Indian scenario

Plant-sourced plastic additives market in India was expected at approx. 25,000 tonnes per annum in 2019 and is expected to reach around 30,000 tonnes per annum by 2023. Plastic additives are used in a wide range of applications ranging from flexible/rigid packaging specialty films, agricultural, moulded articles, construction, packaging of

electronic equipments, machine parts made from engineering plastics and automotive components. Increasing plastic consumption in the construction, automotive and electrical & electronics industries is projected to drive the market for plastic additives. The increasing use of plastic additives, especially in packaging solutions for household and industrial reasons, is anticipated to majorly fuel the demand for plastic additives.

(Source: - Internal working)

Opportunities

- The growing e-commerce is propelling packaging industry coupled with the increased demand from the retail industry, this will drive the market of plastic additives promisingly
- Replacement of conventional products widely used in construction, infrastructure and automobile industry with plastic products will increase the demand for plastic additives
- Shifting customer preferences to plastic products owing to their low price, better functionality and increased durability will propel the plastic additives market
- Stringent regulations regarding depletion and recyclability of conventional materials such as metal and wood are anticipated to drive the demand for plastic from construction industries in insulation, pipes, cables, floorings, windows and storage tanks
- Shift in consumer preference toward eco-friendly plastic products and increasing use in food packaging & compostable bags applications in emerging markets such as APAC and Rest of the World

3. Cosmetics and Pharmaceuticals

Global scenario

The global cosmetics market was valued at US\$ 507.8 billion in 2018 and is expected to reach US\$ 758.4 billion by 2025. Rising disposable income, growing population, and increasing awareness of beauty products is driving the growth for cosmetics. The global cosmetic industry is increasingly manifesting higher preference for specialised ingredients such as organic, herbal and ayurvedic

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

products as part of cosmetic products. Thus, the shift toward natural and organic cosmetics is expected to uplift the market in future. Also eco-friendly features of products can reinforce the quality and availability of raw materials; thus, ensuring positive positioning of the brand. Hence manufacturers are also encouraging the use of natural ingredients or products based on natural raw materials for manufacturing the end products.

(Source: <https://www.statista.com/statistics/585522/global-value-cosmetics-market/>)

Indian scenario

The Indian cosmetic market, which was valued at nearly US\$ 11.16 billion in 2017, is anticipated to grow at a CAGR of 5.91% by 2025. The cosmetics and personal care industry are amongst the fastest growing consumer product sectors in India. The personal care and cosmetics sector in India has continuously shown strong growth, with increasing shelf space in retail stores and boutiques in India, stocking cosmetics from around the world.

(Source: <https://www.goldsteinresearch.com/report/india-cosmetics-market-report-industry-analysis>)

Opportunities

- Products containing multiple benefits in a single product such as those with anti-ageing properties, moisturising care and sunscreen protection are gaining popularity in the skin care cosmetics industry
- The Indian consumers are becoming more aware about their physical appearance and ready to invest in grooming process. This has created a demand for more herbal, organic and natural cosmetic products
- The cosmetic category is also gaining popularity from millennials due to adoption of western culture and lifestyle and increasing number of beauty salons
- With growing affluence, Indians are able to spend more on hygiene and personal care products. Increasing demand for wide range of cosmetic and health care products and as well as hygiene is expected to grow this segment

- Factors like use of novel technology and ingredients, increased life expectancy and a growing number of working women will create a new avenue for product development in the coming years

4. Rubber

Indian scenario

India is the third largest producer and fourth largest consumer of natural rubber in the world. It is also the fifth largest consumer of natural rubber and synthetic rubber put together. With rubber possessing several properties like abrasion and heat resistance, the rubber market is set to gain traction from its ever-increasing usage in a wide range of end-user industries. It is majorly utilised in the production of gaskets, hoses, adhesives, tyres, conveyors belts, tubes, and medical gloves, among others. The growth of rubber additives is attributed to increased usage of rubber in auto industry, steady improvement in industrial and infrastructure activity.

Opportunities

- The growing use of rubber across automotive, chemical, medical and other industries
- The growing population with the increasing purchasing power of the consumers will boost demand for automobiles, this, in turn, will increase the rubber demand
- Increasing demand for rubber additives in non-tyre applications is one of the primary growth drivers. Non-tyre applications include adhesives, asphalt, foam and carpet backing, damping components, conveyor belt, footwear and ball bladders, seals, O-rings, gasket, gum, hoses, and medical and pharmaceutical devices

5. Coating Additives

Indian scenario

India is among the fast growing printing ink markets globally spurred by the rapid expansion of the domestic print markets. Backed by a strong demand from key end user segments such as package printing, newsprint, publishing and other commercial printing, the printing ink market in India has registered strong growth in the recent years. Printing ink sector in India is estimated at

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

3,60,000 tonnes for 2019-20, valued at around ₹ 55 billion; the market witnessed a growth of around 7.5% per annum during the last 10 years. Printed packaging accounts for around 27% of the demand for printing inks in India followed by newspapers at 20%. The printing ink industry is fragmented with over 550 manufacturers and a large number of players in the un-organized sector.

Opportunities

- The growing e-commerce business, increasing applications, technological advancements pose as future growth drivers for the industry
- Increasing demand for plastics across industries like packaging, automobiles, durables etc will demand for inks and coatings additives in India
- Packaging sales are expected to show growth as both increased consumption and demand for consumer goods drives the need for more sophisticated packaging with the growing disposable income

(Source : http://www.phdmsme.in/uploaded_files/project_report/1536151366_923.pdf)

Challenges/Threats

- **Slowdown in user industry growth:** Oleochemical derivatives' demand depends upon the various sectors and end-user industry. Any slowdown in growth of user industry such as Paints & Coatings, Specialty Polymers and Construction chemicals among others could impact the overall growth for the sector.
- **Vegetable oil prices:** The price of vegetable oils depends upon the global as well as domestic demand-supply output & climatic/crop conditions. The changes in the duties made by the Indian Government and exporting countries may result in price fluctuation as well as volatility in demand
- **Increasing regulations & reforms:** Any change in regulations can cause a rippling effect across an industry. Regulations can increase costs of operations, introduce legal and administrative hurdles and sometimes even restrict a Company from doing business. An increasingly stringent regulatory environment with regard to foods, cosmetic ingredients and other specialty additives could result in stricter standards being applied to

products, which could cause to incur substantial costs and may therefore have an adverse effect on our business and results of operations

- **Long product approval:** End-user Customer typically takes three to five years to approve additives before the additives manufacturer is approved as a supplier which involves significant amount of costs
- **Strict customer specification:** Oleochemical based additives are subject to strict customer specification requirements in terms of manufacturing processes and products and any failure by the manufacturer or suppliers 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 result in removal from end-user customers' 'approved supplier' lists, which would have a material adverse effect on our business, financial condition and results of operations

Covid-19 Impact on our Business & Outlook

The pandemic of Coronavirus (COVID-19) has affected every aspect of life globally. This has brought along several changes in market conditions. The oleochemicals based specialty additives industry touches nearly every product we all use on a daily basis. Due to the outbreak of COVID-19 pandemic globally, due to lockdown announced in Maharashtra and whole of India, the operations/productions in the manufacturing sites of the Company were temporarily suspended with effect from March 23, 2020. Further, the business operations in the various international markets where the Company operates have been impacted to varying extent based on the spread of the COVID-19 and the restrictions on business activities placed by the respective Government authorities in these countries.

Given the essential nature our products, manufacturing operations resumed shortly after the initial lockdown with effect from March 31, 2020 with limited workforce after taking necessary approvals from local authorities however the sales volume of the Company, export as well as domestic, have been relatively slow and is picking up as the restrictions imposed by lockdown are being relaxed. The supply chain has been slightly disrupted initially in view of lockdown and is gradually returning to normalcy based on country/ state wise relaxation in restrictions. The Company has a diverse portfolio of products which

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

are used in foods, plastics, cosmetics, rubbers, coatings and other specialty applications etc. Due to COVID-19, sales volumes of all categories of products have been impacted.

Outlook: -

A crisis is often a catalyst for innovation, establishing new industry structures and cost levels. For the oleochemicals based specialty additives industry, this is a unique opportunity to get closer to end-users and accelerate innovative digital enabled business models that address customer needs.

We believe that the inherent strength of Oleochemicals sector such as low operating overheads, better manufacturing and compliance standards, stringent environment policy, stringent product quality standard, availability of feedstock and skilled manpower are good drivers to our Company as a viable sourcing alternative for global players. However, the economic fallout of and the subsequent recovery from COVID-19 will depend on multiple factors, such as recovery driven by containment efforts, supply chain disruptions, impact of lockdowns etc. The continued spread of COVID-19 could adversely affect workforces, suppliers, customers, economies and financial markets globally, potentially leading to further economic downturn. The potential impact to our results going forward will depend to a large extent on future developments regarding COVID-19 that cannot be accurately measured at this time, including the duration and severity of the pandemic, the extent and effectiveness of containment actions and the impact of these and other factors on our stakeholders.

BUSINESS OVERVIEW

Fine Organics, since its inception in the year 1970, has successfully established itself as a key player in oleochemicals-based additives not only domestically but also globally. The Company has developed 400+ range of specialty additives which finds its application in foods, plastics, cosmetics, coatings, rubbers and other specialty applications in various industries.

The state-of-art-manufacturing facilities of the Company is located at Ambernath, Badlapur and Dombivali. The Company has the dedicated lab with 18 scientists and technicians which equips them to develop new innovative solutions for the customers. The Company has its own in-house manufacturing facilities and

technologies which is effectively supported by strong research and development team. The in-house designing and engineering capabilities of the Company enables them to develop best-in-class products for its customers.

Food Additives

The Company caters food industry with its additives such as Emulsifiers, antifungal additives, preservatives and other additive blends. These additives help in maintaining the quality of food, keeping food fresh, imparting better product structure integrity and increasing the shelf life of the food products such as breads, cakes and bakery products and keeps it safer from spoiling or from becoming toxic due to unwanted growth of bacteria, yeast and moulds.

Plastic Additives

The Company develops wide range of additives such as dispersing agents, processing aids, anti-stats, flow improvers, lubricants, antifogging additive for polymers, polymer compounds and masterbatches, foamed products, PVC products and engineering plastics. These additives impart various functionalities such as slip additives help in reducing friction between plastic film surfaces and film surface with metal surfaces, antistats aid to dissipate the static charges to make plastic safer for handling, antifogs improve the visibility through plastic films.

FINANCIAL HIGHLIGHTS(STANDALONE)

The Company posted net revenue from operation ₹ 1,02,622.30 lakhs in 2019-20 as against ₹ 1,04,397.20 lakhs in 2018-19 representing decrease of 1.7% over the previous year. EBIDTA of the Company recorded an increase of 6.22% from ₹ 22,225.17 lakhs in 2018-19 to ₹ 23,608.03 lakhs in 2019-20. The EBIDTA margins improved from 21.29% in 2018-19 to 23% in 2019-20. PAT of the Company recorded an increase of 29.06% from ₹ 12,901.37 lakhs in 2018-19 to ₹ 16,650.17 lakhs in 2019-20. The PAT margins improved from 12.36% in 2018-19 to 16.22% in 2019-20.

	2018-19	2019-20
Inventory Turnover	12.86X	10.34X

(Net Sales / Average Inventories)

	2018-19	2019-20
Interest Coverage Ratio	114.38X	42.13X

(Earnings Before Interest and Taxes / Finance costs)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

	2018-19	2019-20
Current Ratio	4.14X	3.92X
(Current Assets / Current Liabilities)		
	2018-19	2019-20
Debt Equity Ratio	0.05X	*(0.13X)
(Net Debt / Net Worth)		
*net cash position		
	2018-19	2019-20
Debtors Turnover	6.36X	6.58X
(Net sales/Average Accounts Receivables)		
	2018-19	2019-20
Operating Profit Margin(%)	19.6%	19.6%
(Profit before interest and taxes/Net Sales)		
	2018-19	2019-20
Net Profit Margin(%)	12.36%	16.22%
(Net profit after tax /Net Sales)		
	2018-19	2019-20
Return on net worth(%)	25.37%	26.40%
(Net profit after tax / Net Worth)		

RISK MANAGEMENT

Slowdown in economy: Any slowdown in Indian economy as well as global can disrupt the entire supply chain which will indirectly affect the Company's profitability. The Company invests in understanding the needs of its customers and it carefully studies the requirements posed by different markets on products in order to ensure that the products comply with the specific requirements of each region and are competitive.

Unavailability of raw material: The crop of oil seeds may get destroyed due to climatic changes/natural calamities like drought, floods etc which can affect availability of vegetable oils. Since the Company manufactures products for various specialty applications. They intend to procure raw material from different vendors due to their large volume. Therefore, any disruption in supply chain and unavailability of raw materials can impact the Company's profitability. As, the Company have long standing relationships with its suppliers, the Company is able to get the raw material at competitive prices.

Competitive activity: Competition in the additives market is intense and competitive activity is likely to remain high. Increasing competition may result in pricing pressures and decreasing profit margins. To mitigate this risk, the Company continuously tries to add new products to its basket.

Quality: As Company manufactures additives that are used in food industry, they are subjected to many checks that meet the specific quality and regulatory standards. Any failure in quality of the product may lead to loss of reputation and goodwill of our Company, cancellation of the order and even lead to loss of customers. The Company has continued its attention on strengthening quality standards through its in-house process development and management which helps them in maintaining the highest level of quality consistency.

Regulatory: Like all chemical companies, Fine Organics is also subjected to central, state, local and foreign laws and regulations relating to pollution, protection of the environment and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Moreover, changes in environmental regulations could also inhibit or interrupt the Company's operations. For this, The Company ensures to abide by all the necessary requirements of the regulatory bodies and ensures environmental-friendly manufacturing processes.

Human Resource Risk: - Risk of key management personnel leaving exists. Failure to attract and retain the right set of talent may affect the growth of the organisation. To guard against the same your Company has a competitive remuneration policy combined with appropriate rewards and recognition plan. The Company regularly invests in training of its employees to upgrade their skillsets.

HUMAN RESOURCE

Our employees are our biggest assets. Sustainable growth can only be achieved in an organisation which focuses on a performance culture and where employees are engaged and empowered to be the best they can be. The Company continuously motivates its people to collaborate with experts to enhance their skills. The Company to enhance the skills of its employees, conducts various programs in the organisation. The Company's continuous thrust is on delivering corporate values, leadership, integrity, flexibility, efficiency and establishing a corporate culture based on trust, respect for diversity and equality of opportunity.

The Company's mission is to protect and enhance the well-being of the employees and provide them with safe working

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

environment, flexible work times and fair treatment at work. The Company also organises various programmes to enhance the skills of their employees such as team building, communication skills, presentation skills, 5S, QMS (Quality Management System). As at March 31, 2020, Company's employee strength stands at 701.

INTERNAL CONTROL SYSTEM

The Company has a sound and adequate internal control system commensurate with its size and nature of business. The Company constantly upgrades its internal control system from time to time. The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The Audit Committee reviews reports presented by the internal auditors on periodic basis. The committee makes note of the audit observations and takes corrective actions,

if necessary. It maintains constant dialogue with statutory and internal auditors to ensure efficiency and effectiveness of internal control systems.

CAUTIONARY STATEMENT

The Management Discussion and Analysis report containing your 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 Board of Directors are pleased to submit its report on the performance of the Company along with the audited Standalone as well as Consolidated financial statements for the financial year ended March 31, 2020.

FINANCIAL SUMMARY AND STATE OF AFFAIRS:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
REVENUE & PROFITS				
Total Revenue from operations	1,02,622.30	1,04,397.20	1,03,807.97	1,06,033.28
Profit before Interest, Tax & Depreciation	25,659.14	24,248.17	25,559.83	25,007.04
Less : Interest & Finance Charges	478.12	179.05	482.11	183.92
Less : Depreciation	3,465.07	1,744.84	3,465.53	1,745.37
Profit for the year before Tax	21,715.95	22,324.28	21,612.19	23,077.75
Less : Provision for Taxation				
- Current	5,609.49	8,000.00	5,666.23	8,089.35
- Deferred	(543.71)	696.68	(534.05)	636.64
Short (Excess) provision for earlier years	-	726.23	-	726.23
Net Profit/(Loss) after Tax	16,650.17	12,901.37	16,480.01	13,625.53
Other Comprehensive Income	(351.58)	(318.88)	(351.58)	(318.88)
Total Comprehensive Income	16,298.59	12,582.49	16,128.43	13,306.65
RETAINED EARNINGS				
Opening Balance of Retained Earnings	48,508.64	38,190.39	48,016.17	36,978.32
Add: Profit for the year	16,650.17	12,901.37	16,480.01	13,625.53
Less: Appropriations:				
Final Dividend	3,372.60	2,146.20	3,372.60	2,146.20
Corporate Dividend Tax on Dividend	693.25	436.92	693.25	436.92
Transferred to Other Reserve/Non-Controlling Interest	-	-	1.88	4.56
Balance as at end of the Year	61,092.96	48,508.64	60,428.45	48,016.17

The financial results and the results of operations have been further discussed in detail in the Management Discussion and Analysis section.

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, 2020 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 ₹ 3/- per equity share of the face value of ₹ 5/- each as the final dividend for the financial year 2019-20. The Final Dividend, subject to the approval of Members at the Annual General Meeting on Friday, September 18, 2020, will be paid to those members whose name appears in the register of beneficial owners/register of members as at the close of business hours on September 11, 2020. Pursuant to the approval of the Board on February 11, 2020, your Company paid an interim dividend of ₹ 4/- per equity share of face value of ₹ 5/- each, to shareholders whose names appeared in the register of beneficial owners/register of members as on February 21, 2020, being the record date fixed for this purpose.

BOARD'S REPORT (Contd.)

The total dividend for the financial year, including the proposed Final Dividend, amounts to ₹ 7/- per equity share of the face value of ₹ 5/- each and will absorb ₹ 2,398.29 Lakhs (including Dividend Distribution Tax of ₹ 252.09 Lakhs on Interim Dividend). In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source, as applicable.

TRANSFER TO RESERVES

The closing balance of the retained earnings of the Company for the financial year 2019-20, after all appropriation and adjustments was ₹ 61,092.96 Lakhs.

SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

As on March 31, 2020, the Company has two subsidiaries i.e. Fine Organics (USA), Inc. and Fine Organics Europe BV and two joint venture companies i.e. Fine Zeelandia Private Limited and FineADD Ingredients GmbH. Pursuant to the provisions of Section 129(3) of 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 Companies Act, 2013, 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, 2020, the applicable accounting standards have been followed and there are no material departures for the same;
- 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, 2020 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

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 period under review, there has been no change in the Board of Directors.

Mr. Tushar Shah 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. Tushar 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 of the Company.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them 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.

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 and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

BOARD'S REPORT (Contd.)

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are: Prakash Kamat - Chairman and Whole Time Director, Mukesh Shah - Managing Director, Jayen Shah - Whole Time Director and Chief Executive Officer, Tushar Shah - Whole Time Director and Chief Financial Officer, Bimal Shah - Whole Time Director and 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 thereat 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

The annual evaluation of Directors, Committees and Board as a whole was carried out on the basis of various criteria as recommended by the Nomination and Remuneration Committee of the Company ('NRC').

The performance of the Board and individual Directors was evaluated after seeking inputs from all the Directors. The criteria for performance evaluation of the Board was based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, 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 NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and NRC, at which the feedback received from the Directors on the performance of the Board and its Committees, was also discussed. The Board was satisfied with the performance of the Board, Board Committees, and individual directors.

NOMINATION REMUNERATION POLICY

The Company has in place a Nomination 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, timely preparation of reliable financial informations. The Company uses an Enterprise Resource Planning (ERP) system that connects all parts of the organization, to record day to day transactions for accounting and financial reporting. The Company has an internal audit function to assess effectiveness of its internal controls across multiple functions and locations. The internal audit plan is approved by the Audit Committee at the beginning of every year. Every quarter, the Audit Committee is presented with key control issues and the actions taken on issues highlighted in the previous reports.

Your Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of business.

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 Annual General Meeting held on July 10, 2017 until the conclusion of the 20th Annual General Meeting

BOARD'S REPORT (Contd.)

of the Company to be held in the year 2022. As per the provisions of Section 139 of the Act, they have confirmed that they are not disqualified from continuing as Auditors of the Company. Further, the report of the Statutory Auditors along with notes to Schedules is a part of the Annual Report.

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

II. Cost Auditors:

M/s Y. R. Doshi & Associates, Cost Accountants in practice were appointed as the Cost Auditors of the Company to audit the cost records for the Financial Year 2020-21. 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. 4 of the AGM Notice as an Ordinary Resolution.

III. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s KS & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company for Financial year 2020-21. Further the report of the Secretarial Auditor for the Financial Year 2019-20 is appended as **"Annexure A"** to this report.

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

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

Pursuant to provisions of Section 143 (12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

RISK MANAGEMENT FRAMEWORK

Risk Management is an integral part of the Company's operations. Mechanisms for identification and prioritization of risks include scanning the business environment and

continuous monitoring of internal risk factors. The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Audit Committee has additional oversight in the area of financial risks and control. 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 Companies Act, 2013, form part of the notes to the Standalone Financial Statements provided in this Annual Report.

RELATED PARTY TRANSACTIONS

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **"Annexure B"** in Form No. AOC-2 and the same forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors has constituted Corporate Social Responsibility Committee comprising members viz. Mr. Jayen Shah (Chairman), Mr. Prakash Apte, Mr. Kaushik Shah, Mr. Mukesh Shah, Mr. Tushar Shah. The Corporate Social Responsibility Policy of the Company is available at <https://www.fineorganics.com/investor-relations/corporate-governance/policies>.

The Report on Corporate Social Responsibility (CSR) including a brief outline of the CSR Policy and activities undertaken during the the financial year 2019-20 as per Rule 8 of Companies (CSR Policy) Rules, 2014 is enclosed as **"Annexure C"** to this Report.

EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for the financial year 2019-20 is given in **"Annexure D"** in the prescribed Form No. MGT-9, which is a part of this report. The same is available on <https://www.fineorganics.com/investor-relations>.

BOARD'S REPORT (Contd.)

PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION:

The information required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as “**Annexure E**” to this report.

The statement containing particulars of employees as required under section 197 of the Companies Act, 2013 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 Companies Act, 2013, 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

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.

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 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 which is annexed to this Report and also disclosed on the Company's website at <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 Companies Act, 2013 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 behaviour, actual or suspected fraud or Violation of code of 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 the workplace and towards this end, has adopted prevention of Sexual Harassment Policy, 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 employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. 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 2019-20.

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 Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in “**Annexure F**” to this report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Information regarding potential impact of COVID-19 pandemic on your Company's business operations and financial position are provided as part of the Management Discussion and Analysis Report.

BOARD'S REPORT (Contd.)

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 Company's operations in future.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank for the continued support and co-operation by customers, vendors,

shareholders, 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

Mumbai, June 27, 2020

Prakash Kamat
Executive Chairman

ANNEXURE A

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration 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 Internal Audit Reports, returns filed, Statutory Auditors' Report, Audited & signed Annual Accounts for financial year ended March 31, 2020, Director's Report for the financial year ended March 31, 2020 and other records maintained by the Company and also the information provided by the Company, its Company Secretary, Compliance Officer, 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 & as per our understanding & belief, the company has, during the audit period covering the financial year ended on March 31, 2020 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 Internal Audit Reports, returns filed, Statutory Auditors' Report, Audited & signed Annual Accounts for financial year ended March 31, 2020, Director's Report for the financial year ended March 31, 2020 and other records maintained by the Company and also the information provided by the Company, its Company Secretary, Compliance Officer, 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, 2009 as amended from time to time, wherever applicable for the referred financial year;

ANNEXURE A (Contd.)

- 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;
 - 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 Company Secretary, Compliance Officer, Board of Directors, its officers, agents & authorized representatives, Management's Representation and based on Internal Audit Reports, returns filed, Statutory Auditors' Report, Audited & signed Annual Accounts for financial year ended March 31 2020, Director's Report for the financial year ended March 31, 2020, for systems and mechanism put in place by the Company for Compliances under various other applicable Act, Laws and Regulations to the Company & We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards with respect to Board and General Meetings issued by the Institute of Company Secretaries of India.
 - We have also examined compliance with the applicable clauses of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited, wherever applicable for the referred financial year;

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

The Company was required to spend ₹ 335.56 lakhs towards Corporate Social Responsibility (CSR) for the financial year 2019-20. In addition to the above amount, the Company also needed to spend the unspent amount of previous financial years amounting to ₹ 446.60 lakhs. Out of the above, during the year, the Company has spent ₹ 454.66 lakhs towards CSR projects till March 31, 2020.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors & Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes, the decisions at the Board Meetings were taken unanimously.

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

ANNEXURE A (Contd.)

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, 2019, the Board approved dividend distribution policy, as per Listing Regulations.
- In the board meeting dated February 11, 2020, the Board declared interim dividend, for the financial year 2019-20, of Rs. 4 per equity share of Rs. 5 each.
- In the Annual General Meeting dated July 30, 2019, the Shareholders of the Company approved declaration of dividend of Rs. 7 per equity share of Rs. 5 each, for the

financial year 2018-19.

- In the Annual General Meeting dated July 30, 2019, the revision in managerial remuneration of Executive Director was approved by the shareholders of the Company, as per the agreement executed by the Company with the Directors.
- In the Annual General Meeting dated July 30, 2019, the shareholders approved ratification of the appointment of Ms. Pratima Umarji (DIN: 05294496), Independent Director of the Company for the remaining period of her tenure.

For KS & Associates,
Company Secretaries

Kartik Shah

C.P. No. 5163

Membership No. 5732

UDIN: F005732B000387069

Mumbai, June 27, 2020

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

ANNEXURE 'A' TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Fine Organic Industries Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices that followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have discussed & relied on the Management Representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis and Management Representations, certificate received from the Authorised Officers of the Company & other documents received for applicability of relevant acts as well as viewing of the following registrations under:
 - The Environment (Protection) Act
 - Water (Prevention & Control of Pollution) Act
 - Air (Prevention & Control of Pollution) Act
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

Mumbai, June 27, 2020

ANNEXURE B

FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL

(a)	Name of the related party and nature of relationship
(b)	Nature of contracts / arrangements / transaction
(c)	Duration of the Contracts / Arrangements / Transactions
(d)	Salient terms of the contracts or arrangement or transactions including the value, if any
(e)	Justification for entering into such contracts / arrangements / transactions
(f)	Date(s) of approval by the Board
(g)	Amount paid as advances, if any
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

2. Details of material contracts or arrangement or transactions at arm's length basis – NIL

(a)	Name(s) of the Related Party & Nature of relationship
(b)	Nature of contracts / arrangements / transaction
(c)	Duration of the Contracts / Arrangements / Transactions
(d)	Salient terms of the contracts or arrangement or transactions including the value, if any
(e)	Date(s) of approval by the Board, if any
(f)	Amount paid as advances, if any

For and On Behalf of the Board

Mumbai, June 27, 2020

Prakash Kamat
Executive Chairman

ANNEXURE C

ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

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, Health, Livelihood, Women Empowerment and Rural Development etc. It partners 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 Member	Designation	Nature of Membership
I.	Mr. Jayen Shah	Whole Time Director and Chief Executive Director	Chairman
II.	Mr. Prakash Apte	Independent Director	Member
III.	Mr. Kaushik Shah	Independent Director	Member
IV.	Mr. Mukesh Shah	Managing Director	Member
V.	Mr. Tushar Shah	Whole Time Director and Chief Financial Officer	Member

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS (i.e. FY 2016-17, FY 2017-18 AND FY 2018-2019): ₹ 16,777.85 LAKHS.

PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE): ₹ 335.56 LAKHS.

4. DETAILS OF CSR SPEND DURING THE FINANCIAL YEAR 2019-20:

Sr. No.	Particulars	Amount (₹)
A	Total amount to be spent for the financial year 2019-20	₹ 335.56 lakhs
	In addition to the above amount, the Company also need to spend the unspent amount of previous financial years amounting to ₹ 446.60 lakhs. During the year your Company has Committed an aggregate amount of ₹ 561.80 lakhs towards various CSR Projects and from the aforesaid committed amount ₹ 454.66 lakhs has been spent towards respective projects till March 31, 2020.	
B	Amount unspent as on March 31, 2020	₹ 327.50 lakhs

C Manner in which the amount spent during the financial year 2019-20 is detailed below:

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered as per Schedule vii	Projects or programs (1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount Outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the projects or program (₹ in lakhs)	Cumulative expenditure upto to the reporting period (₹ in lakhs)	Amount spent: direct or through implementing agency
1	Institute of Chemical Technology (ICT) – Creating and refurbishing of Classrooms and laboratory	Contribution to Autonomous Bodies funded by Central Government or State Government	Mumbai Maharashtra	86.08	82.45	82.45	Direct

ANNEXURE C (Contd.)

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered as per Schedule vii	Projects or programs (1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount Outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the projects or program (₹ in lakhs)	Cumulative expenditure upto to the reporting period (₹ in lakhs)	Amount spent: direct or through implementing agency
2	Samaritan Help Mission – Providing support for operational expenses of Rebecca Belilious Charitable Dispensary (RBCD) to ensure that quality and free medical services reach to the poorest of poor in Tikiapara Slum area of Howrah	Promoting health care including preventive health care	Howrah West Bengal	20	20	20	Through Implementing Agency
3	MAHAN Trust – Supporting towards operational expenses for F.Y 2019-20 and creating infrastructure for hospital building which will benefit to lower socio-economic population.	Promoting health care including preventive health care	Amravati Maharashtra	35	35	35	Through Implementing Agency
4	Action Research in Community Health and Development (ARCH) – Supporting Mother and Child Health Project, Infertility Clinic Project & Village Dispensary running by ARCH.	Promoting health care including preventive health care and sanitation	Valsad Gujarat	20	20	20	Through Implementing Agency
5	Apex Kidney Foundation – Provided support for purchase of one Kidney Dialysis Machine which will benefit to lower socio economic population.	Promoting health care	Mumbai Maharashtra	6.75	6.75	6.75	Through Implementing Agency
6	Vision India Foundation – Awareness drives, eye testing, distribution of spectacles and cataract surgeries for deprived sections of society. Beneficiaries– 700 seniors citizens	Promoting health care	Sambalpur Orissa	15	15	15	Through Implementing Agency
7	Adruta Home – Supported towards operational expenses of children residing in centres of Adruta Home	Promoting education and health care	Bhubaneshwar Orissa	15	15	15	Through Implementing Agency

ANNEXURE C (Contd.)

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered as per Schedule vii	Projects or programs (1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount Outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the projects or program (₹ in lakhs)	Cumulative expenditure upto to the reporting period (₹ in lakhs)	Amount spent: direct or through implementing agency
8	Vishwanidam – Supporting for the Education of the slum children	Promotion of education	Rajkot Gujarat	25	0	0	Through Implementing Agency
9	Vanpath Trust – Supporting Educational requirements for underprivileged Tribal children.	Promotion of education	Valsad Gujarat	10	10	10	Through Implementing Agency
10	Logic Centre and Community Welfare Association Mumbai – Providing recurring expenses for Supplementary Education for children residing in Slum areas near Powai benefiting around 800 students.	Promotion of education	Mumbai Maharashtra	15	15	15	Through Implementing Agency
11	Aavishkar Society for Development of Mentally Handicapped – Infrastructural development for setting up a Vocational Skill Workshop which will provide livelihood training to people with intellectual disability.	Promotion of education and employment enhancing vocation skills especially among children, women, adults and the differently abled.	Ratnagiri Maharashtra	50	12	12	Through Implementing Agency
12	Samvedana – Supporting for creating infrastructure and refurbishing of Vasant Pathshala benefiting 200 children.	Promotion of education	Ahmedabad Gujarat	31	15.5	15.5	Through Implementing Agency
13	Suhit Jeevan Trust – Infrastructural Development for specially abled students	Promotion of education for Children and adults which are differently abled	Raigad Maharashtra	25	0	0	Direct
14	Sarvodaya Parivar Trust – Infrastructure Development of Residential School for Tribal children benefiting 200 children	Promotion of education	Valsad Gujarat	35	35	35	Through Implementing Agency

ANNEXURE C (Contd.)

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered as per Schedule vii	Projects or programs (1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount Outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the projects or program (₹ in lakhs)	Cumulative expenditure upto to the reporting period (₹ in lakhs)	Amount spent: direct or through implementing agency
15	Round Table India – Infrastructural Development of School affected in the floods	Promotion of education	Kottayam Kerala	15.26	15.26	15.26	Through Implementing Agency
16	Malvi Educational and Charitable Trust – Providing educational Support (material and academic) of 100 underprivileged tribal children residing in Malvi Trust.	Eradicating extreme hunger and poverty; Promotion of education and Promoting gender equality, empowering women	Navsari Gujarat	20	20	20	Through Implementing Agency
17	MAHER – Providing support in recurring expense and educational expenses of Mogra House for underprivileged Girls	Promotion of education and Promoting gender equality, empowering women	Pune Maharashtra	7.28	7.28	7.28	Through Implementing Agency
18	Parivaar Education Society – Providing support to Seva Kutir which includes nutritious meals along with Strongly Supplementary education and life-skills ,impacting 500 underprivileged children	Eradicating extreme hunger and poverty; and Promotion of education	Dewas & Sehore Madhya Pradesh	62.50	62.50	62.50	Through Implementing Agency
19	The Hindu Women's Welfare Society – Supporting Green energy by providing Power Saving Electricals	Ensuring environmental sustainability	Mumbai Maharashtra	12.92	12.92	12.92	Through Implementing Agency
20	Bhagini Nivedita Gramin Vigyan Niketan (BNGVN) – Supported for procurement of Raw materials for stitching Kurits and selling the same which makes them self independent Women. Direct Impact to 187 women and Indirect impact to more than 1000 beneficiary	Promoting gender equality, empowering women	Jalgaon Maharashtra	35	35	35	Through Implementing Agency

ANNEXURE C (Contd.)

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered as per Schedule vii	Projects or programs (1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount Outlay (budget) project or program wise (₹ in lakhs)	Amount spent on the projects or program (₹ in lakhs)	Cumulative expenditure upto to the reporting period (₹ in lakhs)	Amount spent: direct or through implementing agency
21	Vicharta Samuday Samarthan Manch (VSSM) – Water conservation through desilting, repair and maintenance of lakes, watershed restoration for sustainability and flood protection.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, and rural development projects	Banaskantha Gujarat	20	20	20	Through Implementing Agency
Total				561.80	454.66	454.66	

5. IN CASE THE COMPANY HAS FAILED TO SPEND THE 2% OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF, THE COMPANY SHALL PROVIDE THE REASONS FOR NOT SPENDING THE AMOUNT IN ITS BOARD'S REPORT.

One of the reason for shortfall in spending the prescribed CSR amount is that for identifying the right projects which are more sustainable in nature and can create maximum impact on society takes sufficient time and proper due diligence. Further few projects have an implementation period of around two to three years and the amount committed would be spent/ disbursed during this period.

Your Company is committed to spend the entire amount towards CSR activities and make an impact towards development of the underprivileged section of the society.

6. A RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE THAT THE IMPLEMENTATION AND MONITORING OF CSR POLICY, IS IN COMPLIANCE WITH CSR OBJECTIVES AND POLICY OF THE COMPANY.

We, hereby confirm that the implementation and monitoring of CSR Policy are in compliance with CSR objectives and Policy of the Company.

For and On Behalf of the Board

Mumbai, June 27, 2020

Jayen Shah
Chairman of CSR Committee

Mukesh Shah
Managing Director
(Member of CSR Committee)

ANNEXURE D

FORM NO. MGT - 9

Extract of Annual Return as on the Financial Period Ended on March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L24119MH2002PLC136003
ii.	Registration Date	May 24, 2002
iii.	Name of the Company	Fine Organic Industries Limited
iv.	Category Sub-Category of the Company	Public Company Limited By Shares, Indian Non Govt Company
v.	Address of the Registered office and contact details	Fine House, Anandji Street, M.G. Road, Ghatkopar East, Mumbai - 400 077 Tel :+91(22) 21025000 Fax: +91 (22) 21028899/21026666
vi.	Whether listed company	Yes
vii.	Name, Address and Contact Details of Registrar and Transfer Agent, if any	KFIN TECHNOLOGIES PRIVATE LIMITED Selenium Tower - B, Plot Number 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 India Tel: +91 40 6716 2222, 33211000 Email: einward.ris@kfintech.com Website: www.kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	Nature of Membership
1.	Manufacture of Organic And Inorganic Chemical Compounds n.e.c.	20119	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Fine Organics (USA), INC.	-	Subsidiary	100%	Sec 2(87)
2	Fine Organics Europe BV	-	Subsidiary	99.46%	Sec 2(87)
3	FineADD Ingredients GmbH	-	Joint Venture	50%	Sec 2(6)
4	Fine Zeelandia Private Limited	U74900MH2014PTC259832	Joint Venture	50%	Sec 2(6)

ANNEXURE D (Contd.)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2019)				No. of Shares held at the end of the year (as on March 31, 2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoter & Promoter Group									
1)	Indian									
a)	Individual/ HUF	22872084	-	22872084	74.60	22872084	-	22872084	74.60	-
b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c)	Bodies Corp	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total(A)(1):-	22872084	-	22872084	74.60	22872084	-	22872084	74.60	
2)	Foreign									
a)	NRIs-Individuals	122898	-	122898	0.40	122898	-	122898	0.40	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total(A)(2):-	122898	-	122898	0.40	122898	-	122898	0.40	-
	Total Shareholding of Promoter and Promoter Group (A)(1)+(A)(2)	22994982	-	22994982	75.00	22994982	-	22994982	75.00	-
B.	Public / other than Promoter Shareholding									
1.	Institutions									
a)	Mutual Funds /UTI	4399470	-	4399470	14.35	4490892	-	4490892	14.65	0.30
b)	Financial Institutions /Banks	4571	-	4571	0.01	2804	-	2804	0.01	-
c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e)	Insurance Companies	-	-	-	-	-	-	-	-	-
f)	Foreign Institutional Investors	1693079	-	1693079	5.52	1628676	-	1628676	5.31	(0.21)
g)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h)	Others (specify)	460062	-	460062	1.50	360512	-	360512	1.18	(0.32)
i)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
	Sub-total(B)(1)	6557182	-	6557182	21.39	6482884	-	6482884	21.14	(0.25)
2.	Non Institutions									
a)	Bodies Corporate (i) Indian (ii) Overseas	368682	-	368682	1.20	133707	-	133707	0.44	(0.76)

ANNEXURE D (Contd.)

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2019)				No. of Shares held at the end of the year (as on March 31, 2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b)	Individuals (Non Promoter)									
	(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	714127	19	714146	2.33	738747	19	738766	2.41	0.08
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	237974	-	237974	0.78	0.78
c)	Others(Specify)									
	Clearing Members	2079	-	2079	0.01	3402	-	3402	0.01	-
	NBFCs Registered with RBI	2000	-	2000	0.01	2427	-	2427	0.01	-
	TRUSTS	50	-	50	0.00	14351	-	14351	0.05	0.05
	Non Resident Indians	11907	-	11907	0.04	23382	-	23382	0.08	0.04
	NRI Non-Repatriation	8948	-	8948	0.03	12983	-	12983	0.04	0.01
	Qualified Institutional Buyer	-	-	-	-	15118	-	15118	0.05	0.05
	Sub-total(B)(2)	1107793	19	1107812	3.61	1182091	19	1182110	3.86	0.25
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	7664975	19	7664994	25.00	7664975	19	7664994	25.00	-
C	Shares held by Custodian for GDR & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	30659957	19	30659976	100	30659957	19	30659976	100	-

ii. Shareholding of Promoters/ Promoters Group

Sr. No.	Shareholder's Name	Category	Shareholding at the beginning of the year (as on April 1, 2019)			Shareholding at the end of the year (as on March 31, 2020)			% change in share holding during the year
			No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Prakash Kamat	Promoter	4452835	14.52	-	4452835	14.52	-	-
2.	Jyotsna Shah	Promoter	4325886	14.11	-	4325886	14.11	-	-
3.	Tushar Shah Jointly With Bina Shah	Promoter	3699182	12.07	-	3699182	12.07	-	-
4.	Jayen Shah Jointly With Neeta Shah	Promoter	3423627	11.17	-	3423627	11.17	-	-
5.	Bimal Shah Jointly With Mukesh Shah	Promoter	2116827	6.90	-	2116827	6.90	-	-
6.	Mukesh Shah Jointly With Jayshree Shah	Promoter	1764045	5.75	-	1764045	5.75	-	-

ANNEXURE D (Contd.)

Sr. No.	Shareholder's Name	Category	Shareholding at the beginning of the year (as on April 1, 2019)			Shareholding at the end of the year (as on March 31, 2020)			% change in share holding during the year
			No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
7.	Neeta Shah Jointly With Jayen Shah	Promoter Group	659892	2.15	-	659892	2.15	-	-
8.	Bina Shah Jointly With Tushar Shah	Promoter Group	574380	1.87	-	574380	1.87	-	-
9.	Jayshree Shah Jointly With Mukesh Shah	Promoter Group	568572	1.85	-	568572	1.85	-	-
10.	Jayen Ramesh Shah (Karta of R M Shah - HUF)	Promoter Group	309042	1.01	-	309042	1.01	-	-
11.	Jayen Ramesh Shah (Karta of Jayen R Shah - HUF)	Promoter Group	306978	1.00	-	306978	1.00	-	-
12.	Mukesh Maganlal Shah (Karta of M M Shah - HUF)	Promoter Group	140574	0.46	-	140574	0.46	-	-
13.	P D Kamat (Karta of P D Kamat - HUF)	Promoter Group	137178	0.45	-	137178	0.45	-	-
14.	Shaili Doshi	Promoter Group	122898	0.40	-	122898	0.40	-	-
15.	Rhea Shah Jointly With Tushar Shah	Promoter Group	106614	0.35	-	106614	0.35	-	-
16.	Esha Shah	Promoter Group	106620	0.35	-	106620	0.35	-	-
17.	Manali Shah Jointly With Jayen Shah	Promoter Group	76614	0.25	-	76614	0.25	-	-
18.	Tushar R Shah (Karta of Tushar R Shah - HUF)	Promoter Group	103218	0.34	-	103218	0.34	-	-
	Total		22994982	75.00	-	22994982	75.00	-	-

iii. Change in Promoters' Shareholding: No Change

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year (as on April 1, 2019)		Date DD/MM/YYYY	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the year (as on March 31, 2020)	
		No. of shares	% of total shares of the company			No. of shares	No. of shares	% of total shares of the company	
	NA	NA	NA	NA	NA	NA	NA	NA	NA

ANNEXURE D (Contd.)

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters, and Holders of GDR and ADR)

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year (as on April 1, 2019)		Date DD/MM/YYYY	Reason	Increase / Decrease in Shareholding	Cumulative Shareholding during the year (as on March 31, 2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	SBI LONG TERM ADVANTAGE FUND - SERIES V	1778264	5.80	26/04/2019	Sale	-2000	1776264	5.79
				10/05/2019	Purchase	10000	1786264	5.83
				24/05/2019	Purchase	20000	1806264	5.89
				24/05/2019	Sale	-19700	1786564	5.83
				05/07/2019	Sale	-2300	1784264	5.82
				26/07/2019	Purchase	7136	1791400	5.84
				02/08/2019	Purchase	6836	1798236	5.87
				02/08/2019	Sale	-700	1797536	5.86
				09/08/2019	Purchase	2028	1799564	5.87
				16/08/2019	Sale	-2000	1797564	5.86
				11/10/2019	Sale	-42001	1755563	5.73
				18/10/2019	Sale	-3000	1752563	5.72
				20/12/2019	Sale	-28000	1724563	5.62
				31/01/2020	Sale	-475	1724088	5.62
				27/03/2020	Sale	-2625	1721463	5.61
		31/03/2020			1721463	5.61		
2	IDFC MULTI CAP FUND	1279316	4.17	05/04/2019	Sale	-10657	1268659	4.14
				12/04/2019	Sale	-6025	1262634	4.12
				26/04/2019	Sale	-1537	1261097	4.11
				03/05/2019	Sale	-4387	1256710	4.10
				10/05/2019	Sale	-4533	1252177	4.08
				24/05/2019	Sale	-539	1251638	4.08
				31/05/2019	Sale	-1694	1249944	4.08
				07/06/2019	Sale	-701	1249243	4.07
				19/07/2019	Sale	-929	1248314	4.07
				06/09/2019	Sale	-73832	1174482	3.83
				13/09/2019	Sale	-1990	1172492	3.82
				20/09/2019	Sale	-1382	1171110	3.82
				27/09/2019	Sale	-4647	1166463	3.80
				18/10/2019	Sale	-11867	1154596	3.77
				25/10/2019	Sale	-129	1154467	3.77
				20/12/2019	Sale	-104994	1049473	3.42
				10/01/2020	Sale	-10188	1039285	3.39
				17/01/2020	Sale	-6484	1032801	3.37
				24/01/2020	Sale	-1614	1031187	3.36
				07/02/2020	Sale	-6729	1024458	3.34
				14/02/2020	Sale	-7812	1016646	3.32
		06/03/2020	Sale	-3328	1013318	3.31		
		13/03/2020	Purchase	2880	1016198	3.31		
		20/03/2020	Purchase	19755	1035953	3.38		
		27/03/2020	Purchase	448	1036401	3.38		
		31/03/2020			1036401	3.38		

ANNEXURE D (Contd.)

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year (as on April 1, 2019)		Date DD/MM/YYYY	Reason	Increase / Decrease in Shareholding	Cumulative Shareholding during the year (as on March 31, 2020)	
		No. of shares	% of total shares of the company			No. of shares	No. of shares	% of total shares of the company
3	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL	720744	2.35	07/06/2019	Sale	-5631	715113	2.33
				14/06/2019	Sale	-6532	708581	2.31
				28/06/2019	Purchase	15000	723581	2.36
				19/07/2019	Purchase	493	724074	2.36
				25/10/2019	Sale	-7257	716817	2.34
				31/03/2020			716817	2.34
4	GOLDMAN SACHS INDIA LIMITED	604594	1.97	30/08/2019	Sale	-79533	525061	1.71
				13/12/2019	Sale	-5115	519946	1.70
				20/12/2019	Sale	-1215	518731	1.69
				28/02/2020	Sale	-11294	507437	1.66
				06/03/2020	Sale	-4142	503295	1.64
				13/03/2020	Sale	-5843	497452	1.62
				20/03/2020	Sale	-12011	485441	1.58
				27/03/2020	Sale	-3163	482278	1.57
				31/03/2020			482278	1.57
5	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND	96242	0.31	05/04/2019	Purchase	571	96813	0.32
				19/04/2019	Purchase	2601	99414	0.32
				26/04/2019	Purchase	2664	102078	0.33
				03/05/2019	Purchase	725	102803	0.34
				17/05/2019	Purchase	1312	104115	0.34
				24/05/2019	Purchase	147	104262	0.34
				31/05/2019	Purchase	2553	106815	0.35
				26/07/2019	Purchase	1344	108159	0.35
				09/08/2019	Purchase	1978	110137	0.36
				16/08/2019	Purchase	20194	130331	0.43
				23/08/2019	Purchase	43679	174010	0.57
				30/08/2019	Purchase	84992	259002	0.84
				06/09/2019	Purchase	25046	284048	0.93
				13/09/2019	Purchase	202	284250	0.93
				20/09/2019	Purchase	10459	294709	0.96
				27/09/2019	Purchase	18247	312956	1.02
				22/11/2019	Purchase	1006	313962	1.02
				06/12/2019	Purchase	3320	317282	1.03
				13/12/2019	Purchase	19763	337045	1.10
				31/12/2019	Purchase	6935	343980	1.12
		17/01/2020	Purchase	6776	350756	1.14		
		24/01/2020	Purchase	3530	354286	1.16		
		06/03/2020	Purchase	1873	356159	1.16		
		13/03/2020	Purchase	1627	357786	1.17		
		20/03/2020	Purchase	22940	380726	1.24		
		27/03/2020	Purchase	22127	402853	1.31		
		31/03/2020			402853	1.31		

ANNEXURE D (Contd.)

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year (as on April 1, 2019)		Date DD/MM/YYYY	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the year (as on March 31, 2020)	
		No. of shares	% of total shares of the company			No. of shares	No. of shares	% of total shares of the company	
6	EDELWEISS MULTI STRATEGY INVESTMENT TRUST	309936	1.01	20/09/2019	Sale	-298	309638	1.01	
				27/09/2019	Sale	-7000	302638	0.99	
				01/11/2019	Sale	-3408	299230	0.98	
				29/11/2019	Sale	-3511	295719	0.96	
				06/12/2019	Sale	-9912	285807	0.93	
				13/12/2019	Sale	-6920	278887	0.91	
				20/12/2019	Sale	-399	278488	0.91	
				24/01/2020	Sale	-4680	273808	0.89	
				14/02/2020	Sale	-63094	210714	0.69	
				21/02/2020	Sale	-2306	208408	0.68	
				31/03/2020			208408	0.68	
7	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND, L. P	276047	0.90	05/04/2019	Purchase	19896	295943	0.97	
				07/06/2019	Sale	-3300	292643	0.95	
				14/06/2019	Sale	-23420	269223	0.88	
				21/06/2019	Sale	-11463	257760	0.84	
				28/06/2019	Sale	-19015	238745	0.78	
				05/07/2019	Sale	-28170	210575	0.69	
				27/09/2019	Sale	-25455	185120	0.60	
				29/11/2019	Sale	-8000	177120	0.58	
				06/12/2019	Sale	-7000	170120	0.55	
				31/01/2020	Sale	-27011	143109	0.47	
				31/03/2020			143109	0.47	
8	PRINCIPLAL TRUSTEE CO. PVT LTD A/C PRINCIPAL MUTUAL FUND	261468	0.85	28/06/2019	Purchase	900	262368	0.86	
				05/07/2019	Purchase	17399	279767	0.91	
				12/07/2019	Purchase	601	280368	0.91	
				02/08/2019	Purchase	1800	282168	0.92	
				13/09/2019	Sale	-3000	279168	0.91	
				27/09/2019	Purchase	908	280076	0.91	
				15/11/2019	Sale	-2964	277112	0.90	
				29/11/2019	Sale	-99	277013	0.90	
				06/12/2019	Sale	-5000	272013	0.89	
				27/12/2019	Sale	-20270	251743	0.82	
				31/12/2019	Sale	-5168	246575	0.80	
				24/01/2020	Sale	-23019	223556	0.73	
				31/01/2020	Sale	-18096	205460	0.67	
				07/02/2020	Sale	-15404	190056	0.62	
9	ONTARIO PENSION BOARD - MONDRIAN INVESTMENT PARTNERS LIMITED	201366	0.66	19/07/2019	Purchase	4162	205528	0.67	
				26/07/2019	Purchase	28025	233553	0.76	
				21/02/2020	Sale	-29873	203680	0.66	
				31/03/2020			203680	0.66	

ANNEXURE D (Contd.)

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year (as on April 1, 2019)		Date DD/MM/YYYY	Reason	Increase / Decrease in Shareholding	Cumulative Shareholding during the year (as on March 31, 2020)	
		No. of shares	% of total shares of the company			No. of shares	No. of shares	% of total shares of the company
10	AL MEHWAR COMMERCIAL INVESTMENTS LLC - (NOOSA)	201084	0.66	14/06/2019	Sale	-6930	194154	0.63
				21/06/2019	Sale	-3125	191029	0.62
				28/06/2019	Sale	-30038	160991	0.53
				05/07/2019	Sale	-251	160740	0.52
				19/07/2019	Sale	-2694	158046	0.52
				26/07/2019	Sale	-3613	154433	0.50
				16/08/2019	Sale	-21163	133270	0.43
				23/08/2019	Sale	-8870	124400	0.41
				06/09/2019	Sale	-7100	117300	0.38
				13/09/2019	Purchase	7600	124900	0.41
		31/03/2020				124900	0.41	
11	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY P	9760	0.03	28/06/2019	Purchase	12979	22739	0.07
				05/07/2019	Purchase	100000	122739	0.40
				12/07/2019	Purchase	3545	126284	0.41
				06/09/2019	Purchase	50000	176284	0.57
				27/09/2019	Purchase	13007	189291	0.62
		31/03/2020				189291	0.62	
12	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	188795	0.62	17/05/2019	Sale	-284	188511	0.61
				31/05/2019	Sale	-17880	170631	0.56
				07/06/2019	Sale	-16560	154071	0.50
				27/09/2019	Sale	-2968	151103	0.49
				30/09/2019	Sale	-6472	144631	0.47
				04/10/2019	Sale	-12163	132468	0.43
				11/10/2019	Sale	-87	132381	0.43
				18/10/2019	Sale	-3430	128951	0.42
				25/10/2019	Sale	-6751	122200	0.40
				15/11/2019	Sale	-19654	102546	0.33
				22/11/2019	Sale	-1028	101518	0.33
				29/11/2019	Sale	-1500	100018	0.33
				31/12/2019	Sale	-14040	85978	0.28
				03/01/2020	Sale	-39187	46791	0.15
		10/01/2020	Sale	-46791	0	0.00		
		31/03/2020				0	0.00	

* Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

ANNEXURE D (Contd.)

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2019)		Cumulative Shareholding during the year (as on March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Prakash Kamat				
	At the beginning of the year	4452835	14.52	4452835	14.52
	At the End of the year	4452835	14.52		
2	Tushar Shah*				
	At the beginning of the year	3699182	12.07	3699182	12.07
	At the End of the year	3699182	12.07		
	*Equity shares held by Tushar Shah jointly with Bina Shah.				
3	Jayen Shah**				
	At the beginning of the year	3423627	11.17	3423627	11.17
	At the End of the year	3423627	11.17		
	**Equity shares held by Jayen Shah jointly with Neeta Shah.				
4	Mukesh Shah***				
	At the beginning of the year	1764045	5.75	1764045	5.75
	At the End of the year	1764045	5.75		
	***Equity shares held by Mukesh Shah jointly with Jayshree Shah.				
5	Bimal Shah****				
	At the beginning of the year	2116827	6.90	2116827	6.90
	At the End of the year	2116827	6.90		
	****Equity shares held by Bimal Shah jointly with Mukesh Shah.				

V. INDEBTEDNESS

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,827.16	-	-	12,827.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due for payment	-	-	-	-
Total(i+ii+iii)	12,827.16	-	-	12,827.16
Change in Indebtedness during the financial year				
- Addition	2,165.78	-	-	2,165.78
- (Reduction)	(2,521.01)	-	-	(2,521.01)
Net Change	(355.23)	-	-	(355.23)
Indebtedness at the end of the financial year				
i) Principal Amount	12,471.93	-	-	12,471.93
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12,471.93	-	-	12,471.93

ANNEXURE D (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
	Prakash Kamat	Mukesh Shah	Jayen Shah	Tushar Shah	Bimal Shah	
	WTD	MD	WTD & CEO	WTD & CFO	WTD	
1. Gross Salary						
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	264.00	264.00	264.00	264.00	264.00	1,320.00
b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-	-	-	-
c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-	-
2. Stock Option	-	-	-	-	-	-
3. Sweat Equity	-	-	-	-	-	-
4. Commission as % of profit	-	-	-	-	-	-
5. others, specify	-	-	-	-	-	-
Total (A)	264.00	264.00	264.00	264.00	264.00	1,320.00
Ceiling as per the Companies Act	₹ 2,312.90 lakhs (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

B. Remuneration to other directors:

(₹ in lakhs)

Particulars of Remuneration	Sitting Fees	Commission	Others, please specify	Total Amount
Independent Directors and Non-Executive Directors				
Mahesh Sarda	2.40	-	-	2.40
Prakash Apte	2.95	-	-	2.95
Pratima Umarji	1.90	-	-	1.90
Thiruvengadam Parthasarathi	1.80	-	-	1.80
Kaushik Shah	2.30	-	-	2.30
Total (B)	11.35	-	-	11.35
Ceiling as per the Companies Act	₹ 231.29 lakhs being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			
Total Managerial Remuneration	(A) + (B)			
Overall ceiling as per the Companies Act	₹ 2,544.19 lakhs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

ANNEXURE D (Contd.)

C. Remuneration to Key Managerial Personnel other Than MD/Manager/WTD

(₹ in lakhs)

Particulars of Remuneration	Key Managerial Personnel	
	Company Secretary	Total Amount
Gross Salary	Ms. Pooja Lohor	
a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		13.27
b. Value of perquisites u/s 17(2) Income-Tax Act, 1961		-
c. Profits in lieu of salary under section 17(3) Income Tax Act, 1961		-
Stock Option		-
Sweat Equity		-
Commission - as % of profit		-
Others, please specify		-
Total		13.27

Notes:

1. Tushar Shah, Whole Time Director is also Chief Financial Officer of the Company and his remuneration has been mentioned above in Point VI (A).
2. Jayen Shah, Whole Time Director is also Chief Executive Officer of the Company and his remuneration has been mentioned above in Point VI (A).

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of Board of Directors

Mumbai, June 27, 2020

Prakash Kamat
Executive Chairman

ANNEXURE E

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 2019- 20:

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	49.62	15.79
2	Mr. Mukesh Shah	Managing Director	49.62	15.79
3	Mr. Jayen Shah	Whole Time Director and Chief Executive Officer	49.62	15.79
4	Mr. Tushar Shah	Whole Time Director and Chief Financial Officer	49.62	15.79
5	Mr. Bimal Shah	Whole Time Director	49.62	15.79
6	Mr. Prakash Apte	Independent Director	0.55	8.06
7	Mr. Kaushik Shah	Independent Director	0.43	3.14
8	Mr. Mahesh Sarada	Independent Director	0.45	5.26
9	Mr. Parthasarathi Thiruvengadam	Independent Director	0.34	(21.05)
10	Ms. Pratima Umarji	Independent Director	0.36	(7.32)
11	Ms. Pooja Lohor	Company Secretary	-	0.00%

Notes:

- The remuneration to Independent Directors comprises of sitting fees paid to them in the financial year 2019-20.
- The median remuneration is ₹ 5.32 lakhs for the financial year 2019-20.
- The remuneration to Directors is within the overall limits approved by the shareholders.
- There was no employee whose remuneration was in excess of the remuneration of the highest paid Director during the financial year 2019-20.
- Percentage increase in the median remuneration of employee in the financial year 2019-20: 22.82 %
- Number of permanent employees on the rolls of the Company as on March 31, 2020: 701
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	17.22
Average increase in remuneration of managerial personnel	15.79

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 Board of Directors

Prakash Kamat

Executive Chairman

Mumbai, June 27, 2020

ANNEXURE F

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOR YEAR 2019 – 2020

ENERGY CONSERVATION:

Granulator with latest Technology introduced to get following advantages:

This advanced technology is capable to offer dual output of Powder & 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%.

Furthermore, there are multiple key features including lower initial installation cost compared to traditional expensive equipment due to impressive compact design; built-in specially designed bag filters ensuring cleaner emissions in the atmosphere, additionally eliminating the wet scrubbing equipment & thereby, accomplishing considerable water-saving; and also allowing condensation of water that can enable maximum recycling & reuse leading to conservation of water resource.

TECHNOLOGY ABSORPTION:

1) Introduction of New Design Controlled air circulation system has following advantages over conventional air circulation system.

The design allocates a common compressor for two systems; thereby, it saves space through optimum use.

Superior capacity enables the system to achieve controlled air circulation conditions in shorter time duration and with lower energy cost. Thus, overall the new design renders significant electrical energy saving in the range of ~30%. Further, it also effectively protects the main compressor resulting in longer life-span.

2) We have installed FTNIR instrument in our QC labs.

FTNIR is a sophisticated analytical tool, which helps to reduce total time required for quality-check; therefore, we can achieve swift online-analysis report.

Furthermore, it supports analysis of complex products, which are extremely challenging otherwise with traditional analysis methods.

FTNIR remarkably decreases requirement of chemicals for analysis and helps to minimize safety risk pertaining to the solvent usage.

3) Engineering Store Management Through Barcode:

Improved operational efficiency has been achieved via uninterrupted management of inventory items (Inward & Issue) at engineering stores.

It offers benefits such as – support in inventory level maintenance; auto updation of shelf-life & trigger prior to issue of material; initiate requisition process for stock below set reorder level in standard format; generation and printing of challans; returnable material tracking process by due date; auto-generation of daily consolidates issuance report to supervisors/relevant personnel; and simplification in physical stock count and reconciliation with ERP data to eliminate human intervention in issuing inventory items and data entry.

4) Expenditure incurred on Research and Development of the Company during financial year 2019-20

(₹ in lakhs)	
Capital	50.15
Recurring	370.39
Total	420.54

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings and outgo during financial year 2019-20 are as follows:

(₹ in lakhs)		
Foreign Exchange Earnings and Outgo	As at March 31, 2020	As at March 31, 2019
Foreign Exchange Outgo	20,376.27	21,778.36
Foreign Exchange Earnings	55,518.93	57,364.78

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY

The Company is committed to good Corporate Governance and believes that the Company's essential character is shaped by 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.

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 Board of Directors of the Company comprises ten Directors, of which five are Executive Directors and five Independent Directors. Out of five independent directors, one independent director is a 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, professionalism, divergent thinking and experience. The profile of Directors can be found on <https://www.fineorganics.com/investor-relations/corporate-governance>. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 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 Chairman of more than five Committees [Committees being, Audit Committee and Stakeholders Relationship Committee] across all the Indian 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 do not hold the office of Director in more than twenty companies, including ten public limited companies (as specified in Section 165 of the Companies Act, 2013) and Director in more than 8 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, 2020, four board meetings were held on May 27, 2019, August 13, 2019, November 13, 2019 and February 11, 2020. The maximum interval between any two meetings was well within the maximum allowed gap of one hundred and twenty days. The 17th Annual General Meeting (AGM) of the Company was held on July 30, 2019.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below.

CORPORATE GOVERNANCE REPORT (CONTD.)

Sr. No.	Name of the Director	Category	Number of Board Meetings attended during FY 2019-20	Whether attended last AGM held on July 30, 2019	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)
						Chairman	Member	
1	Mr. Prakash Kamat (Chairman) (DIN 00107015)	Promoter and Executive Director	4	YES	-	-	-	-
2	Mr. Mukesh Shah (Managing Director) (DIN 00106799)	Promoter and Executive Director	4	YES	-	-	-	-
3	Mr. Jayen Shah (Chief Executive Officer) (DIN 00106919)	Promoter and Executive Director	4	YES	-	-	-	-
4	Mr. Tushar Shah (Chief Financial Officer) (DIN 00107144)	Promoter and Executive Director	4	YES	-	-	-	-
5	Mr. Bimal Shah (DIN 03424880)	Promoter and Executive Director	4	YES	-	-	-	-
6	Mr. Prakash Apte (DIN: 00196106)	Non-Executive, Independent Director	4	YES	3	-	4	1) Kotak Mahindra Bank Limited (Independent Director)
7	Mr. Kaushik Shah (DIN: 00124756)	Non-Executive, Independent Director	3	YES	-	-	-	-
8	Mr. Mahesh Sarada (DIN: 00023776)	Non-Executive, Independent Director	4	YES	1	-	1	-
9	Mr. Parthasarathi Thiruvengadam (DIN: 00016375)	Non-Executive, Independent Director	3	YES	1	-	1	1) Centum Electronics Limited (Independent Director)
10	Mrs. Pratima Umarji (DIN: 05294496)	Non-Executive, Independent Woman Director	3	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.

CORPORATE GOVERNANCE REPORT (CONTD.)

(d) Board Procedure

The required information, including 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. 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) Board Evaluation

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 Securities and Exchange Board of India. The performance evaluation of the Directors was completed during the year under review. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent and Non-Executive Director. The performance of Independent Directors were assessed by the entire Board of Directors excluding the director being evaluated after taking into account their objective independent judgement on the Board deliberations, their active role in monitoring the effectiveness of Company's Corporate Governance practices and adherence to the Code of Conduct etc. The Board of Directors expressed their satisfaction with the evaluation process.

(f) Role of 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 helps foster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

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

(g) Meetings of Independent Directors

The Company's Independent Directors met on June 17, 2020 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 Chairman of the meeting of the Independent Directors presented views of the Independent Directors to the Chairman of the Company.

(h) Familiarization Programme

The Company conducts familiarization programme for the Independent Directors to provide them an opportunity to familiarize 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>

CORPORATE GOVERNANCE REPORT (CONTD.)

(i) 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	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 & business management, Merger and acquisitions, Strategic directions to the management, Branding, Understanding the macro-economic environment, Having adequate knowledge of the regulations & legislations of the markets in which the business operates.
Technology	Product Development, Process technology, Leading research and development, Develop applications for existing and new products.
Finance	Financial management, Managing financial systems, Financial reporting process, Internal financial control, Capital allocation, Principal controller, Capex management.
Leadership	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.
Corporate Governance	Service on a public company board to develop insights about maintaining board and management accountability, Protecting shareholder interests, and Observing appropriate governance practices.
Personal Values	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 Sarada	✓		✓	✓	✓	✓
8	Mr. Parthasarathi Thiruvengadam	✓		✓	✓	✓	✓
9	Mrs. 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:

- i. Mr. Mukesh Shah is father of Mr. Bimal Shah;
- ii. Mr. Mukesh Shah is uncle of Mr. Jayen Shah and Mr. Tushar Shah;
- iii. Mr. Jayen Shah and Mr. Tushar Shah are Brothers.
- iv. Mr. Bimal Shah is Cousin Brother of Mr. Jayen Shah and Mr. Tushar Shah

Other than as disclosed above, there is no family relationship amongst the Directors.

(k) Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:

Name	Category	Number of equity shares held (Face value of ₹ 5 per share)
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

CORPORATE GOVERNANCE REPORT (CONTD.)

III. COMMITTEES OF THE BOARD OF DIRECTORS

The Company is in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations in reference to 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 Companies Act, 2013 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. 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.

There are six Board Committees as on March 31, 2020, 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	Extract of Terms of Reference:	Composition & Meeting Details	
		Name of Directors	No. of Meetings attended
Audit Committee	<ol style="list-style-type: none"> Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible; Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company; Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to: <ol style="list-style-type: none"> Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act; Changes, if any, in accounting policies and practices and reasons for the same; Major accounting entries involving estimates based on the exercise of judgment by management; Significant adjustments made in the financial statements arising out of audit findings; Compliance with listing and other legal requirements relating to financial statements; Disclosure of any related party transactions; and Modified opinion(s) in the draft audit report. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval; Approval or any subsequent modifications of transactions of the Company with related parties; Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems; Discussing with internal auditors on any significant findings and follow up there on; 	Mr. Mahesh Sarda (Chairman)	4
		Mr. Prakash Apte	4
		Mr. Kaushik Shah	3
		Mr. Parthasarathi Thiruvengadam	3
		Mr. Jayen Shah	4
		Mr. Tushar Shah	4
		The Committee met four times during the year under review.	
		The Committee meetings were held on May 27, 2019, August 13, 2019, November 13, 2019 and February 11, 2020.	
The maximum interval between any two meetings was well within the maximum allowed gap of one hundred and twenty days.			
On the invitation of the Committee the representatives of Finance Department, the Statutory Auditors and Internal Auditors are being present in its meeting.			
The previous AGM of the Company was held on July 30, 2019 and was attended by Mr. Mahesh Sarda, Chairman of the Audit Committee.			

CORPORATE GOVERNANCE REPORT (CONTD.)

Name of the Committee	Extract of Terms of Reference:	Composition & Meeting Details													
Nomination And Remuneration Committee	<ol style="list-style-type: none"> 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; Formulating of criteria for evaluation of the performance of the independent directors and the Board; Devising a policy on Board diversity; 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; 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; Recommend to the board, all remuneration, in whatever form, payable to senior management. 	<table border="1"> <thead> <tr> <th data-bbox="1084 405 1286 468">Name of Directors</th> <th data-bbox="1291 405 1502 468">No. of Meetings attended</th> </tr> </thead> <tbody> <tr> <td data-bbox="1084 474 1286 569">Mr. Parthasarathi Thiruvengadam (Chairman)</td> <td data-bbox="1291 474 1502 569">2</td> </tr> <tr> <td data-bbox="1084 575 1286 638">Mrs. Pratima Umarji</td> <td data-bbox="1291 575 1502 638">1</td> </tr> <tr> <td data-bbox="1084 644 1286 676">Mr. Mahesh Sarda</td> <td data-bbox="1291 644 1502 676">2</td> </tr> <tr> <td data-bbox="1084 682 1286 737">Mr. Prakash Kamat</td> <td data-bbox="1291 682 1502 737">2</td> </tr> </tbody> </table>	Name of Directors	No. of Meetings attended	Mr. Parthasarathi Thiruvengadam (Chairman)	2	Mrs. Pratima Umarji	1	Mr. Mahesh Sarda	2	Mr. Prakash Kamat	2	<p>The Committee met two times during the year under review. The Committee meetings were held on May 27, 2019 and February 11, 2020.</p> <p>The performance evaluation of Independent Directors were 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>The previous AGM of the Company was held on July 30, 2019 and was attended by Mr. Parthasarathi Thiruvengadam, Chairman of the Nomination And Remuneration Committee.</p>		
Name of Directors	No. of Meetings attended														
Mr. Parthasarathi Thiruvengadam (Chairman)	2														
Mrs. Pratima Umarji	1														
Mr. Mahesh Sarda	2														
Mr. Prakash Kamat	2														
Corporate Social Responsibility Committee	<ol style="list-style-type: none"> To formulate and recommend to our Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken; To recommend the amount of expenditure to be incurred on the CSR activities; To monitor the CSR Policy and its implementation by the Company from time to time; 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 Companies Act, 2013 and the rules framed thereunder. 	<table border="1"> <thead> <tr> <th data-bbox="1084 1543 1286 1606">Name of Directors</th> <th data-bbox="1291 1543 1502 1606">No. of Meetings attended</th> </tr> </thead> <tbody> <tr> <td data-bbox="1084 1612 1286 1686">Mr. Jayen Shah (Chairman)</td> <td data-bbox="1291 1612 1502 1686">3</td> </tr> <tr> <td data-bbox="1084 1692 1286 1724">Mr. Prakash Apte</td> <td data-bbox="1291 1692 1502 1724">4</td> </tr> <tr> <td data-bbox="1084 1730 1286 1761">Mr. Kaushik Shah</td> <td data-bbox="1291 1730 1502 1761">2</td> </tr> <tr> <td data-bbox="1084 1768 1286 1799">Mr. Mukesh Shah</td> <td data-bbox="1291 1768 1502 1799">4</td> </tr> <tr> <td data-bbox="1084 1806 1286 1837">Mr. Tushar Shah</td> <td data-bbox="1291 1806 1502 1837">4</td> </tr> </tbody> </table>	Name of Directors	No. of Meetings attended	Mr. Jayen Shah (Chairman)	3	Mr. Prakash Apte	4	Mr. Kaushik Shah	2	Mr. Mukesh Shah	4	Mr. Tushar Shah	4	<p>The Committee met four times during the year under review. The Committee meetings were held on April 29, 2019, July 1, 2019, September 9, 2019 and December 9, 2019.</p>
Name of Directors	No. of Meetings attended														
Mr. Jayen Shah (Chairman)	3														
Mr. Prakash Apte	4														
Mr. Kaushik Shah	2														
Mr. Mukesh Shah	4														
Mr. Tushar Shah	4														

CORPORATE GOVERNANCE REPORT (CONTD.)

Name of the Committee	Extract of Terms of Reference:	Composition & Meeting Details															
Stakeholders Relationship Committee	<ol style="list-style-type: none"> 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. Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company. Issue of duplicate certificates and new certificates on split/consolidation/renewal; and 	<table border="1"> <thead> <tr> <th data-bbox="1062 394 1279 472">Name of Directors</th> <th data-bbox="1279 394 1485 472">No. of Meetings attended</th> </tr> </thead> <tbody> <tr> <td data-bbox="1062 472 1279 567">Mrs. Pratima Umarji (Chairperson)</td> <td data-bbox="1279 472 1485 567">3</td> </tr> <tr> <td data-bbox="1062 567 1279 604">Mr. Prakash Apte</td> <td data-bbox="1279 567 1485 604">4</td> </tr> <tr> <td data-bbox="1062 604 1279 642">Mr. Kaushik Shah</td> <td data-bbox="1279 604 1485 642">3</td> </tr> <tr> <td data-bbox="1062 642 1279 680">Mr. Mukesh Shah</td> <td data-bbox="1279 642 1485 680">4</td> </tr> <tr> <td data-bbox="1062 680 1279 718">Mr. Jayen Shah</td> <td data-bbox="1279 680 1485 718">4</td> </tr> <tr> <td data-bbox="1062 718 1279 745">Mr. Tushar Shah</td> <td data-bbox="1279 718 1485 745">4</td> </tr> </tbody> </table>	Name of Directors	No. of Meetings attended	Mrs. Pratima Umarji (Chairperson)	3	Mr. Prakash Apte	4	Mr. Kaushik Shah	3	Mr. Mukesh Shah	4	Mr. Jayen Shah	4	Mr. Tushar Shah	4	<p>The Committee met four times during the year under review. The Committee meetings were held on May 27, 2019, August 13, 2019, November 13, 2019 and February 11, 2020</p>
		Name of Directors	No. of Meetings attended														
Mrs. Pratima Umarji (Chairperson)	3																
Mr. Prakash Apte	4																
Mr. Kaushik Shah	3																
Mr. Mukesh Shah	4																
Mr. Jayen Shah	4																
Mr. Tushar Shah	4																
Risk Management Committee	<ol style="list-style-type: none"> Framing, implementing, monitoring and reviewing Risk Management plan, policies, system and framework of the Company; Validating, evaluating and monitoring key risks including strategic, operational, financial, cyber security and compliance risks; Reviewing the measures taken for risk management and mitigation plan and monitor effectiveness thereof; Carrying out all the functions as is mandated by the Board from time to time and / or enforced by and statutory notification, amendment or modification as may be applicable. 	<table border="1"> <thead> <tr> <th data-bbox="1062 940 1485 997">Name of Committee Members</th> </tr> </thead> <tbody> <tr> <td data-bbox="1062 997 1485 1039">Mr. Prakash Apte (Chairman)</td> </tr> <tr> <td data-bbox="1062 1039 1485 1081">Mr. Parthasarathi Thiruvengadam</td> </tr> <tr> <td data-bbox="1062 1081 1485 1113">Mr. Jayen Shah</td> </tr> <tr> <td data-bbox="1062 1113 1485 1144">Mr. Nikhil Kamat</td> </tr> <tr> <td data-bbox="1062 1144 1485 1186">Ms. Sonali Bhadani</td> </tr> </tbody> </table>	Name of Committee Members	Mr. Prakash Apte (Chairman)	Mr. Parthasarathi Thiruvengadam	Mr. Jayen Shah	Mr. Nikhil Kamat	Ms. Sonali Bhadani	<p>On May 27, 2019 Board has constituted the Risk Management Committee as per regulation 21 of the Listing Regulations.</p> <p>In accordance with the Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 granting relaxation from the provisions of Regulation 21 (3A) of the Listing Regulations, for the financial year 2019-20 the conduct of the Risk Management Committee meeting, the Risk Management Committee meeting for Financial Year 2019-20 was held on June 20, 2020. All committee members were present in the meeting.</p>								
Name of Committee Members																	
Mr. Prakash Apte (Chairman)																	
Mr. Parthasarathi Thiruvengadam																	
Mr. Jayen Shah																	
Mr. Nikhil Kamat																	
Ms. Sonali Bhadani																	

CORPORATE GOVERNANCE REPORT (CONTD.)

Name of the Committee	Extract of Terms of Reference:	Composition & Meeting Details	
		Name of Directors	No. of Meetings attended
Executive Committee	1. 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. 2. 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. 3. To approve execution of any agreements, undertakings, letters, writings, deeds, contracts, tenders and any document, which may be required to be executed by the Company from time to time for management of its day to day affairs and authorise officials of the Company to execute and submit such documents with concerned authorities. 4. 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	Mr. Prakash Kamat (Chairman)	2
		Mr. Mukesh Shah	2
		Mr. Jayen Shah	2
		Mr. Tushar Shah	2
		Mr. Bimal Shah	2
		The Committee met two times during the year under review. The Committee meetings were held on September 20, 2019 and March 11, 2020.	

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 2019- 20 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 / others	4	4	Nil

CORPORATE GOVERNANCE REPORT (CONTD.)

IV. REMUNERATION OF DIRECTORS

Remuneration to Executive Directors paid during the Financial Year 2019-20:

Remuneration payable to the Executive Directors is recommended by the Nomination and Remuneration Committee, 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 2019-20 are given below:

(₹ in lakhs)				
Name of Executive Directors	Designation	Salary and perquisites	Commission	Total Amount
Mr. Prakash Kamat	Chairman and Whole Time Director	264.00	-	264.00
Mr. Mukesh Shah	Managing Director	264.00	-	264.00
Mr. Jayen Shah	Whole Time Director and Chief Executive Officer	264.00	-	264.00
Mr. Tushar Shah	Whole Time Director and Chief Financial Officer	264.00	-	264.00
Mr. Bimal Shah	Whole Time Director	264.00	-	264.00

Services of the Managing Director and Executive Directors may be terminated by either party, giving the other party three month notice or the Company paying three months' salary in lieu thereof.

Remuneration to Non-executive Directors paid during the Financial Year 2019-20:

The details of sitting fees paid during the financial year are as under:

(₹ in lakhs)		
Sr. No.	Name of Non-Executive Directors	Sitting Fees
1.	Mr. Prakash Apte	2.95
2.	Mr. Mahesh Sarda	2.40
3.	Mr. Parthasarathi Thiruvengadam	1.80
4.	Mrs. Pratima Umarji	1.90
5.	Mr. Kaushik Shah	2.30

Besides, the Company also provides reimbursement of travelling expenses incurred for attending meetings of the Company.

V. GENERAL BODY MEETINGS

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

Year	Date	Time	Location	Special Resolution passed
2016-17	July 10, 2017	10:00 a.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	NIL
2017-18	September 25, 2018	11:00 a.m.	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai - 400 007	NIL

CORPORATE GOVERNANCE REPORT (CONTD.)

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, Chairman 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

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

Financial Year	Date & Time	Location	Special Resolution passed
2017-18	September 22, 2017 at 11.00 a.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	<p>Item No. 1: Conversion from Private Limited to Public Limited Company.</p> <p>Item No. 2: Increase in the Authorised Share Capital</p> <p>Item No. 3: Issue of Bonus Shares</p> <p>Item No. 4: Alterations of the Memorandum of Association of the Company</p> <p>Item No. 5: Adoption of New Articles of Association.</p>
2017-18	October 14, 2017 at 11.00 a.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	<p>Item No. 1: Conversion from Private Limited to Public Limited Company</p> <p>Item No. 2: Alterations of the Memorandum of Association of the Company</p> <p>Item No. 3: Adoption of New Articles of Association</p>
2017-18	November 6, 2017 at 3.00 p.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	<p>Item No. 1: Increase in Borrowing Powers of the Company</p> <p>Item No. 2: The Authority for Mortgaging/Hypothecating/Disposing the Assets of the Company</p> <p>Item No. 3: Subdivision of Face Value of Equity Shares of the Company</p> <p>Item No. 4: Alterations of the Memorandum of Association of the Company</p> <p>Item No. 5: Initial Public Offer of Equity Shares</p> <p>Item No. 6: Increase in Investment Limits for Foreign Portfolio Investor/ Foreign Institutional Investor</p> <p>Item No. 7: Appointment of Mr. Mukesh Shah as Managing Director of the Company</p> <p>Item No. 8: Appointment of Mr. Jayen Shah as Whole Time Director and Chief Executive Officer of the Company</p> <p>Item No. 9: Appointment of Mr. Tushar Shah as Whole Time Director and Chief Financial Officer of the Company</p> <p>Item No. 10: Appointment of Mr. Bimal Shah as Whole Time Director of the Company</p> <p>Item No. 11: Appointment of Mr. Prakash Kamat as Chairman and Whole Time Director of the Company</p>

CORPORATE GOVERNANCE REPORT (CONTD.)

Financial Year	Date & Time	Location	Special Resolution passed
2017-18	November 13, 2017 at 3.00 p.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	Item No. 1: Appointment of Mr. Prakash Apte as Independent Director Item No. 2: Appointment of Mr. Mahesh Sarda as Independent Director Item No. 3: Appointment of Mr. Parthasarathi Thiruvengadam as Independent Director Item No. 4: Appointment of Mr. Sundareshan Sthanunathan as Independent Director Item No. 5: Appointment of Mrs. Pratima Umarji as Independent Director
2017-18	January 24, 2018 at 11.00 a.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	Item No. 1: Appointment of Mr. Kaushik Shah as Independent Director Item No. 2: Alteration in Articles of Association of the Company

POSTAL BALLOT

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

VI. MEANS OF COMMUNICATION

Quarterly Results: 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.

The results are usually published in Financial Express, English newspaper having country-wide circulation and in Loksatta, Marathi newspaper where the registered office of the Company is situated.

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 <https://www.fineorganics.com>.

Designated Exclusive Email ID: The Company has designated the email id i.e. investors@fineorganics.com for investor grievances. This Email ID has been displayed on the Company’s website <https://www.fineorganics.com>.

Annual Report: Annual Reports and any other communication will be sent to email ids of members whose emails are registered with the Company.

VII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	<p>The Company has decided to hold its 18th Annual General Meeting (the “AGM”) on Friday, September 18, 2020 at 11 a.m. through Video Conferencing (“VC”) and/or Other Audio Visual Means (“OAVM”). 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 and No.20/2020 dated May 5, 2020, has permitted the companies to conduct their AGMs, through VC/OAVM during the calendar year 2020 on account of the threat posed by COVID-19.</p> <p>Guidelines for participation in the Company’s 18th Annual General Meeting are laid out in the Notice convening the meeting and have also been uploaded on the website of the Company viz. www.fineorganics.com.</p>
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CORPORATE GOVERNANCE REPORT (CONTD.)

Financial Year: 2020-21 (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 2020-21 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, 2020</td> </tr> <tr> <td>Second Quarter and Half Yearly Results</td> <td>on or before November 14, 2020</td> </tr> <tr> <td>Third Quarter Results</td> <td>on or before February 14, 2021</td> </tr> <tr> <td>Annual Results</td> <td>on or before May 30, 2021</td> </tr> </tbody> </table>	Quarter Ended	Release of Results	First Quarter Results	on or before August 14, 2020	Second Quarter and Half Yearly Results	on or before November 14, 2020	Third Quarter Results	on or before February 14, 2021	Annual Results	on or before May 30, 2021
Quarter Ended	Release of Results										
First Quarter Results	on or before August 14, 2020										
Second Quarter and Half Yearly Results	on or before November 14, 2020										
Third Quarter Results	on or before February 14, 2021										
Annual Results	on or before May 30, 2021										
	In addition, the Board may meet on other dates as and when required.										
Dividend Payment Date	The Final Dividend of Rs. 3/- per equity share has been recommended by the Board of Directors of the Company for the financial year ended March 31, 2020, if approved at the ensuing AGM will be paid to the eligible Members on and from 6th day from the conclusion of the said AGM.										
Day & Date of Book Closure/Record Date	Saturday, September 12, 2020 to Friday, September 18, 2020 both days inclusive.										
Name and Address of Stock Exchange											
BSE Limited	National Stock Exchange of India Limited										
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	Plot No. C/1, “6” Block, Exchange Plaza Bandra Kurla Complex, Bandra (East) Mumbai – 400051										
Code: 541557	Code: FINEORG										
Annual Listing Fees to Stock Exchanges	Listing fees for the year 2020-21 have been paid to the Stock Exchanges as on date of this report.										
ISIN:	INE686Y01026										

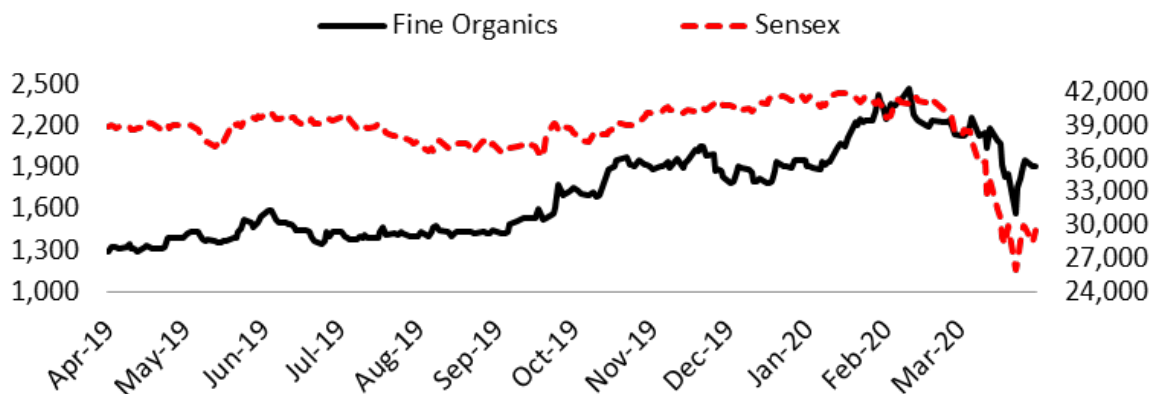
Market price data- high, low during each month in last financial year:

High/Low in each month of the Financial Year 2019-20 on the NSE Ltd & BSE Ltd:

Month	BSE			NSE		
	High Price	Low Price	Total Number of shares traded	High Price	Low Price	Total Number of shares traded
Apr-19	1405.05	1245.05	27,928	1417.80	1240.05	1,61,047
May-19	1584.45	1330.15	48,399	1588.00	1335.00	2,11,908
June-19	1648.00	1325.00	25,854	1651.00	1321.35	3,55,054
July-19	1500.00	1310.00	17,272	1500.00	1358.45	1,46,551
Aug-19	1502.30	1350.00	24,002	1505.00	1385.00	2,76,814
Sep-19	1812.75	1410.40	43,015	1820.00	1410.00	3,30,772
Oct-19	2030.00	1668.20	45,140	2076.90	1670.90	3,15,352
Nov-19	2186.00	1782.50	40,807	2188.00	1782.20	3,36,536
Dec-19	2005.55	1761.10	1,56,134	2008.10	1760.00	3,26,910
Jan-20	2475.00	1861.50	85,768	2479.00	1862.10	5,08,671
Feb-20	2548.30	2020.30	32,024	2550.10	2032.20	4,36,556
Mar-20	2291.00	1500.00	31,019	2274.00	1521.70	3,40,570

CORPORATE GOVERNANCE REPORT (CONTD.)

Performance in comparison to broad-based indices such as BSE Sensex:



Registrar & Share Transfer Agents:

Name & Address: KFin Technologies Private Limited
Selenium, Tower B, Plot Number 31 & 32 Financial, District Nanakramguda, Serilingampally, Hyderabad - 500 032 India 1584.45

Telephone: +91 40 6716 2222/ 33211000
E-mail: Einward.ris@kfintech.com
Website: 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 Private Limited.

Share Transfer /Transmission audit: The Company has appointed a firm of Practicing Company Secretary

to conduct the audit on half yearly basis to ensure that the requests for the transmission of shares, issue of duplicate shares, dematerialisation, rematerialisation of shares of the Company are processed within the stipulated time period subject to 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, 2020:

Category (Amount)	No. of Cases	% of Shareholders Total	Total Shares	Amount	% of Amount
1-5000	22,625	99.33	6,20,305	31,01,525	2.02
5001- 10000	35	0.15	55,185	2,75,925	0.18
10001- 20000	29	0.13	81,221	4,06,105	0.26
20001- 30000	12	0.05	63,420	3,17,100	0.21
30001- 40000	8	0.03	58,578	2,92,890	0.19
40001- 50000	6	0.03	55,099	2,75,495	0.18
50001- 100000	12	0.05	1,67,907	8,39,535	0.55
100001& Above	53	0.23	2,95,58,261	14,77,91,305	96.41
Total	22,780	100.00	3,06,59,976	15,32,99,880	100.00

CORPORATE GOVERNANCE REPORT (CONTD.)

Categories of Equity Shareholding Pattern as on March 31, 2020:

Sr. No.	Description	No. of Shareholders	Shares	% Equity
1	Promoters and Promoter Group	18	2,29,94,982	75.00
2	Mutual Funds	35	44,90,892	14.65
3	Foreign Portfolio – Corp	26	16,28,676	5.31
4	Resident Individuals	21,015	9,38,173	3.06
5	Alternative Investment Fund	4	3,60,512	1.18
6	Bodies Corporate	205	1,33,707	0.44
7	HUF	1,066	38,567	0.13
8	Non Resident Indians	244	23,382	0.08
9	Qualified Institutional Buyer	2	15,118	0.05
10	Trusts	4	14,351	0.05
11	Non Resident Indian Non Repatriable	95	12,983	0.04
12	Clearing Members	63	3,402	0.01
13	Indian Financial Institutions	1	2,804	0.01
14	NBFC	2	2,427	0.01
	TOTAL	22,780	3,06,59,976	100.00

Dematerialisation of shares and liquidity:

The Company has established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialisation of shares. As on March 31, 2020, Equity shares representing 100% of paid up capital were in dematerialised form (except 19 equity shares in physical mode).

Description	Shares	% to Equity
No. of Physical Shares	19	0.00
No. of Shares held in dematerialised form in NSDL	3,03,40,208	98.96
No. of Shares held in dematerialised form in CDSL	3,19,749	1.04
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, 2020 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), Mahape Navi-Mumbai, Dombivili (E) and Ambernath (W) in Maharashtra.

Credit Ratings: During the year ICRA Limited has upgraded its rating for the Company which is as follows;

Sr. No.	Particulars	Current Rating
1.	Long Term Rating	(ICRA)AA-(Stable)
2.	Short Term Rating	(ICRA)A1+

Shareholders may correspond with the Registrar and Transfer Agents at:

KFin Technologies Private Limited
Selenium Tower - B, Plot Number 31 & 32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032, Telangana, India
Contact Person: Mr. Umesh Pandey
Tel: +91 40 6716 2222
Email: Einward.ris@kfintech.com
Website: 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 dematerialised form for transfer/transmission of Shares, change of Address, change in Bank details, etc.

The Compliance Officer can also be contacted at:

Ms. Pooja Lohor

Company Secretary and Compliance Officer

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

Ghatkopar East, Mumbai - 400 077 India

Tel: +91 (22) 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, 2020, 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>

Policy for determining 'material' subsidiaries

The Company has no material subsidiary in the financial year 2019-20. 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, Securities and Exchange Board of India 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-para (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.

Compliance with Non-mandatory Requirements

The non-mandatory 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, 2020.
- b) The Internal Auditors of the Company reports to the Audit Committee and participates in the meetings of the Audit Committee of the Board of Directors of the Company and presents 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.

Auditors Fees

The fees paid to the M/s. B Y and Associates, Chartered Accountants (Firm Registration No. 123423W) statutory auditors of the Company for the Financial Year 2019-20 excluding the applicable tax are given below;

CORPORATE GOVERNANCE REPORT (CONTD.)

Particulars	Amount (₹ Lakh)
Statutory Audit fees	28.00
Limited Review for 3 quarters	9.75
Transfer Pricing Report	2.50
Tax Audit Fees	6.00
Certification	1.25
Total	47.50

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

The Company has not received any complaint of sexual harassment during the Financial Year 2019-20.

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 & Ethics. No person is denied access to the Chairman 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>

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 risk for our raw materials derived from commodities is monitored and controlled to the possible extent.

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 utilization of funds raised through preferential allotment or qualified institutions placement

The Company did not raise any funds through preferential issue or qualified institutions placement during the financial year 2019-20.

Certificate on Corporate Governance and Directors

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

The Company has also received certificate from 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 Securities and Exchange Board of India, Ministry of Corporate Affairs 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 2019-20.

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, 2020, 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, June 27, 2020

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') to the year ended on March 31, 2020, 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 & from the records maintained by the Company, & from Board's Report on Corporate Governance & based on the Annual Report of the Company for financial year ended March 31, 2020, 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, 2020.

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

UDIN: F005732B000465532

Mumbai, July 17, 2020

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 Identifications Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs (MCA).

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 01, 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 of 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.: FCS 5732 CP No.: 5163

UDIN: F005732B000465501

Mumbai, July 17, 2020

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, 2019	December 31, 2019
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD 75.39	Euro 83.05
4	Share Capital	0.63	14.31
5	Reserves and Surplus	(34.50)	442.25
6	Total Assets	872.60	2215.50
7	Total Liabilities	906.47	1758.94
8	Investments	-	-
9	Turnover	2388.50	4614.27
10	Profit Before Taxation	142.37	406.54
11	Provision for Taxation	-	56.74
12	Profit After Taxation	142.37	349.80
13	Proposed Dividend	-	-
14	Extent of Shareholding (in Percentage)	100%	99.46%

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.

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	FineADD Ingredients GmbH
1.	Latest Audited Balance Sheet date	March 31, 2020	December 31, 2019
2.	Date on which the associate or joint venture was associated or acquired	December 1, 2014	May 30, 2018
3.	No. shares of associate or joint ventures held by the company on the year end	40,284,250	2500
I.	Amount of investment in associates or joint venture	4,028.43	200.42
II.	Extent of holding (in percentage)	50%	50%
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	6528.00	201.26
7.	Profit or (Loss) for the year	(788.32)	(151.64)
I.	Considered in consolidation	(394.16)	(75.82)
II.	Not considered in consolidation	(394.16)	(75.82)

The management and accountant certified unaudited accounts of "FineADD Ingredients GmbH" for the year ended March 31, 2020 has been considered for preparation of consolidated financial statements of the Company for the financial year 2019-20.

- Names of Associates or Joint Ventures which are yet to commence operations: FineADD Ingredients GmbH.
- Names of Associates or Joint Ventures which have been liquidated or sold during the year: N.A.

BUSINESS RESPONSIBILITY REPORT FOR FINANCIAL YEAR 2019-20

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identification 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	April 1, 2019 to March 31, 2020				
7	Sector(s) that the Company is engaged in (industrial Activity code-wise):	<table border="1"> <thead> <tr> <th>NIC code</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>20119</td> <td>Manufacture of Organic and Inorganic Chemical compounds n.e.c.</td> </tr> </tbody> </table>	NIC code	Description	20119	Manufacture of Organic and Inorganic Chemical compounds n.e.c.
NIC code	Description					
20119	Manufacture of Organic and Inorganic Chemical compounds n.e.c.					
8	List of three key products/services that the Company manufactures/provides:	<ul style="list-style-type: none"> • Food additives • Polymer additives • Specialty additives for coatings, cosmetics, Feed nutrition, Lubes etc. 				
9	Number of Locations where business activities are undertaken by the Company:					
	Number of National Locations	3 Manufacturing Locations - Ambernath, Badlapur , Dombivli in Maharashtra 1 Research and Development Centre - Mahape, Navi Mumbai 1 Head office - Mumbai 1 Sales and Marketing office - Delhi				
	Number of International Locations	2. Sales & Marketing office USA and Europe (through subsidiaries of the Company)				
10	Markets served by the Company Local/State/National/International:	We have extensive distribution network spread across India as well as across globe.				

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital:	₹ 1,533 lakhs
2	Total Turnover:	₹ 1,02,622.30 lakhs
3	Total Profit after Taxes:	₹ 16,650.17 lakhs
4	Total spending on Corporate Social Responsibility (CSR) (INR) as percentage of profit after tax (%):	Please refer to Corporate Social Responsibility Report for the year annexed to this Annual Report as Annexure C.
5	List of activities in which the expenditure in 4 above formations has been incurred	The Company has identified the projects under areas such as <ol style="list-style-type: none"> 1. Education 2. Healthcare 3. Livelihood 4. Woman Empowerment 5. Rural Development etc.

BUSINESS RESPONSIBILITY REPORT FOR FINANCIAL YEAR 2019-20 (CONTD.)

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary company/ companies?	Yes. The Company has 2 (Two) subsidiaries.
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: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR

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

- DIN Number: 00106799
- Name: Mr. Mukesh Shah
- Designation: Managing Director

b) Details of the BR head:

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

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

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 FOR FINANCIAL YEAR 2019-20 (CONTD.)

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

Sr. No.	Question	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)*	Refer Note	Refer Note	Refer Note	Refer Note	Refer Note	Refer Note	Refer Note	Refer Note	Refer Note
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/CEO/ appropriate Board Director?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
5.	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	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 FOR FINANCIAL YEAR 2019-20 (CONTD.)

(b) If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Question	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 six months									
5.	It is planned to be done within next one year									
6.	Any other reason (please specify)									

3. Governance related to BR:

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses 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 committed to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company's Directors and Senior Management are required to abide by separate Code of Conduct. The said Code is available on Company's website viz. www.fineorganics.com.

Additionally, the Company has Code of Conduct which is applicable to all employees of the Company as well as working directors.

Our Whistle Blower policy provides a mechanism for employees of the Company to report any instance of unethical behaviour, actual suspected fraud or violation of the Company's Ethics Policy.

Though policies of FOIL 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, 4 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 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

I) Oil binder:

Effective and sustained stabilization of the food formulations containing oil as a key ingredient is fairly challenging. One of the major reasons for this is the oil separation resulting in sedimentation

BUSINESS RESPONSIBILITY REPORT FOR FINANCIAL YEAR 2019-20 (CONTD.)

of solid fraction due to inadequate oil binding properties. Such a product with visibly separated oil phase is unacceptable by the consumer; because, it is perceived as a sign of spoilage.

An oil binder is a food additive, which prevents the separation of oil phase and imparts excellent stabilization to the food products containing significantly higher fraction of oil as an ingredient through optimum crystallization efficiency. This enhances the product quality visually as well as in terms of the properties for instance – smooth and creamy consistency, homogeneous composition, better for handling due to minimized surface migration of the oil phase owing to excellent binding features. A few examples, where the oil binder will significantly help are – spreads (chocolate/hazelnut), peanut butter, confectionary fillings and more.

Therefore, our additive helps to achieve uniform and superior quality food products, which are highly acceptable by the consumers due to excellent value added features.

II) Conventional surfactant replacer:

A surfactant is one of the most crucial ingredients with remarkable functions in a wide range of personal care products for instance – face wash, shampoo, toothpaste, shaving foam and more. Conventional surfactants have exhibited promising performance in these applications. However, the evident harsh behaviour in terms of reported irritation caused to eyes and skin is one of the reasons for consumers preferring milder products especially for the kids and people with severe sensitivity of skin. The Company has developed an effective and benign substitute for the traditional synthetic surfactants. This oleochemical derivative offers equivalent performance as that of the conventional synthetic surfactants with additional benefits through sustainability (natural origin), mildness and protection to the kids and sensitive skin/eyes. Thus, this vegetable oil derived green surfactant can be successfully used in the wide variety of applications including baby shampoos, soaps, face wash foams, toothpastes and more.

III) Contributing to Sustainability through addition:

The Green additives produced by the Company are based on the natural vegetable sources. Thereby, these additives provide benefits not only through sustainability aspect in the process enhancement for bio-plastics; but also in the improved recycling efficiency of the conventional plastics. Bioplastics have been considered as an effective solution to the concerning issue of high volumes of non-biodegradable waste generation. Simultaneously, significant amount of effort is being put in increasing the amount of conventional polymers getting recycled. Increasing recycling efficiency and use of biopolymers in the suitable applications have been identified as the balancing strategies to address the challenge of waste management of plastics.

The variation in melt flow properties is one of the most prominent difficulties in the material processing, mould release and aesthetic value of the end product during the recycling process of conventional polymers. Therefore, it is extremely important to achieve suitable melt flow during the processing in order to maximize the benefits in recycling.

Further, while using the biopolymers, the processing brings up challenges due to the sensitivity of the material to thermal degradation and difficulty in processing. In such scenario, additives can offer flow improvement at the processing temperatures; thereby rendering benefits such as better mould filling and excellent surface finish of the extruded product.

Example: i) Lubricants & Flow improver/Slip additives & Antiblock/Mold release agents can be used in the extrusion and injection molding process; where, they can offer superior melt flow, mold release and excellent surface quality of the end product.

The use of additives by the Company positively helps to protect the environment through encouraging the recycling of existing plastic waste and the use of eco-friendly polymers. Furthermore, it positively contributes to the society by encouraging the income generation for the working class involved in these activities such as molding, material collection/waste material segregation, compounding and other functions.

BUSINESS RESPONSIBILITY REPORT FOR FINANCIAL YEAR 2019-20 (CONTD.)

- 2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product. (i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company is committed to maximum conservation and optimum utilization of the resources. The Company also endorses clean processes to minimize waste generation; thus, takes all pertinent measures dedicatedly. In order to maximize the process efficiency, our major processes typically are continuous or semi-continuous and run round the clock. The processes are designed with the aim of minimizing the use of the non-renewable and/or high energy consumption resources. The use of renewable energy sources, such as natural gases, is judiciously encouraged by the Company. Majority of the processes are well-modulated to achieve remarkable savings in fuel & electricity consumption. Minimization of waste generation is one of the key factors, in addition to the conservation of fuel and energy. In alignment of which, the zero liquid discharge plant facilities play a critical role.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so**

We, at the Company, realize the importance of environmental aspects and therefore, we focus to minimize waste generation. We also judiciously and committedly work towards reducing the energy consumption of all types, for instance - An advanced granulation technology has improved the drying air contact efficiency resulting in remarkable energy savings and a more efficient air circulating system has benefited by saving the space required, achieving the desired temperatures using lower energy and potentially extending the life of other equipments.

Minimizing the use of solvents has been one of the key goals for our QC team; a milestone in this objective is the installation of FTNIR. This AI based analytical tool offers a capability to analyze key properties of complex products with minimum or no use of chemicals/ solvents, which is fairly challenging by conventional test procedures.

- 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

We emphasize on local sourcing to develop a sustainable supply chain by recognizing the suitable values and commitment policies. The Company prefers the suppliers from local/domestic sources. Local sourcing is an essential aspect in developing the supply chain. The Company is positively inclined to source the packing material, commodity items, raw materials and other goods/services from producers in the vicinity of our operations, which is not only more convenient from operation viewpoint but also mutually beneficial. In procurement of goods and services, we give priority to the local suppliers who meet/exceed the required standards. In some cases, local businesses receive support from the Company in developing necessary skills in order to meet these standards. We ensure that our suppliers comply with our FOIL Supplier principles suitably by helping them with regulatory processes, technical training and other capacity building efforts, so that they can not only become a registered vendor of our organization but also grow their businesses in the other markets.

Principle 3: Businesses should promote the wellbeing of all employees

- 1. Please indicate the total number of employees:**
Total number of permanent employees is 701.
- 2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.-**
Total number of employees hired on temporary/ contractual/casual basis is NIL
- 3. Please indicate the number of permanent women employees.**
Total number of permanent women employees is 124.
- 4. Please indicate the number of permanent employees with disability**
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 recognized employee association.

BUSINESS RESPONSIBILITY REPORT FOR FINANCIAL YEAR 2019-20 (CONTD.)

6. What percentage of your permanent employees are a member 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 of 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.

During the year the Company did not receive any complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment.

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

Employee health and safety is of prime importance to Fine Organic Industries Limited. Alongwith safety and security training, the Company organizes several training programs for its employees across the offices and factories which are based on the roles and responsibilities performed by the employees in different grades and departments such as:

- Prevention of Sexual Harassment at workplace Training
- Quality Management System Training
- Decision Making & Problem Solving Training
- Fire Fighting Training
- Process Improvement Training
- Workshop on Lean Principles & lean Workouts
- Structured Problem Solving (Lean + Six Sigma)
- CORONOVIRUS (COVID-19) Preventive and control measures

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

Our stakeholders are persons, groups or entities who are directly impacted by our activities and decisions, and those who can influence our operations. FOIL has identified and mapped all its key internal and external stakeholders as mentioned below:

- a) Suppliers
- b) Vendors
- c) Business Partners / Associates
- d) NGO's
- e) Shareholders
- f) Management
- g) Employees
- h) Regulatory Authorities

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

Out of the above mentioned stakeholders, the Company has identified the disadvantaged, vulnerable and marginalized communities through need assessment and engages with such marginalized communities under its Corporate Social Responsibility initiative/activities.

Beneficiaries	CSR Activities
Women	For livelihood program, provided stitching materials for ladies in Dhule village, Under Mother and Child Health program, supported many women in areas of Dharampur Gujarat
Patients	Sponsored cataract surgeries in tribal areas of Orissa, sponsored Medical expenses of the underprivileged patients in areas of Melghat and Howrah.
Children	Supporting underprivileged children in Pune and children in tribal areas of Gujarat, Orissa and Madhya Pradesh
Village/Communities	Restoring/developing lakes for benefit of villagers in areas of North Gujarat
Students	Sponsoring infrastructure development of educational institutions in Mumbai, Kumarakom (Kerala) and Ahmedabad, providing Education support to nomadic tribes students in Ahmedabad, students in slum areas of Mumbai and higher education for tribals students of Dharampur
NGO	Supporting NGOs across India in area of health, education including special education and livelihood

BUSINESS RESPONSIBILITY REPORT FOR FINANCIAL YEAR 2019-20 (CONTD.)

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.**

FOIL endeavors to make a difference in life of vulnerable, disadvantaged and marginalized communities through its Corporate Social Responsibility initiatives.

FOIL has conducted seminars/conferences in Maharashtra and Punjab to educate farmers on modern dairy farming and importance of milk quality which will give a potential new avenue to them and increase earnings of the farmers.

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 does not have any specific policy on human rights. The Company adheres to all statutes which embody the principles of human rights such as non-discrimination, prevention of Child labour, prevention of sexual harassment, equal employment opportunities etc. The Company respects the dignity and individual rights of every employee as well as third parties with whom it does business.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management during the financial year 2019-20?**

The Company has not received any complaints from stakeholders in this respect during financial year 2019-20.

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

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others**

Environmental protection and work safety is fundamental part of our management principles. The Company's policies – Safety, Health and Environment extend support to all stakeholders influencing the entire value chain.

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.**

As the Company is growing at a high pace, we are being more responsible towards the preservation of environment with the highest level of commitment.

The Company possesses indigenous technology, and the processes are suitably refined to maximize the efficiency by minimizing use of natural resources in manufacturing and to achieve cleaner processes in order to minimize the waste generation.

The dedicated programs have been in place to contribute positively to the conservation of environment for instance the tree-plantation initiative in the surrounding areas and the Zero Liquid Discharge (ZLD) plant facilities that, focuses on energy & fuel savings.

The Company values also include identification of possible ways to address the environmental issues for instance the discharge of spent gases has been minimized by consuming the generated gas in the facility. This initiative led to reduction in air pollution and thereby, helped in achieving a more eco-friendly production facility.

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

Being a responsible organization, we are conscious of our environmental performance and monitor all operations to identify activities that may adversely impact the 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?**

We have installed FTNIR instrument in our QC labs, whereby achieving, reduction in quality check time & the chemicals used for analysis. Thereby, we can achieve quick online analysis report. Due to this AI driven instrument we can eliminate the use of solvents from our QC labs, thus reducing the safety risk due to solvent usage.

BUSINESS RESPONSIBILITY REPORT FOR FINANCIAL YEAR 2019-20 (CONTD.)

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.

Yes, the Company has undertaken multiple focused initiatives in the mentioned areas.

- Granulating equipment with latest technology introduced to have a flexible output of Solids with varied particle size with the same equipment. This has an advantage over conventional equipment used which is expensive to use and is not flexible to achieve different particle sizes of the products. This enables heat energy saving around 10 to 12 % & also eliminates wet scrubbing equipment & thereby saving precious water resources. Also condensation of water enables to recycle & reuse it leading to save water resource.
- Introduction of New Design Air Circulation System which has common Compressor for 2 systems thereby saving valuable space & investment. This system saved electrical energy cost in the tune of around 30 % & saving time too.
- Engineering store management through Barcode system, whereby managing inventory items support in maintaining the required inventory level & auto updation of shelf life & trigger before issue of material. This enables simplification in physical stock count and reconciliation with ERP data, thereby eliminating human intervention in issue of inventory items and data entry.

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.

There are no show cause/ legal notices received from Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) as on end of March 31, 2020.

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:

FOIL is member of trade and Industry chambers and associations such as:

- Federation of Indian Export Organisations (FIEO)
- Indo German Chamber Of Commerce
- Basic Chemicals, cosmetics & Dyes Export Promotion Council (Chemexcil)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- 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)

FOIL understands the improvement and advancements of the industry in interest of public good. Our endeavor is to co-operate with all Government bodies and policy makers in this regard.

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 committed to operate business in an economically, socially and environmentally sustainable manner. The Company has a Corporate Social Responsibility policy and through the CSR activities our Company endeavor to reach out underprivileged sections of the society by way of promotion of education, healthcare infrastructure, rural development etc.

BUSINESS RESPONSIBILITY REPORT FOR FINANCIAL YEAR 2019-20 (CONTD.)

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

The Company collaborates with external NGOs and partners to undertake CSR programmes/projects. Our CSR Committee and internal team reviews and ensures the implementation of the projects undertaken.

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

Yes. It is an ongoing process. The dedicated in-house team monitors 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 by the Company is annexed in the Annual Report as Annexure C.

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

Our internal team, reviews, monitors and conducts post impact assessment for all our CSR initiatives on regular basis.

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, 2020, we have 3.5% customer complaints unresolved exceeding the defined closure timeline of 15 days maximum. We follow 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, and enhancement of customer satisfaction is the key element of our complaint handling process.

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 ensures to display essential information on the product label based on the suitable standards. As a regular practice, the technical datasheet (TDS), safety datasheet (SDS) as well as the regulatory document (PRD) (as per the internationally recognized standards) are provided to the customers. In case of any specific requirements, the information can be conveniently fetched from the Company website or from associated sales personnel.

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.

There are no cases in relation to unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.

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

The customer satisfaction is of prime importance for the Company as it strongly believes in a customer-centric approach. Therefore, customer satisfaction surveys are periodically conducted (as a part of ISO quality systems) to assess the Consumer Satisfaction in relation to the products and the services pertaining to the products.

Furthermore, the Company personnel ensure prompt and superlative quality responses and services to any customer requirements to the best of the capacity.

INDEPENDENT AUDITORS' REPORT

To,
**The Members of
Fine Organic Industries Limited**

(Formerly known as 'Fine Organic Industries Private Limited')

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Ind AS Financial Statements of **Fine Organic Industries Limited** (herein referred to as the "Company"), which comprise the Balance Sheet as at March 31, 2020, 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 Financial Statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of 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 together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 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 Ind AS Financial Statements.

Emphasis of Matters

We draw attention to Note no. 44 of the Ind AS Financial Statements, as regards the management's evaluation of COVID-19 impact on the future performance of the Company. 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 Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the 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 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 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 Ind AS Financial Statements.

1 Revenue Recognition

For the year ended March 31, 2020 the Company has recognised revenue from contracts with customers amounting to ₹ 1,02,621.08 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.

Independent Auditors' Report (Contd.)

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 may be incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.

Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be 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 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 the 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 financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.

2 Evaluation of uncertain tax imposition

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

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

Auditors' Response

We have obtained details of all pending assessments and demands for the year ended March 31, 2020 from the management. We have evaluated the possible outcome of pending assessments and disputed matters under litigations.

3 Capitalisation of property, plant and equipment

During the year ended March 31, 2020, the Company has incurred significant capital expenditure. Further, out of the total additions of ₹ 17,260.02 Lakhs to property, plant and equipment, amount of ₹ 16,625.87 Lakhs in the current year, significant part of the capitalisation pertains to the new plant namely N-42 located at Ambernath, to expand company's production capacity. Entire plant has been successfully commissioned and capitalised during the year in phased manner.

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 determination of trial run period and costs associated with trial runs for 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 of the Ind AS Financial Statements}

Independent Auditors' Report (Contd.)

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 on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16, including any such costs incurred specifically for trial run.

Assessed that the borrowing cost capitalised (including foreign exchange loss to the extent it is considered as an adjustment to interest cost) is in accordance with the accounting policy of the Company.

Reviewed the project completion/handover 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

INFORMATION OTHER THAN THE IND AS FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Management & Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report. For example, Corporate Overview, Key Highlights, Board's Report, Report on Corporate Governance, Management Discussion & Analysis Report, Business Responsibility Report, etc., but does not include the Ind AS Financial Statements and our auditors' report thereon.

Our opinion on the 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 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 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 IND AS FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters specified in section 134(5) of the Act with respect to the preparation of these 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 Ind AS and other 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 the 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 IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

Independent Auditors' Report (Contd.)

material misstatement, whether due to fraud or error, and to issue an Auditors' 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 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 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 Auditors' report to the related disclosures in the 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 Auditors' 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 Ind AS Financial Statements, including the disclosures, and whether the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' 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 Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.

Independent Auditors' Report (Contd.)

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid 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 Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2020 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, 2020 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 –A**'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as

amended, in our opinion and to the best of our information and according to the explanation given to us, the remuneration paid/provided by the Company to its director during the year is in accordance with the provision of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditors' 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:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements.

(ii) 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.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- (2) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in the '**Annexure – B**' a statement on the matters specified in paragraph 3 and 4 of the Order.

For **B Y & Associates**

Chartered Accountants

Firm's registration number: 123423W

CA Bhavesh Vora

Partner

Membership Number: 043908

Date : June 27, 2020

Place : Mumbai

ICAI UDIN: 20043908AAAABY7248

‘ANNEXURE – A’ TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of ‘Fine Organic Industries Limited’ of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’).

We have audited the internal financial controls over financial reporting of **Fine Organic Industries Limited** (‘the Company’) as of March 31, 2020 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control 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. 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 Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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 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 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 financial statements.

'Annexure – A' to the Independent Auditors' Report (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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, 2020, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B Y & Associates

Chartered Accountants

Firm's registration number: 123423W

CA Bhavesh Vora

Partner

Membership Number: 043908

Date : June 27, 2020

Place : Mumbai

ICAI UDIN: 20043908AAAABY7248

‘ANNEXURE – B’ TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of ‘Fine Organic Industries Limited’ of even date)

- (i) In respect of the Company’s Fixed Assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us, the records examined by us and based on our examination of the records provided to us, we report that, the title deeds, comprising immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.
- (ii) In respect of the Company’s Inventories:
- a) The Inventories has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
 - b) 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.
 - c) On the basis of our examination of the records of inventories, we are of the opinion that Company is maintaining proper records of inventories. No material discrepancies were noticed on physical verification of stock as compared to book records.
- (iii) The Company has not granted any loans, secured or unsecured, other than advances for expenses, to
- a) companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
 - (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 as prescribed under the provision of the section 73 to 76 of the Companies Act, 2013 and rules framed there under.
 - (vi) The Central Government has prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013. As observed by us such accounts and records have been made and maintained by the Company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - (vii) According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - c) Details of dues of Income Tax, Sales Tax, Goods & Service Tax, and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Sr. No.	Financial Year / Period	Nature of Demand	Appellate Authority where dispute is pending	Amounts (₹)
1	2015-2016	Income Tax	Commissioner of Income Tax (Appeal), Mumbai	150.30 Lakhs
2	2014- 2015	MVAT	Department of Sales tax	5.72 Lakhs

‘Annexure – B’ to the Independent Auditors’ Report (Contd.)

- (viii) According to records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. The Company has not issued any debentures during the year.
- (ix) During the year; the Company has not raised moneys by way of Initial Public Offer or Further Public Offer (including Debt Instruments). According to the information and explanations given to us, the term loans raised have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence, reporting under Clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence, reporting under Clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For B Y & Associates

Chartered Accountants

Firm's registration number: 123423W

CA Bhavesh Vora

Partner

Membership Number: 043908

Date : June 27, 2020

Place : Mumbai

ICAI UDIN: 20043908AAAABY7248

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2020

Particulars	Notes	(₹ in lakhs)	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
A) Non Current Assets			
Property, Plant and Equipment	Note 4	21,591.07	7,781.69
Capital Work-in Progress	Note 5	584.11	10,629.09
Intangible Assets	Note 6	85.74	34.51
Financial Assets			
- Investments	Note 7	4,416.75	1,669.08
- Loans	Note 8	471.94	644.78
- Others	Note 9	301.18	208.03
Deferred Tax Assets (Net)	Note 10	621.42	-
Other Non-current Assets	Note 11	6,162.42	7,046.91
Total Non Current Assets (A)		34,234.63	28,014.09
B) Current Assets			
Inventories	Note 12	11,945.23	7,900.21
Financial Assets			
- Trade Receivables	Note 13	14,510.58	16,698.47
- Cash and Cash Equivalents	Note 14	20,087.93	10,198.03
- Bank Balances	Note 15	475.14	108.74
- Others	Note 16	32.80	27.55
Current Tax Assets (Net)	Note 17	702.10	437.22
Other Current Assets	Note 18	4,249.36	7,543.57
Total Current Assets (B)		52,003.14	42,913.79
Total Assets (A + B)		86,237.77	70,927.88
EQUITY AND LIABILITIES			
A) Equity			
Equity Share Capital	Note 19	1,533.00	1,533.00
Other Equity	Note 20	61,544.45	49,311.71
Total Equity (A)		63,077.45	50,844.71
Liabilities			
B) Non Current Liabilities			
Financial Liabilities			
- Borrowings	Note 21	9,146.08	9,282.18
- Others	Note 22	755.86	390.92
Deferred Tax Liabilities (Net)	Note 10	-	40.53
Total Non Current Liabilities (B)		9,901.94	9,713.63
C) Current Liabilities			
Financial Liabilities			
- Borrowings	Note 23	-	2,019.15
- Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises	Note 24	187.12	344.62
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	Note 24	8,239.55	4,887.09
- Others	Note 25	3,488.98	1,650.41
Other Current Liabilities	Note 26	558.12	318.77
Provisions	Note 27	327.50	446.60
Current Tax Liabilities (Net)	Note 28	457.11	702.90
Total Current Liabilities (C)		13,258.38	10,369.54
Total Equity and Liabilities (A + B + C)		86,237.77	70,927.88

The accompanying notes 1 to 50 are integral part of the standalone financial statements.

As per our report of even date

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Bhavesh Vora

Partner

M.No. 043908

Place: Mumbai

Date: June 27, 2020

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Prakash Kamat

Chairman

Tushar Shah

Director & CFO

Place: Mumbai

Date: June 27, 2020

Mukesh Shah

Managing Director

Pooja Lohor

Company Secretary

Jayen Shah

Director & CEO

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakhs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Revenue from Operations	Note 29	1,02,622.30	1,04,397.20
Other Income	Note 30	2,051.12	2,022.99
Total Income		1,04,673.42	1,06,420.19
EXPENSES			
Cost of Materials Consumed	Note 31	63,600.97	64,783.84
Purchase of Stock-in-trade	Note 31.1	0.18	11.47
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	Note 32	(2,964.42)	649.36
Employee Benefits Expenses	Note 33	6,943.69	5,988.60
Finance Costs	Note 34	478.12	179.05
Depreciation & Amortisation Expenses	Note 35	3,465.07	1,744.84
Other Expenses	Note 36	11,433.86	10,738.75
Total Expenses		82,957.47	84,095.91
Profit / (Loss) before exceptional items and tax		21,715.95	22,324.28
Profit / (Loss) before tax		21,715.95	22,324.28
TAX EXPENSES			
Current Tax	Note 37	5,609.49	8,000.00
Deferred Tax Expense / (Income)	Note 38	(543.71)	696.68
Short / (Excess) Provision for earlier years		-	726.23
PROFIT / (LOSS) FOR THE YEAR		16,650.17	12,901.37
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to Profit or Loss			
(a) Changes in fair value of Equity instruments through OCI		(0.18)	(0.38)
(b) Remeasurements of Loss on defined employee benefit plans		(104.71)	(98.86)
(c) Amount Recognised in Cashflow Hedging Reserve during the year		(364.94)	(390.92)
(ii) Income tax relating to items that will not be reclassified to profit or loss		118.25	171.28
Total Other Comprehensive Income		(351.58)	(318.88)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		16,298.59	12,582.49
Earnings Per Equity Share	Note 39		
Basic		54.31	42.08
Diluted		54.31	42.08

The accompanying notes 1 to 50 are integral part of the standalone financial statements.

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

CA Bhavesh Vora
Partner
M.No. 043908

Place: Mumbai
Date: June 27, 2020

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

Prakash Kamat
Chairman

Tushar Shah
Director & CFO

Place: Mumbai
Date: June 27, 2020

Mukesh Shah
Managing Director

Pooja Lohor
Company Secretary

Jayen Shah
Director & CEO

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

A) Equity Share Capital

(₹ in lakhs)

Particulars	No. of Shares	Amounts
Equity share capital at the beginning of the year i.e. April 01, 2019	3,06,59,976	1,533.00
Add / (Less) : changes in equity share capital during the year 2019-20	-	-
Equity share capital at the end of the year i.e. March 31, 2020	3,06,59,976	1,533.00

B) Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Amalgamation Reserve	Retained Earnings		
Balance as at April 01, 2018	1,155.24	38,190.39	(33.29)	39,312.34
Add: Profit for the year	-	12,901.37	-	12,901.37
Add: Other Comprehensive Income (net of tax)	-	-	(318.88)	(318.88)
Total Comprehensive Income for the year	1,155.24	51,091.76	(352.17)	51,894.83
Less: Dividend paid on equity shares	-	2,146.20	-	2,146.20
Less: Dividend distribution tax	-	436.92	-	436.92
Balance as at March 31, 2019	1,155.24	48,508.64	(352.17)	49,311.71
Add: Profit for the year	-	16,650.17	-	16,650.17
Add: Other Comprehensive Income (net of tax)	-	-	(351.58)	(351.58)
Total Comprehensive Income for the year	1,155.24	65,158.81	(703.75)	65,610.30
Less: Dividend paid on equity shares	-	3,372.60	-	3,372.60
Less: Dividend distribution tax	-	693.25	-	693.25
Balance as at March 31, 2020	1,155.24	61,092.96	(703.75)	61,544.45

The accompanying notes 1 to 50 are integral part of the standalone financial statements.

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

CA Bhavesh Vora
Partner
M.No. 043908

Place: Mumbai
Date: June 27, 2020

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

Prakash Kamat
Chairman

Tushar Shah
Director & CFO

Place: Mumbai
Date: June 27, 2020

Mukesh Shah
Managing Director

Pooja Lohor
Company Secretary

Jayen Shah
Director & CEO

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit Before Tax	21,715.95	22,324.28
A} CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustments for:		
Depreciation of property, plant and equipment	3,442.04	1,736.35
Amortisation of intangible assets	23.03	8.49
Loss / (Profit) on sale of fixed assets (net)	(13.58)	(3.61)
Interest income	(893.12)	(377.55)
Interest expenses	633.04	327.79
Remeasurement of Employee benefit Plans	(104.71)	(98.86)
Net loss/ (gain) on foreign exchange fluctuations (unrealised)	(1,195.53)	(1,423.04)
Lease rent on Leasehold Properties	33.86	3.56
	1,925.03	173.13
Operating profit before working capital movements	23,640.98	22,497.41
Movement in working capital:		
Decrease / (Increase) in Inventories	(4,045.02)	430.93
Decrease / (Increase) in Trade Receivables	2,187.89	(590.25)
Decrease / (Increase) in Other Bank Balances	(366.40)	61.70
Decrease / (Increase) in Current Financial Assets : Others	(5.26)	16.21
Decrease / (Increase) in Other Current Assets	3,294.21	560.47
Increase / (Decrease) of Current Financial Liabilities : Borrowings	(2,019.15)	(3,341.78)
Increase / (Decrease) in Trade Payables	3,194.97	(1,698.11)
Increase / (Decrease) in Current Financial Liabilities : Others	1,838.57	14.64
Increase / (Decrease) in Other current liabilities	239.34	84.80
Increase / (Decrease) in Current Provisions	(119.10)	230.10
	4,200.05	(4,231.29)
Cash generated from operations	27,841.03	18,266.12
Income tax paid	(6,120.16)	(8,547.64)
Net cash flows from operating activities (A)	21,720.87	9,718.48
B} CASH FLOWS (USED IN) / GENERATED FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including CWIP	(7,215.04)	(8,177.33)
Prepaid rent in leasehold properties	40.26	(1,110.99)
(Advances given)/received back for Capital Goods	838.17	54.60
Purchase of intangible assets	(74.26)	(16.32)
Proceeds from sale of property, plant and equipment	22.23	6.46
Additional Investment in Bank Fixed Deposits	(86.74)	(149.15)
Additional Investment in Joint Ventures	(2,747.86)	(271.29)
Interest received	860.59	324.94
Net cash flows used in investing activities (B)	(8,362.65)	(9,339.08)

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C} NET CASH FLOWS (USED IN)/ GENERATED FROM FINANCING ACTIVITIES		
Proceeds from Non Current Borrowings	(136.09)	10,808.02
Advances given to / (received back) from Subsidiaries	204.42	39.67
Security Deposit received back / (given)	(34.24)	(75.17)
Employee advance (given)/received back	0.94	(4.08)
Dividend & dividend distribution tax paid	(4,065.84)	(2,583.11)
Interest paid	(633.04)	(327.79)
Net loss/ (gain) on foreign exchange fluctuations	1,195.53	1,423.04
Net cash flows (used in)/from financing activities (C)	(3,468.32)	9,280.57
Net increase / (decrease) in cash and cash equivalents (A+B+C)	9,889.90	9,659.97
Cash and cash equivalents at the beginning of the year	10,198.03	538.06
Cash and cash equivalents at the year end {Refer to note no. 14}	20,087.93	10,198.03
Components of Cash and cash equivalents :		
Balances with banks		
In Current Account	15,190.10	1,668.37
In Exchange Earning Foreign Currency Account	404.86	934.41
In Fixed Deposit Account	4,470.90	7,574.92
Cash on hand	22.07	20.33
	20,087.93	10,198.03

The accompanying notes 1 to 50 are integral part of the standalone financial statements.

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

CA Bhavesh Vora
Partner
M.No. 043908

Place: Mumbai
Date: June 27, 2020

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

Prakash Kamat
Chairman

Tushar Shah
Director & CFO

Place: Mumbai
Date: June 27, 2020

Mukesh Shah
Managing Director

Pooja Lohor
Company Secretary

Jayen Shah
Director & CEO

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. CORPORATE INFORMATION

Fine Organic Industries Limited {Formerly known as “Fine Organic Industries Private Limited“} is a Public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Company was converted in to Public Company with effect from November 02, 2017 and consequently the name of the Company has changed from Fine Organic Industries Private Limited to Fine Organic Industries Limited. The registered office of the Company is situated in the State of Maharashtra.

The Financial Statements were approved and authorized for issue with the resolution of the Board of Directors on June 27, 2020 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 Company has completed Initial Public offering (IPO) of 76,64,994 shares of ₹ 5/- each at an offer price of ₹ 783/- per Equity Share aggregating to ₹ 60,017 lakhs, through offer for sale. Equity shares of the Company are listed on July 2, 2018 on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

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
Principal place of business and Country of Incorporation	United States of America	Belgium	India	Germany
Investee relationship	Subsidiary Company	Subsidiary Company	Joint Venture	Joint Venture
Proportion of ownership interest	100.00%	99.46%	50.00%	50.00%

2. BASIS OF PREPARATION:

2.1 Statement of compliance

The accompanying Standalone 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 Standalone 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.

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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2020 are as follows:

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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 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.

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (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 realization 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.

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.

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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 different be from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible Assets	Useful lives as per Schedule II
Buildings	30 Years
Computers	
Computer – Server & Network	6 Years
Computer – Others	3 Years
Plant & Machinery	5 - 15 Years
Furniture and Fixtures	10 Years
Electrical Installation	10 Years
Motor Cars & Vehicles	8 Years
Office Equipments	5 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:

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Intangible Assets	Useful life
Computer Software (WDV Method)	3 Years
Patent / Trademark (SLM Method)	10 Years

3.3 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale less any investment income on the temporary investment of those borrowings.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.4 Impairment of non-Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

3.5 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for Financial reporting purposes and the 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

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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 recognized 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 fixed 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 on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash Management.

3.8 Trade Payables

Trade payables represent liabilities for goods 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

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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.

Financial liabilities

Initial recognition and measurement

All Financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) **Derivative Financial instruments and Hedge Accounting**

The 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

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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 recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Fair Value Hedge

The 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 Company derecognizes a financial asset when the contractual rights to the cash flows from the Financial asset expire or it transfers the Financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the 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 recognized 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 recognized at their respective fair value at the acquisition date, except certain assets and liabilities required to be

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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 recognized 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 recognized, 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 recognize 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 asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Sale of Products

Revenue from sale of goods is recognized on the basis of approved contracts, when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and acceptance by the buyer. Any additional amount based on the terms of the agreement entered into with customers, is recognized in the period when the collectability of the profit share becomes probable and a reliable measure of the profit share is available.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company does not provide any warranties or maintenance contracts to its customers.

As per erstwhile Ind AS 18, the Company has assumed that recovery of excise duty (up to June 2017) flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

Variable consideration

This includes incentives, volume rebates, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Cost to obtain a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortization 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 recognized 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 IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (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 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 recognized 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 recognized 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 recognized in respect of employees'

service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are reported as current employee benefits payable in the balance sheet.

Post-employment benefits

a) Defined benefit plans

The liability or asset 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 recognized immediately in the profit or loss as past service cost.

b) Defined contribution plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are 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.

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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 IND AS FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 4 PROPERTY PLANT AND EQUIPMENT (PPE)

Particulars	(₹ in lakhs)											
	Factory / Research Centre Building	Office Prem- ises	Resi- dential Prem- ises	Factory Flat / Land	Plant and Equip- ments	Electrical Equip- ments	Labo- ratory Equip- ments	Office Equip- ments	Furni- ture & Fixtures	Computer & Peripher- als (Includ- ing Server & Network)	Vehicles	Total Property Plant and Equipment
Gross Carrying Amount												
Balance as at April 01, 2018	8,599.02	92.35	77.44	2.76	11,145.92	973.71	644.05	509.44	657.15	511.35	738.47	23,951.66
Add: Additions during the year	92.08	-	-	-	258.64	25.68	39.64	49.96	4.31	40.10	205.31	715.72
Less: Disposals/ Adjustments	-	-	-	-	-	-	-	-	-	-	24.41	24.41
Balance as at March 31, 2019	8,691.10	92.35	77.44	2.76	11,404.56	999.39	683.69	559.40	661.46	551.45	919.37	24,642.97
Add: Additions during the year	6,292.09	13.31	-	-	9,208.69	1,054.44	177.16	169.20	102.39	182.46	60.29	17,260.03
Less: Disposals/ Adjustments	-	-	-	-	20.04	-	0.41	0.29	-	-	86.33	107.07
Balance as at March 31, 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
Accumulated Depreciation												
Balance as at April 01, 2018	3,793.15	61.30	11.15	1.17	8,359.01	707.03	525.59	354.15	487.18	399.99	446.78	15,146.50
Add: Depreciation for the year	456.84	1.52	3.22	0.08	859.73	72.13	36.31	71.65	40.06	73.25	121.56	1,736.35
Less: Disposals/ Adjustments	-	-	-	-	-	-	-	-	-	-	21.57	21.57
Balance as at March 31, 2019	4,249.99	62.82	14.37	1.25	9,218.74	779.16	561.90	425.80	527.24	473.24	546.77	16,861.28
Add: Depreciation for the year	745.36	2.15	3.06	0.07	2,115.66	198.19	55.60	76.40	35.23	85.62	124.68	3,442.03
Less: Disposals/ Adjustments	-	-	-	-	18.70	-	0.25	0.07	-	-	79.42	98.45
Balance as at March 31, 2020	4,995.35	64.97	17.43	1.32	11,315.70	977.35	617.25	502.13	562.47	558.86	592.04	20,204.86
Net Carrying Amount												
Balance as at March 31, 2019	4,441.11	29.53	63.07	1.51	2,185.82	220.23	121.79	133.60	134.22	78.21	372.60	7,781.69
Balance as at March 31, 2020	9,987.85	40.69	60.00	1.45	9,277.51	1,076.48	243.18	226.19	201.38	175.05	301.29	21,591.07

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 5 NON CURRENT ASSETS : CAPITAL WORK IN PROGRESS

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year	10,629.09	3,167.49
Add: Additions during the year	7,225.69	7,946.12
Less: Capitalisation during the year	17,270.67	484.52
Balance as at the end of the year	584.11	10,629.09

NOTE 6 NON CURRENT ASSETS : INTANGIBLE ASSETS

Particulars	(₹ in lakhs)		
	Software	Patents / Trademarks	Total Intangible Assets
Gross Carrying Amount			
Balance as at April 01, 2018	17.02	24.78	41.80
Add: Additions during the year	13.68	2.64	16.32
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2019	30.70	27.42	58.12
Add: Additions during the year	74.26	-	74.26
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2020	104.96	27.42	132.38
Accumulated Depreciation			
Balance as at April 01, 2018	10.88	4.24	15.12
Add: Depreciation for the year	5.69	2.80	8.49
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2019	16.57	7.04	23.61
Add: Depreciation for the year	20.29	2.74	23.03
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2020	36.86	9.78	46.64
Net Carrying Amount			
Balance as at March 31, 2019	14.13	20.38	34.51
Balance as at March 31, 2020	68.10	17.64	85.74

NOTE 7 NON CURRENT FINANCIAL ASSETS : INVESTMENTS

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unquoted Investment in Equity Instruments of Subsidiaries (at cost)		
(i) Fine Organics (USA), Inc.	195.36	236.55
{Includes ₹ 194.74 lakhs (P.Y. ₹ 235.93 lakhs) notional interest as per Ind AS 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)		
(ii) Fine Organics Europe BV	28.03	28.03
{Includes ₹ 13.79 lakhs (P.Y. ₹ 13.79 lakhs) notional interest as per IndAS 109 'Financial Instruments' issued by MCA}		
(Current year: 185 shares of Euro 100 each fully paid up)		
(Previous year: 185 shares of Euro 100 each fully paid up)		

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
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: 1,31,84,250 shares of ₹ 10/- each fully paid up)	4,028.43	1,318.43
(ii) FineADD Ingredients GmbH (Current year: 2,500 shares of Euro 100 each fully paid up) (Previous year: 1,000 shares of Euro 100 each fully paid up)	160.33	81.29
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)	4.60	4.78
Total	4,416.75	1,669.08

NOTE 8 NON CURRENT FINANCIAL ASSETS : LOANS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advances to Subsidiaries (Amortised Cost) {refer to note no. 41(b)}	372.06	543.96
Loan to employees	99.88	100.82
Total	471.94	644.78

NOTE 9 NON CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits rent (amortised cost)	38.39	31.96
Fixed deposits with bank (Original maturity more than 12 months)	262.79	176.07
Total	301.18	208.03

NOTE 10 DEFERRED TAX ASSET (NET)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	525.52	-
Others	157.76	264.95
Gross Deferred Tax Asset (a)	683.28	264.95
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipments & Intangible Assets	3.66	237.37
Others	58.20	68.11
Gross Deferred Tax Liability (b)	61.86	305.48
Deferred Tax Assets (Net) (a-b)	621.42	(40.53)

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 11 OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances (unsecured, considered good)	2,730.23	3,568.40
Security deposits	241.42	213.62
Income tax refund receivables	17.42	17.42
Prepaid rent on leasehold land & premises	3,173.35	3,247.47
Total	6,162.42	7,046.91

NOTE 12 INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials and packing materials	5,495.69	4,537.50
Semi-finished goods	147.49	281.60
Finished goods	5,189.28	2,090.75
Consumables	53.18	43.61
Stores & spares	1,059.59	946.75
Total	11,945.23	7,900.21

NOTE 13 CURRENT FINANCIAL ASSETS : TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good	-	-
Unsecured		
Considered good	12,247.98	13,942.69
From related parties {refer to note no. 41(b)}	2,262.60	2,755.78
Which have significant increase in credit risk	157.00	117.57
Less: Allowance for expected credit loss	157.00	117.57
Total	14,510.58	16,698.47

NOTE 14 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In current account	15,190.10	1,668.37
In Exchange Earning Foreign Currency account	404.86	934.41
In Fixed Deposit account {refer to note no. 14.1} (With original maturity of less than 3 months)	4,470.90	7,574.92
Cash on hand	22.07	20.33
Total	20,087.93	10,198.03

Note 14.1 - Disclosure of Fixed Deposits

Includes Current Year ₹ Nil (Previous Year : 3,800.00 Lakhs) created out of unutilised Foreign Currency Borrowings.

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 15 CURRENT FINANCIAL ASSETS : BANK BALANCES

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In Fixed deposits (with original maturity of more than 3 months and 12 months or less)	475.14	108.74
Total	475.14	108.74

NOTE 16 CURRENT FINANCIAL ASSETS : OTHERS

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security deposits	32.80	27.55
Total	32.80	27.55

NOTE 17 CURRENT ASSETS : CURRENT TAX ASSETS (NET)

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Income tax (net of provision for income tax)	702.10	437.22
Total	702.10	437.22

NOTE 18 OTHER CURRENT ASSETS

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	252.69	200.28
Balance with statutory / government authorities *	1,858.08	5,082.97
Gratuity Fund balance with LIC of India	-	28.07
Other advances (including advance to suppliers)	2,138.59	2,232.25
Total	4,249.36	7,543.57

* 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".

NOTE 19 EQUITY SHARE CAPITAL

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
AUTHORISED		
4,00,00,000 Equity Shares of ₹ 5/- each (#)	2,000.00	2,000.00
(Previous year: 4,00,00,000 Equity Shares of ₹ 5/- each)		
Total	2,000.00	2,000.00
ISSUED, SUBSCRIBED AND PAID-UP		
3,06,59,976 Equity Shares of ₹ 5/- each	1,533.00	1,533.00
(Previous year: 3,06,59,976 Equity Shares of ₹ 5/- each)		
Total	1,533.00	1,533.00

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(#) As per the Scheme of Amalgamation, the authorised share capital of the Transferor Companies, Fine Research & Development Centre Private Limited (“FRDCPL”) and Fine Speciality Surfactants Private Limited (“FSSPL”) amounting to 100,000 shares of ₹ 10 each are transferred to and merged with the authorised share capital of the Amalgamated Company. Also refer to note no. 19.6 regarding sub-division of shares.

Note 19.1 - Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2020	As at March 31, 2019
Number of shares at the beginning of the year	3,06,59,976	3,06,59,976
Add: Issued on account of Bonus issue	-	-
Add: Issued on account of Subdivision of shares	-	-
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	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of Share	% in Share Capital	Number of Share	% in Share Capital
Mukesh Maganlal Shah	17,64,045	5.75%	17,64,045	5.75%
Prakash Damodar Kamat	44,52,835	14.52%	44,52,835	14.52%
Jayen Ramesh Shah	34,23,627	11.17%	34,23,627	11.17%
Jyotsna Ramesh Shah	43,25,886	14.11%	43,25,886	14.11%
Bimal Mukesh Shah	21,16,827	6.90%	21,16,827	6.90%
Tushar Ramesh Shah	36,99,182	12.07%	36,99,182	12.07%
SBI Mutual Fund under various schemes	17,21,463	5.61%	17,78,264	5.80%

Note 19.4 - Details of shares reserved for options and contracts / commitments for sale of shares / disinvestment

The Company has not reserved any shares for issue of options and contracts / commitments for sale of shares / disinvestment.

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 during the FY 2017-18.

The requisite approvals for modification of the Memorandum and Articles of Association of the Company had been accorded by the shareholders on November 06, 2017.

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.

(Previous year: 2,80,000 Equity shares of ₹ 10 each)

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

- (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 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 06, 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, 2020	As at March 31, 2019
(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 year	48,508.64	38,190.39
Add:		
Profit for the year	16,650.17	12,901.37
Less:		
Dividend paid on equity shares	3,372.60	2,146.20
Dividend distribution tax paid	693.25	436.92
Balance as at the end of the year	61,092.96	48,508.64
(c) Other Comprehensive Income		
Balance as at the beginning of year	(352.17)	(33.29)
Add: Other Comprehensive Income for the year	(351.58)	(318.88)
Balance as at the end of the year	(703.75)	(352.17)
Total (a + b + c)	61,544.45	49,311.71

(\$ Retained Earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders.

NOTE 21 NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Secured loans		
Foreign currency borrowings - External Commercial Borrowings		
From Bank {refer to note no. 21.1}	12,471.93	10,808.02
Less : Current maturity {refer to note no. 25}	(3,325.85)	(1,525.84)
Total	9,146.08	9,282.18

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 Ambernath Industrial Area, Ambernath - 421501, Maharashtra.
- (ii) Remaining tenure of the borrowing is 45 Months.

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 22 NON CURRENT FINANCIAL LIABILITIES : OTHERS

(₹ in lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Derivatives designated as Hedge		
Interest Rate Swaps	755.86	390.92
Total	755.86	390.92

NOTE 23 CURRENT FINANCIAL LIABILITIES : BORROWINGS

(₹ in lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Secured loans		
From Scheduled Banks repayable on demand		
Cash Credit facility {refer to note no. 23.1}	-	2,019.15
Total	-	2,019.15

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, 2020	As at March 31, 2019
Outstanding due to Micro and Small Enterprises {refer to note no. 24.1}	187.12	344.62
Others	8,239.55	4,887.09
Total	8,426.67	5,231.71

Note 24.1 - Disclosure to Trade Payable

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 ₹ 187.12 lakhs (Previous year: ₹ 344.62 lakhs). The disclosure pursuant to MSMED Act based on the books of account is as under:

(₹ in lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount due and remaining unpaid	187.12	344.62
(ii) Interest due on above and the unpaid interest	3.39	4.67
(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	3.39	4.67
(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	-	-

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 25 CURRENT FINANCIAL LIABILITIES : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings	3,325.85	1,525.84
Trade / Security deposits from customers	162.65	124.32
Dividend payable	0.48	0.25
Total	3,488.98	1,650.41

NOTE 26 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues liabilities	129.31	94.91
Contractual liabilities {refer to note no. 29.1}	284.07	152.71
Other liabilities	-	71.15
Gratuity liability	144.74	-
Total	558.12	318.77

NOTE 27 CURRENT LIABILITIES : PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for CSR expenses {refer to note no. 36.1}	327.50	446.60
Total	327.50	446.60

NOTE 28 CURRENT LIABILITIES : CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax (net of income tax paid)	457.11	702.90
Total	457.11	702.90

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 29 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Revenue from Contracts with customers		
Sales - Specialty chemicals	1,01,537.47	1,03,368.37
Sales - Others	1,083.61	1,028.62
Total [A]	1,02,621.08	1,04,396.99
(B) Other Operating Revenue		
Income from sale of Scrap	1.22	0.21
Total [B]	1.22	0.21
Total [A] + [B]	1,02,622.30	1,04,397.20

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. 2019-20	F.Y. 2018-19
Opening contract liability	152.71	151.72
Less: Recognised as revenue during the year	5,929.57	7,775.58
Add: Addition to contract liability during the year	6,060.93	7,776.57
Closing contract liability	284.07	152.71

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, 2020	For the year ended March 31, 2019
Revenue from contract with customer as per contract price	1,03,011.21	1,04,624.36
Less: Discounts and rebates	29.04	18.92
Less: Sales returns	361.09	208.45
Revenue from contract with customer as per statement of profit and loss	1,02,621.08	1,04,396.99

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 30 OTHER INCOME

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross interest income	893.12	377.55
Less: FD interest on utilised borrowings transferred to CWIP	63.63	157.44
Net interest income {refer to note no. 30.1}	829.49	220.11
Dividend income	0.04	0.04
Net gain on foreign exchange fluctuations	1,195.53	1,423.04
Reversal of expected credit loss provisions	-	87.43
Other Non Operating Income		
Profit on Sale of Property, Plant and Equipment (net of loss)	13.58	3.61
Insurance claim received	2.77	3.65
Miscellaneous income	9.71	-
Licence fees	-	285.11
Total	2,051.12	2,022.99

Note 30.1 - Particulars of Interest Income

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income from financial assets on amortised cost basis [at EIR]	795.64	167.84
Interest income from non financial assets	33.85	52.27
Total	829.49	220.11

NOTE 31 COST OF MATERIAL CONSUMED

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials and Packing materials consumed		
Opening stock at the beginning of the year	4,537.50	4,459.65
Add : Purchases and incidental expenses	64,559.16	64,861.69
	69,096.66	69,321.34
Less : Closing stock at the end of the year	5,495.69	4,537.50
Total	63,600.97	64,783.84

Note 31.1 - Purchase of Stock-in-trade

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Traded goods	0.18	11.47
Total	0.18	11.47

Note 31.2 - Particulars of Material Consumed

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials	61,164.74	62,104.90
Packing materials	2,436.23	2,678.94
Total	63,600.97	64,783.84

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 32 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A] Opening stock of inventories		
Finished goods	2,090.75	2,873.95
Semi-finished goods	281.60	147.42
Trading goods	-	0.34
Total [A]	2,372.35	3,021.71
B] Closing stock of inventories		
Finished goods	5,189.28	2,090.75
Semi-finished goods	147.49	281.60
Trading goods	-	-
Total [B]	5,336.77	2,372.35
Net Total [A] - [B]	(2,964.42)	649.36

NOTE 33 EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and other benefits to Directors	1,320.00	1,140.00
Salaries, wages & other benefits to others	5,208.97	4,489.27
Contribution to Provident Fund and Other Funds	195.64	162.62
Employee Welfare and other amenities	219.08	196.71
Total	6,943.69	5,988.60

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, 2020	For the year ended March 31, 2019
Employer's contribution to Pension scheme	75.03	65.34
Employer's contribution to Provident fund	34.26	29.40
Total	109.29	94.74

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 IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Present value of Defined Benefit Obligation at beginning of the year	816.04	639.21
Add : Service cost		
(a) Current service cost	68.36	55.31
(b) Past service cost	-	-
(c) Loss/(Gain) from settlement	-	-
Add: Current interest cost	59.57	49.55
Add: Benefit paid	(29.81)	(25.93)
Add: Remeasurements of actuarial (gain) / loss		
(a) From changes in demographic assumptions	-	-
(b) From changes in financial assumptions	64.92	17.59
(c) From experience over the past year	38.70	67.50
Effect of acquisition/ (divestiture)	-	-
Transfer in/(out)	-	12.81
Changes in foreign exchange rates	-	-
Present value of Defined Benefit Obligation at the end of the year	1,017.78	816.04

(ii) Reconciliation of opening & closing balances of fair value of plan assets

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Fair value of Plan Asset at beginning of the year	844.11	656.11
Add: Contributions paid by employer	-	158.98
Add: Benefits paid / (received)	(29.81)	(25.93)
Add: Interest income on plan assets	59.83	51.76
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)	(1.09)	(10.77)
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Effect of acquisition/ (divestiture)	-	-
Transfer in/(out)	-	13.96
Changes in foreign exchange rates	-	-
Fair value of Plan Asset at the end of the year	873.04	844.11
Actual return on Plan Assets	58.74	40.99
Expected employer contributions for the coming year	150.00	30.00

(iii) Expenses recognised in Statement Profit and Loss

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Service cost		
(a) Current service cost	68.36	55.31
(b) Past service cost	-	-
(c) Loss/(gain) from settlement	-	-
Net interest on net defined benefit liability/ (asset)	(0.26)	(2.21)
Employer expenses	68.10	53.10

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(iv) Net Liability/(Assets) recognised in the Balance Sheet

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Present value of Defined Benefit Obligation at end of the year	1,017.78	816.04
Less: Fair value of Plan Asset at the end of the year	873.04	844.11
Liability/ (Asset) recognised in the Balance Sheet	144.74	(28.07)
Funded Status [Surplus/(Deficit)]	(144.74)	28.07
Of which, Short term Liability		-
Experience adjustment on Plan Liabilities: (Gain)/Loss	38.70	67.50
Experience adjustment on Plan Assets: Gain/(Loss)	-	(10.77)

(v) Assumptions used to determine the defined benefit obligation

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Salary growth rate	5.00 % P.A.	5.00 % P.A.
Discount rate (p.a.)	6.40% P.A.	7.30% P.A.
Withdrawal rate	5.00 % P.A.	5.00 % P.A.
Mortality table rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest rate on net DBO	7.30% P.A.	7.60% P.A.
Expected weighted average remaining working life	8 years	8 years

(vi) Movement in Other Comprehensive Income

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at start of year (loss)/ gain	(122.70)	(26.84)
Re-measurements on DBO		
(a) Actuarial (loss)/gain from changes in demographic assumptions	-	-
(b) Actuarial (loss)/gain from changes in financial assumptions	(64.92)	(17.59)
(c) Actuarial (loss)/gain from experience over the past period	(38.70)	(67.50)
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)	(1.09)	(10.77)
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at end of year (loss)/gain	(227.41)	(122.70)

(vii) 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:

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Salary growth rate	increases by ₹ 83.24 lakhs	decreases by ₹ 74.38 lakhs	increases by ₹ 64.16 lakhs	decreases by ₹ 57.56 lakhs
Discount rate	decreases by ₹ 72.81 lakhs	increases by ₹ 82.91 lakhs	decreases by ₹ 55.90 lakhs	increases by ₹ 63.33 lakhs
Withdrawal rate	increases by ₹ 6.23 lakhs	decreases by ₹ 7.01 lakhs	increases by ₹ 8.21 lakhs	decreases by ₹ 9.16 lakhs
Mortality (increase in expected lifetime by 1 year)	decreases by ₹ 0.18 lakhs	-	decreases by ₹ 0.37 lakhs	-
Mortality (increase in expected lifetime by 3 years)	decreases by ₹ 0.53 lakhs	-	decreases by ₹ 0.92 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.

(viii) Movement in Surplus/ (Deficit)

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Surplus/ (Deficit) at start of year	28.07	16.90
Add : Net acquisition adjustment	-	-
Transfer in / (out) on net basis	-	1.15
<i>Movement during the year</i>		
Less : Current service cost	(68.36)	(55.31)
Less : Past service cost	-	-
Add : Net interest on net DBO	0.26	2.21
Actuarial gain/ (loss)	(104.71)	(95.86)
Add : Employer contributions/ benefits paid	-	158.98
Surplus/ (Deficit) at end of year	(144.74)	28.07

(ix) Risk Factors

Through its gratuity plans, the company is exposed to a number of risks, the most significant of which are detailed below:-

Interest Risk

A decrease in the bond interest rate will increase the plan liability; however, in case of gratuity plan this will be partially offset by an increase in the return on the plan's assets.

Longevity Risk

The present value of Gratuity plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the Gratuity plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 34 FINANCE COSTS

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross interest expenses	633.04	327.79
Less: Interest expenses transferred to CWIP (including interest rate swaps hedge loss)	252.37	264.91
Net interest expenses	380.67	62.88
Bank charges and commission	97.45	116.17
Total	478.12	179.05

NOTE 35 DEPRECIATION & AMORTISATION EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Property, Plant and Equipment	3,442.04	1,736.35
Amortisation on Intangible Assets	23.03	8.49
Total	3,465.07	1,744.84

NOTE 36 OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement & publicity expenses	6.25	6.42
Auditors remuneration:		
(i) Statutory audit	28.00	29.00
(ii) Taxation matters	8.50	12.50
(iii) Limited review fees	9.75	7.50
(iv) Others	1.25	-
Remuneration to cost auditor	3.00	3.00
Consumption of stores and spares	42.71	21.22
Corporate social responsibility expenses {refer to note no. 36.1}	335.56	263.10
Director sitting fees	11.35	11.55
Electricity charges	60.53	59.64
Expected credit loss provisions	39.44	-
Freight and forwarding charges	2,034.62	2,113.88
Insurance charges	133.88	103.22
Laboratory expenses	92.14	91.50
Legal and professional fees	523.00	545.83
Other administrative expenses	168.91	143.75
Postage, telephone and telegram	81.15	115.97
Power, Fuel and Water charges	4,927.16	4,241.25
Printing and stationery expenses	44.53	50.35
Product registration fees	-	40.78
Provision for doubtful receivables	15.81	9.25
Provision for diminution in value of Joint venture	40.08	-
Rent, rates and taxes	327.90	268.50

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Repairs and maintenance to:		
(i) Factory Building	186.86	42.63
(ii) Machinery	676.68	726.41
(iii) Others	213.32	326.75
Sales promotion expenses	87.83	90.72
Sales commission	632.64	738.41
Security charges	217.17	197.66
Seminar & trade fair expenses	180.32	125.06
Subscription, membership, books & periodicals	34.71	42.07
Travelling and conveyance expenses	208.82	250.66
Vehicle expenses	59.99	60.17
Total	11,433.86	10,738.75

Note 36.1 - Corporate Social Responsibility Expenses

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2020 and 2019 is ₹ 335.56 lakhs and ₹ 263.10 lakhs, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR).

The Company has spent an amount of ₹ 454.66 lakhs and ₹ 33 lakhs during the year ended March 31, 2020 and 2019 respectively towards various CSR Projects.

In accordance with Rule 4 (2) of CSR Rules, 2014, the said funds will be utilised as per CSR Policy.

NOTE 37 RECONCILIATION OF REPORTED PROFIT TO TOTAL TAX EXPENSE

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	21,715.95	22,324.28
Applicable income tax rate	25.17%	34.94%
Expected income tax expense	5,465.47	7,801.00
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	59.57	107.06
Other permanent differences	84.45	91.94
Reported income tax expense	5,609.49	8,000.00

NOTE 38 DEFERRED TAX EXPENSES / (INCOME)

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipments & Intangible Assets	-	682.24
Others	215.52	52.35
Sub Total (a)	215.52	734.59
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	759.23	-
Others	-	37.91
Sub Total (b)	759.23	37.91
Deferred tax Expenses / (Income)	(543.71)	696.68

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 39 EARNINGS PER EQUITY SHARE

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Computation of profit (numerator)		
Net profit attributable to shareholders (₹ in lakhs)	16,650.17	12,901.37
(b) Computation of weighted average number of shares (denominator)		
Number of shares outstanding at the beginning of the year	3,06,59,976	3,06,59,976
Weighted average number of equity shares issued and outstanding during the year on account of amalgamation	-	-
Total number of shares outstanding at the end of the period	3,06,59,976	3,06,59,976
(c) Adjusted weighted average equity shares	3,06,59,976	3,06,59,976
EPS (Basic & Diluted) (in ₹)	54.31	42.08

NOTE 40 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
		(₹ in lakhs)
Contingent Liabilities		
Income tax liability that may arise in respect of matters in appeal	150.30	407.15
Indirect taxes liability that may arise in respect of matters in appeal	5.72	27.16
Commitments		
Estimated contracts remaining to be executed on capital account not provided	1,046.76	3,445.61
Bank guarantee	865.61	629.32

The Financial Statements of the Company for the year ended March 31, 2020 has been approved by the Board of Directors in its meeting held on June 27, 2020. For the year ended March 31, 2020 dividend of ₹ 3 per share (Total dividend of ₹ 919.80 lakhs) has been proposed by the Board of Directors at its meeting held on June 27, 2020. 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.

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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 applicable, 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	Mukesh Maganlal Shah	Managing Director
2	Prakash Damodar Kamat	Chairman
3	Jayen Ramesh Shah	Executive Director & CEO
4	Tushar Ramesh Shah	Executive Director & CFO
5	Bimal Mukesh Shah	Executive Director
6	Parthasarathi Thiruvengadam	Independent Director (w.e.f. November 13, 2017)
7	Mahesh Pansukhlal Sarda	Independent Director (w.e.f. November 13, 2017)
8	Kaushik Dwarkadas Shah	Independent Director (w.e.f. January 24, 2018)
9	Prakash Krishnaji Apte	Independent Director (w.e.f. November 13, 2017)
10	Pratima Madhukar Umarji	Independent Director (w.e.f. November 13, 2017)
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 Jayen Shah	
23	Shaili Nirav Doshi	Significant influence by KMP
24	Smoothex Chemicals Private Limited	
25	Olefine Organics	
26	Olefine Organics SDN. BHD.	
27	Olefine Organics (Thailand) Co. Limited	
28	Fine Organic Industries	Subsidiaries
29	Fine Organics (USA), Inc.	
30	Fine Organics Europe BV	
31	Fine Zeelandia Private Limited	Jointly Controlled Entities
32	FineAdd Ingredients GmbH	

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (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 2019 to March 2020	April 2018 to March 2019	As at March 31, 2020	As at March 31, 2019
1	Director's Remuneration				
	Prakash Damodar Kamat	264.00	228.00	12.21	-
	Mukesh Maganlal Shah	264.00	228.00	12.21	-
	Jayen Ramesh Shah	264.00	228.00	12.21	-
	Tushar Ramesh Shah	264.00	228.00	12.21	-
	Bimal Mukesh Shah	264.00	228.00	12.21	-
2	Director's Sitting Fees				
	Parthasarathi Thiruvengadam	1.80	2.28	-	-
	Mahesh Pansukhlal Sarada	2.40	2.28	-	-
	Kaushik Dwarkadas Shah	2.30	2.23	-	-
	Prakash Krishnaji Apte	2.95	2.73	-	-
	Pratima Madhukar Umarji	1.90	2.05	-	-
3	Sale of Goods				
	Oleofine Organics SDN. BHD.	450.10	405.73	93.57	114.27
	Oleofine Organics (Thailand) Co.Ltd.	482.71	489.66	72.26	74.09
	Fine Organics (USA), Inc.	1,823.11	2,040.79	476.13	949.60
	Fine Organics Europe BV	3,993.99	3,954.16	1,523.80	1,236.05
	Fine Zeelandia Private Limited	1,263.23	717.12	96.85	345.00
4	Sale of Licence				
	Fine Zeelandia Private Limited	140.18	146.22	-	33.32
5	Sale of Components / Assets				
	Fine Zeelandia Private Limited	-	15.34	-	-
	Oleofine Organics SDN. BHD.	0.61	54.15	-	3.44
6	Purchase of Goods / Samples				
	Fine Zeelandia Private Limited	5.36	-	-	-
	Oleofine Organics SDN. BHD.	-	66.03	-	-
7	Processing charges paid				
	Oleofine Organics	-	201.00	-	-
8	Purchase of Licence / Trade Mark				
	Fine Organic Industries	-	2.49	-	-
9	Purchase of Components / Assets				
	Oleofine Organics	-	130.33	-	-
10	Dividend paid/proposed				
	Prakash Damodar Kamat	489.81	311.70	-	-
	Jyotsna Ramesh Shah	475.85	302.81	-	-
	Tushar Ramesh Shah	406.91	258.94	-	-
	Jayen Ramesh Shah	376.60	239.65	-	-
	Bimal Mukesh Shah	232.85	148.18	-	-
	Mukesh Maganlal Shah	194.04	123.48	-	-
	Neeta Jayen Shah	72.59	46.19	-	-
	Bina Tushar Shah	63.18	40.21	-	-
	Jayshree Mukesh Shah	62.54	39.80	-	-
	Ramesh M. Shah HUF	33.99	21.63	-	-
	Jayen R. Shah HUF	33.77	21.49	-	-

**NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2019 to March 2020	April 2018 to March 2019	As at March 31, 2020	As at March 31, 2019
	Mukesh M. Shah HUF	15.46	9.84	-	-
	Prakash D. Kamat HUF	15.09	9.60	-	-
	Shaili Nirav Doshi	13.52	8.60	-	-
	Rhea Tushar Shah	11.73	7.46	-	-
	Esha Tushar Shah	11.73	7.46	-	-
	Manali Jayen Shah	8.43	5.36	-	-
	Tushar R. Shah HUF	11.35	7.23	-	-
11	Salary to Relatives of KMP				
	Manali Jayen Shah	31.50	28.50	1.67	-
12	Export Commission				
	Oleofine Organics SDN. BHD.	2.52	3.44	-	1.70
13	Security Deposit - Rent				
	Fine Organic Industries	-	-	-	15.90
	Olefine Organics	-	2.40	-	2.40
14	Rent Expenses				
	Fine Organic Industries	86.55	86.51	6.48	-
	Olefine Organics	21.53	12.65	1.62	-
	Prakash Damodar Kamat	8.40	8.40	0.63	-
	Jyotsna Ramesh Shah	8.40	8.40	0.63	-
	Jayshree Mukesh Shah	8.40	8.40	0.63	-
	Bina Tushar Shah	8.40	8.40	0.63	-
15	Prepaid Rent				
	Fine Organic Industries	-	-	0.51	2.10
	Olefine Organics	-	-	0.32	0.60
16	Advances to Subsidiaries (*)				
	Fine Organics (USA), Inc.	(204.42)	40.09	372.06	543.96
	Fine Organics Europe BV	-	(79.80)	-	-
17	Reimbursement of Expenses				
	Prakash Damodar Kamat #	1.40	489.41	-	15.15
	Mukesh Maganlal Shah #	1.40	492.04	-	12.64
	Jayen Ramesh Shah #	3.44	491.64	-	12.94
	Tushar Ramesh Shah #	1.42	491.83	-	13.40
	Jyotsna Ramesh Shah #	1.40	487.53	-	17.02
	Bimal Mukesh Shah	0.93	0.02	-	-
	Parthasarathi Thiruvengadam	-	0.07	-	-
	Prakash Krishnaji Apte	0.32	-	-	-
	Manali Jayen Shah	0.18	0.47	-	(0.04)
	Olefine Organics	-	3.78	-	-
	Fine Zeelandia Private Limited	2.26	2.37	-	-
	Oleofine Organics SDN. BHD.	-	0.34	-	-
	Oleofine Organics (Thailand) Co.Ltd.	-	0.38	-	-
18	Investments in equity instruments				
	Fine Organics (USA), Inc. (*)	-	-	195.36	236.55
	Fine Organics Europe BV (*)	-	-	28.03	28.03
	Fine Zeelandia Private Limited	2,710.00	190.00	4028.43	1318.43
	FineADD Ingredients GmbH	119.13	81.29	160.33	81.29

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2019 to March 2020	April 2018 to March 2019	As at March 31, 2020	As at March 31, 2019
19	Interest Income on Advances / Security deposit (\$)				
	Fine Organics (USA), Inc.	32.53	47.65	32.53	47.65
	Fine Organics Europe BV	-	4.96	-	4.96
	Fine Organic Industries	1.59	1.55	1.59	1.55
	Olefine Organics	0.29	0.26	0.29	0.26

*Includes Ind AS adjustments, Foreign Exchange fluctuations gain / (loss) on transaction during the year & Closing Balance revaluation

IPO expenses reimbursed by the Directors to the Company

\$Includes Ind AS adjustments

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, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: ₹ 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).

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:

(₹ in lakhs)

Particulars	Revenue from contracts with customers March 31, 2020	Revenue from contracts with customers March 31, 2019
- In India	46,829.27	46,479.12
- Outside India	55,791.81	57,917.87
Total Revenue	1,02,621.08	1,04,396.99

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables		
- In India	4,535.42	4,609.95
- Outside India	10,132.16	12,206.09
Less : Expected Credit Loss on trade receivables	(157.00)	(117.57)
Total	14,510.58	16,698.47

NOTE 43 INTERNAL FINANCIAL CONTROL SYSTEM

The Management has laid down the Internal Control Framework in which each department of the Company is being headed by professional HODs. These HODs are responsible for the day-to-day operations of the Company. The Company has completed the documentation on internal control framework mechanism and is in the process of formalising the internal control framework. No significant deficiencies or material weakness has been observed in the operation and Financial Control and processes of the Company.

NOTE 44 IMPACT OF COVID-19

Due to COVID-19 pandemic and the consequent lock down announced by the Government of India, the operations of the Company have been suspended in the fourth week of March 2020. The Company has since obtained required permissions and partially restarted plants operations in the first week of April 2020. The Management has also evaluated the possible impact of this pandemic on the business operations and the financial position of the Company and based on its initial assessment of the current indicators of the future economic conditions, believes that there is no significant impact on the financial results of the Company, as at and for the year ended March 31, 2020. The Management will continue to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.

NOTE 45 DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013

(a) Investment Made (At Amortised Cost)

(₹ in lakhs)

Name of entity	As at March 31, 2020	As at March 31, 2019
Fine Organics (USA), Inc.	195.36	236.55
Fine Organics Europe BV	28.03	28.03
Fine Zeelandia Private Limited	4,028.43	1,318.43
FineADD Ingredients GmbH	160.33	81.29

(b) Advances Given

(₹ in lakhs)

Name of entity	As at March 31, 2020	As at March 31, 2019
Fine Organics (USA), Inc.	372.06	543.96

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 46 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)

Name of entity	As at March 31, 2020	As at March 31, 2019
Lease payment recognised in the statement of profit and loss	25.14	3.56
Minimum lease payments under non cancellable operating leases payable		
Not later than 1 year	37.55	38.61
Later than 1 year but not less than 5 years	150.20	154.44
Later than 5 years	3,022.50	3,054.85
Total future minimum lease payment	3,210.24	3,247.89

NOTE 47 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 no	Carrying Value		Fair Value	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
FINANCIAL ASSETS					
A] Financial assets at fair value through profit & loss		-	-	-	-
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	Note 7	4.60	4.78	4.60	4.78
C] Financial assets at amortised cost					
Non Current Financial Assets : Loans	Note 8	471.94	644.78	471.94	644.78
Non Current Financial Assets : Others	Note 9	301.18	208.03	301.18	208.03
Current Financial Assets : Trade receivables	Note 13	14,510.58	16,698.47	14,510.58	16,698.47
Current Financial Assets : Cash and cash equivalents	Note 14	20,087.93	10,198.03	20,087.93	10,198.03
Current Financial Assets : Bank balances	Note 15	475.14	108.74	475.14	108.74
Current Financial Assets : Others	Note 16	32.80	27.55	32.80	27.55
FINANCIAL LIABILITIES					
A] Financial liabilities at fair value through profit & loss		-	-	-	-
B] Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (including current maturity on long term borrowing)	Note 21	12,471.93	10,808.02	12,471.93	10,808.02
Non Current Financial Liabilities : Others	Note 22	755.86	390.92	755.86	390.92
Current Financial Liabilities : Borrowings	Note 23	-	2,019.15	-	2,019.15
Current Financial Liabilities : Trade payable	Note 24	8,426.67	5,231.71	8,426.67	5,231.71
Current Financial Liabilities : Others	Note 25	163.13	124.57	163.13	124.57

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 IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 48 FAIR VALUES

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Note 48.1 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2020:

(₹ 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 profit & loss					
B) Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	March 31, 2019 {refer Note No. 48.3}	4.60	-	4.60	-
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through profit & loss					
B) Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (including current maturity on long term borrowing)	March 31, 2020	12,471.93	-	-	12,471.93
Non Current Financial Liabilities : Others	March 31, 2020	755.86			755.86
Current Financial Liabilities : Borrowings	March 31, 2020	-	-	-	-
Current Financial Liabilities : Trade payable	March 31, 2020	8,426.67	-	-	8,426.67
Current Financial Liabilities : Others	March 31, 2020	163.13	-	-	163.13

*Refer Note no. 2.5 for Fair value measurement method

Note 48.2 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2019:

(₹ 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 profit & loss					
B) Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	March 31, 2018 {refer Note No. 48.3}	4.78	-	4.78	-

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lakhs)

Particulars	Fair value measurement using				
	Date of valuation	Total	Level 1*	Level 2**	Level 3***
C) Financial assets at amortised cost					
Non Current Financial Assets : Loans	March 31, 2019	644.78	-	-	644.78
Non Current Financial Assets : Others	March 31, 2019	208.03	-	-	208.03
Current Financial Assets : Trade receivables	March 31, 2019	16,698.47	-	-	16,698.47
Current Financial Assets : Cash and cash equivalents	March 31, 2019	10,198.03	-	-	10,198.03
Current Financial Assets : Bank balances	March 31, 2019	108.74	-	-	108.74
Current Financial Assets : Others	March 31, 2019	27.55	-	-	27.55
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through profit & loss		-	-	-	-
B) Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (including current maturity on long term borrowing)	March 31, 2019	10,808.02	-	-	10,808.02
Non Current Financial Liabilities : Others	March 31, 2019	390.92	-	-	390.92
Current Financial Liabilities : Borrowings	March 31, 2019	2,019.15	-	-	2,019.15
Current Financial Liabilities : Trade payable	March 31, 2019	5,231.71	-	-	5,231.71
Current Financial Liabilities : Others	March 31, 2019	124.57	-	-	124.57

*Refer note no. 2.5 for Fair value measurement method

Note 48.3 - 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 profit or loss

(₹ in lakhs)

Type	Valuation Technique
FINANCIAL ASSETS	
A) Financial assets at fair value through 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 publicly available market based information for similar entities.
C) Financial assets at amortised cost	
Non Current Financial Assets : Loans	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 : 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 profit & loss	Not Applicable
B) Financial liabilities at amortised cost:	
Non Current Financial Liabilities : Borrowings	Level - 3: The fair value is determined as on the reporting date based amortised cost method.
Non Current Financial Liabilities : Others	
Current Financial Liabilities : Borrowings	
Current Financial Liabilities : Trade payable	
Current Financial Liabilities : Others	

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 49 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, 2020	As at March 31, 2019
Long term borrowing (including current maturities of long term borrowings)	12,471.93	10,808.02
Short term borrowing	-	2,019.15
Less: Cash and cash equivalents	20,825.86	10,482.84
TOTAL BORROWING (NET)	(8,353.93)	2,344.33
Equity share capital	1,533.00	1,533.00
Other equity	61,544.45	49,311.71
TOTAL EQUITY	63,077.45	50,844.71
Gearing ratio (net debt/ total equity)	(0.13)	0.05

No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

NOTE 50 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.

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates.

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, 2020	As at March 31, 2019
Notional value of liability	12,471.93	10,808.02
Less: Interest Rate Swap on above Liability	12,471.93	10,808.02
Net exposure	-	-

Disclosure of Effects of Interest Rate Swaps Hedge accounting on Financial Position as at March 31, 2020

(₹ in lakhs)				
Particulars	Nominal value of Liability	Carrying Amount of Hedging Instrument	Maturity Date	Hedge Ratio
Interest Rate Risk				
- Interest Rate Swaps	12,471.93	755.86	December 2023	1:1

Disclosure for Gain / (Loss) recognised in cashflow hedging reserve and recycled during the year

For FY 2019-20

(₹ 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	390.92	364.94	-	-	-	755.86

For FY 2018-19

(₹ 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	-	390.92	-	-	-	390.92

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 USD and Euro.

a) Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any Derivative Instruments for trading and speculation purposes.

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (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, 2020			As at March 31, 2019		
	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent
Forward Contract to Sell USD	86	78.25	5,899.27	6	10.50	757.01
Forward Contract to Sell Euro	56	37.50	3,114.38	-	-	-
Forward Contract to Buy USD	-	-	-	11	27.00	1,877.43

b) The unhedged exposures as at the end of the reporting date as follows

(Amount in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
Financial Assets				
Trade receivables - USD	1,200.35	\$15.92	9,832.87	\$142.15
Trade receivables - Euro	-	-	2,465.12	€ 31.73
Advance to subsidiary	376.93	\$5.00	622.54	\$9.00
Financial Liabilities				
Trade payables - USD	-	-	-	-
Trade payables - Euro	-	-	3.53	€ 0.05
Long term borrowings - USD	12,471.93	\$165.44	12,333.85	\$156.25
Net Exposure - USD	(10,894.65)	(\$144.52)	(1,878.44)	(\$5.10)
Net Exposure - Euro	-	-	2,461.59	€ 31.68

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, 2020			As at March 31, 2019		
	Change	USD \$	EURO €	Change	USD \$	EURO €
1% Depreciation in INR	1%	(\$108.95)	-	1%	(\$18.78)	€ 24.62
1% Appreciation in INR	1%	\$108.95	-	1%	\$18.78	(€ 24.62)

(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 38% of our total purchases made from all suppliers. We do not enter into supplier contracts of duration of more than 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 30.00% (P.Y.: 30.04%) 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 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.

NOTES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and Country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits (generally between 30 to 90 days) and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended March 31, 2020 is 0.69% (P.Y. 0.73%) 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 and non-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.

Uncommitted borrowings - Financial arrangements

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Expiring within one year		
Borrowings in foreign currency	-	2,161.60
Expiring beyond one year		
Borrowings in foreign currency	-	-

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.

(₹ in lakhs)

Particulars	Outstanding Balance as on March 31, 2020	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term borrowings (including current maturity on long term borrowings)	12,471.93	3,325.85	6,651.70	2,494.38	-
Trade payable	8,426.67	8,426.67	-	-	-
Securities deposits taken	162.65	162.65	-	-	-
Statutory dues payable	129.31	129.31	-	-	-
Advanced from customer	284.07	284.07	-	-	-
Provision - others	327.50	327.50	-	-	-
Income tax	457.11	457.11	-	-	-

INDEPENDENT AUDITORS' REPORT

To,

The Members of

Fine Organic Industries Limited

(Formerly known as 'Fine Organic Industries Private 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 and its subsidiaries together referred to as "the Group") and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2020, 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 (hereinafter 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, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total 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 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. 44 of the Consolidated Ind AS Financial Statement, as regards the management's evaluation of COVID-19 impact on the future performance of the Group. 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

1 Revenue Recognition

For the year ended March 31, 2020 the Group has recognised revenue from contracts with customers amounting to ₹ 1,03,806.75 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 group expects to be entitled in exchange for those goods or services.

Independent Auditors' Report (Contd.)

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

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

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

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

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

Auditors' Response

Our audit procedures included the following:

- Assessed the Group'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 the samples checked that the revenue has been recognized 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 recognized

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 financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.

2 Evaluation of uncertain tax imposition

The group has material uncertain tax position including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.

{Refer to note no. 41 of the Consolidated Ind AS Financial Statement}

Auditors' Response

We have obtained details of all pending assessments and demands for the year ended March 31, 2020 from management of the Group. We have evaluated the possible outcome of pending assessments and disputed matters under litigations.

3 Capitalisation of property, plant and equipment

During the year ended March 31, 2020, the Group has incurred significant capital expenditure. Further, out of the total additions of ₹ 17,260.02 Lakhs to property, plant and equipment, amount of ₹ 16,625.87 Lakhs in the current year, significant part of the capitalisation pertains to the new plant namely N-42 located at Ambarnath, to expand Group's production capacity. Entire plant has been successfully commissioned and capitalised during the year in phase manner.

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 determination of trial run period and costs associated with trial runs for 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 of the Consolidated Ind AS Financial

Independent Auditors' Report (Contd.)

Statement}

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 on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16, including any such costs incurred specifically for trial run.

Assessed that the borrowing cost capitalised (including foreign exchange loss to the extent it is considered as an adjustment to interest cost) is in accordance with the accounting policy of the Company.

Reviewed the project completion/handover 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.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Parent's Management and Board of Directors are responsible for other information. The other information comprises the information included in the Annual Report including annexure to Annual Report, Management Discussion & Analysis Report, Business Responsibility Report, etc., but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

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 of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors 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 ventures is traced from their financial statements audited by the other auditors.

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

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Management and Board of Directors of the Parent Company is responsible for the matters specified in section 134(5) of the Companies Act, 2013 ("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, consolidated changes in equity and cash flows of the Group including jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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 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 jointly controlled entities are responsible for assessing the ability of the Group and jointly controlled entities to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and Board of Directors either intends to liquidate any the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditors' Report (Contd.)

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for overseeing their Company's financial reporting process.

AUDITORS' 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 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 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 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 ventures 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 auditors report. However, future events or conditions may cause the Group and its joint ventures 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 ventures 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 financial statements of such business activities included in the Consolidated Ind AS Financial Statements of which we are the independent auditor. For the business activities included in the Consolidated Ind AS Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent

Independent Auditors' Report (Contd.)

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 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 financial statements and other financial information of one Joint Venture, which reflects group's share of Net Loss after tax of ₹ 425.32 Lakhs for the year ended March 31, 2020, 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 ₹ 3,088.11 Lakhs as at March 31, 2020, total revenues of ₹ 7,002.77 Lakhs and net cash outflows amounting to ₹ 135.72 Lakhs for the year ended on that date and financial statements and other financial information of 1 Joint Venture which reflects Group's Share of net loss after tax of ₹ 80.71 Lakhs for the year ended March 31, 2020. These financial statement/financial information have been audited by other auditors whose report has been furnished to us by the Management, 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, jointly controlled company 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, jointly controlled companies is based solely on the report of such other auditors.

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 work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and joint ventures 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.
- e) On the basis of the written representations received from the Directors of the Parent Company as on March 31, 2020 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group Companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

Independent Auditors' Report (Contd.)

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate report in Annexure- A which is based on the auditor's reports of the Group.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of the section 197(6) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by Parent to its directors during the year is in accordance with the provision of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures
- (ii) Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For B Y & Associates

Chartered Accountants

Firm's registration number: 123423W

CA Bhavesh Vora

Partner

Membership Number: 043908

Date : June 27, 2020

Place : Mumbai

ICAI UDIN: 20043908AAAABZ8520

‘ANNEXURE A’ TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Fine Organic Industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

In conjunction with our audit of the Consolidated Ind As Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **Fine Organic Industries Limited** (hereinafter referred to as ‘the Parent’) and its subsidiary companies, its associate companies and joint ventures which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent Company and joint ventures, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal

financial controls. 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.

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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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 financial statements for external purposes in accordance with generally accepted accounting principles. A Parent company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

'Annexure A' to the Independent Auditors' Report (Contd.)

accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

In our opinion and to the best of our information and according to the explanations given to us, the Parent Company and joint ventures, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B Y & Associates

Chartered Accountants

Firm's registration number: 123423W

CA Bhavesh Vora

Partner

Membership Number: 043908

Date : June 27, 2020

Place : Mumbai

ICAI UDIN: 20043908AAAABZ8520

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

Particulars	Notes	(₹ in lakhs)	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
A) Non Current Assets			
Property, Plant and Equipment	Note 4	21,591.69	7,782.07
Capital Work-in Progress	Note 5	584.11	10,629.09
Intangible Assets	Note 6	85.74	34.51
Financial Assets			
- Investment	Note 7	3,279.76	996.93
- Loans	Note 8	99.88	100.82
- Others	Note 9	301.18	208.03
Deferred Tax Assets (Net)	Note 10	671.81	19.51
Other Non-current Assets	Note 11	6,165.23	7,049.48
Total Non Current Assets (A)		32,779.40	26,820.44
B) Current Assets			
Inventories	Note 12	13,167.15	8,926.30
Financial Assets			
- Trade Receivables	Note 13	13,233.32	15,561.87
- Cash and Cash Equivalents	Note 14	20,566.37	10,812.19
- Bank Balances	Note 15	475.14	108.74
- Others	Note 16	32.80	27.55
Current Tax Assets (Net)	Note 17	702.10	437.22
Other Current Assets	Note 18	4,249.36	7,544.18
Total Current Assets (B)		52,426.24	43,418.05
Total Assets (A + B)		85,205.64	70,238.49
EQUITY AND LIABILITIES			
A) Equity			
Equity Share Capital	Note 19	1,533.00	1,533.00
Other Equity	Note 20	60,356.07	48,490.68
Total Equity (A)		61,889.07	50,023.68
B) Non Controlling Interest			
	Note 21	5.08	3.20
Liabilities			
C) Non Current Liabilities			
Financial Liabilities			
- Borrowings	Note 22	9,146.08	9,282.18
- Others	Note 23	755.86	390.92
Total Non Current Liabilities (C)		9,901.94	9,673.10
D) Current Liabilities			
Financial Liabilities			
- Borrowings	Note 24	-	2,019.15
- Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises	Note 25	187.12	344.62
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	Note 25	8,387.96	4,993.87
- Others	Note 26	3,488.98	1,650.41
Other Current Liabilities	Note 27	560.88	357.33
Provisions	Note 28	327.50	446.60
Current Tax Liabilities (Net)	Note 29	457.11	726.53
Total Current Liabilities (D)		13,409.55	10,538.51
Total Equity and Liabilities (A + B + C + D)		85,205.64	70,238.49

The accompanying notes 1 to 53 are integral part of the Consolidated Financial Statements.

As per our report of even date

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Bhavesh Vora

Partner

M.No. 043908

Place: Mumbai

Date: June 27, 2020

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Prakash Kamat

Chairman

Tushar Shah

Director & CFO

Place: Mumbai

Date: June 27, 2020

Mukesh Shah

Managing Director

Pooja Lohor

Company Secretary

Jayen Shah

Director & CEO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakhs)

Particulars	Notes	Figures for the year ended March 31, 2020	Figures for the year ended March 31, 2019
INCOME			
Revenue from Operations	Note 30	103,807.97	106,033.28
Other Income	Note 31	2,018.59	1,982.52
Total Income		105,826.56	108,015.80
EXPENSES			
Cost of Materials Consumed	Note 32	63,600.97	64,783.84
Purchase of Stock-in-trade	Note 32.1	490.16	525.62
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	Note 33	(3,160.25)	205.78
Employee Benefit Expenses	Note 34	7,245.46	6,279.06
Finance Costs	Note 35	482.11	183.92
Depreciation & Amortisation Expenses	Note 36	3,465.53	1,745.37
Other Expenses	Note 37	11,584.36	10,879.37
Total Expenses		83,708.34	84,602.97
Profit / (Loss) before exceptional items and tax		22,118.22	23,412.83
Profit / (Loss) before tax		22,118.22	23,412.83
TAX EXPENSES			
Current Tax	Note 38	5,666.23	8,089.35
Deferred Tax Expense / (Income)	Note 39	(534.05)	636.64
Short / (Excess) Provision for earlier years		-	726.23
Profit / (Loss) for the year		16,986.04	13,960.61
Share of Profit / (Loss) from Joint Venture		(506.03)	(335.08)
PROFIT / (LOSS) FOR THE YEAR		16,480.01	13,625.53
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to Profit or Loss			
(a) Changes in fair value of Equity instruments through OCI		(0.18)	(0.38)
(b) Remeasurements of Loss on employees defined benefits plan		(104.71)	(98.86)
(c) Amount Recognised in Cashflow Hedging Reserve during the year		(364.94)	(390.92)
(ii) Income tax relating to items that will not be reclassified to profit or loss		118.25	171.28
Total Other Comprehensive Income		(351.58)	(318.88)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		16,128.43	13,306.65
NET PROFIT / (LOSS) ATTRIBUTABLE TO :-			
Owners of the Company		16,478.15	13,620.99
Non-controlling interest		1.88	4.55
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :-			
Owners of the Company		16,126.57	13,302.11
Non-controlling interest		1.88	4.55
EARNINGS PER EQUITY SHARE			
	Note 40		
Basic		53.75	44.44
Diluted		53.75	44.44

The accompanying notes 1 to 53 are integral part of the consolidated financial statements.

As per our report of even date
For **BY & Associates**

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Bhavesh Vora

Partner

M.No. 043908

Place: Mumbai

Date: June 27, 2020

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Prakash Kamat

Chairman

Tushar Shah

Director & CFO

Place: Mumbai

Date: June 27, 2020

Mukesh Shah

Managing Director

Pooja Lohor

Company Secretary

Jayen Shah

Director & CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

A) Equity Share Capital

(₹ in lakhs)

Particulars	No. of Shares	Amounts
Equity Share Capital at the beginning of the year i.e. April 01,2019	3,06,59,976	1,533.00
Add / (Less) : Changes in equity share capital during the year 2019-20	-	-
Equity Share Capital at the end of the year i.e. March 31,2020	3,06,59,976	1,533.00

B) Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus					Total
	Amalgamation Reserve	Retained Earnings	Foreign Exchange Translation Reserve	Legal Reserve	Other Comprehensive Income	
Balance as at April 01, 2018	1,155.24	36,978.32	(74.92)	-	(33.29)	38,025.35
Add: Profit for the year	-	13,625.53	(255.09)	1.45	-	13,371.89
Add: Other Comprehensive Income (net of tax)	-	-	-	-	(318.88)	(318.88)
Total Comprehensive Income for the year	1,155.24	50,603.85	(330.01)	1.45	(352.17)	51,078.36
Less: Dividend paid on equity shares	-	2,146.20	-	-	-	2,146.20
Less: Dividend distribution tax	-	436.92	-	-	-	436.92
Less: Transfer to Legal reserve	-	1.45	-	-	-	1.45
Less: Non controlling interest	-	3.11	-	-	-	3.11
Balance as at March 31, 2019	1,155.24	48,016.17	(330.01)	1.45	(352.17)	48,490.68
Add: Profit for the year	-	16,480.01	(195.41)	0.10	-	16,284.70
Add: Other Comprehensive Income (net of tax)	-	-	-	-	(351.58)	(351.58)
Total Comprehensive Income for the year	1,155.24	64,496.18	(525.42)	1.55	(703.75)	64,423.80
Less: Dividend paid on equity shares	-	3,372.60	-	-	-	3,372.60
Less: Dividend distribution tax	-	693.25	-	-	-	693.25
Less: Non controlling interest	-	1.88	-	-	-	1.88
Balance as at March 31, 2020	1,155.24	60,428.45	(525.42)	1.55	(703.75)	60,356.07

The accompanying notes 1 to 53 are integral part of the Consolidated Financial Statements.

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

CA Bhavesh Vora
Partner
M.No. 043908

Place: Mumbai
Date: June 27, 2020

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

Prakash Kamat
Chairman

Tushar Shah
Director & CFO

Place: Mumbai
Date: June 27, 2020

Mukesh Shah
Managing Director

Pooja Lohor
Company Secretary

Jayen Shah
Director & CEO

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit Before Tax	21,612.19	23,077.75
A} CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustments for:		
Depreciation of property, plant and equipment	3,442.50	1,736.88
Amortisation of intangible assets	23.03	8.49
Loss / (Profit) on sale of fixed assets (net)	(13.58)	(3.61)
Interest income	(860.59)	(324.94)
Interest expenses	633.05	327.80
Remeasurement of employees benefit plans	(104.71)	(98.86)
Change in Foreign Currency Translation Reserve	(195.37)	(255.09)
Net loss/ (gain) on foreign exchange fluctuations (unrealised)	(1,195.53)	(1,423.04)
Share of loss from Joint Venture Entity	506.03	335.08
Lease rent on Leasehold Properties	33.86	3.56
	2,268.69	306.27
Operating profit before working capital movements	23,880.88	23,384.02
Movement in working capital:		
Decrease / (Increase) in Inventories	(4,240.84)	(12.65)
Decrease / (Increase) in Trade Receivables	2,328.56	(913.28)
Decrease / (Increase) in Other Bank Balances	(366.40)	61.70
Decrease / (Increase) in Current Financial Assets : Others	(5.25)	16.21
Decrease / (Increase) in Other Current Assets	3,294.83	560.01
Increase / (Decrease) of Current Financial Liabilities : Borrowings	(2,019.15)	(3,341.78)
Increase / (Decrease) in Trade Payables	3,236.61	(1,655.91)
Increase / (Decrease) in Current Financial Liabilities : Others	1,838.57	14.64
Increase / (Decrease) in Other current liabilities	203.55	113.79
Increase / (Decrease) in Current Provisions	(119.10)	230.10
	4,151.38	(4,927.17)
Cash generated from operations	28,032.26	18,456.85
Income tax paid	(6,200.53)	(8,613.36)
Net cash flows from operating activities (A)	21,831.73	9,843.49
B} CASH FLOWS (USED IN) / GENERATED FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including CWIP	(7,215.76)	(8,177.33)
Prepaid rent in leasehold properties	40.26	(1,110.99)
(Advances given)/received back for capital goods	838.18	54.60
Purchase of intangible assets	(74.26)	(16.32)
Proceeds from sale of property, plant and equipment	22.20	6.51
Additional investment in bank fixed deposits	(86.72)	(149.15)
Additional investment in joint ventures	(2,789.05)	(271.29)
Interest received	860.59	324.92
Net cash flows used in investing activities (B)	(8,404.56)	(9,339.05)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C} NET CASH FLOWS (USED IN)/ GENERATED FROM FINANCING ACTIVITIES		
Proceeds from non current borrowings	(136.10)	10,808.02
Security Deposit received back / (given)	(34.47)	(75.33)
Employee advance (given)/received back	0.94	(4.08)
Dividend and dividend distribution tax paid	(4,065.84)	(2,583.12)
Interest paid	(633.05)	(327.80)
Net loss/ (gain) on foreign exchange fluctuations	1,195.53	1,423.04
Net cash flows (used in)/from financing activities (C)	(3,672.99)	9,240.73
Net increase / (decrease) in cash and cash equivalents (A+B+C)	9,754.18	9,745.17
Cash and cash equivalents at the beginning of the year	10,812.19	1,067.02
Cash and cash equivalents at the year end {refer to note no. 14}	20,566.37	10,812.19
Components of cash and cash equivalents :		
Balances with banks:		
In Current account	15,668.54	2,282.53
In Exchange Earning Foreign Currency account	404.86	934.41
In Fixed Deposit account	4,470.90	7,574.92
Cash on hand	22.07	20.33
	20,566.37	10,812.19

The accompanying notes 1 to 53 are integral part of the Consolidated Financial Statements.

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

CA Bhavesh Vora
Partner
M.No. 043908

Place: Mumbai
Date: June 27, 2020

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

Prakash Kamat
Chairman

Tushar Shah
Director & CFO

Place: Mumbai
Date: June 27, 2020

Mukesh Shah
Managing Director

Pooja Lohor
Company Secretary

Jayen Shah
Director & CEO

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. CORPORATE INFORMATION

Fine Organic Industries Limited {formerly known as “Fine Organic Industries Private Limited“} is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Parent Company was converted in to 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 authorised for issue with the resolution of the Board of Directors on June 27, 2020 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.

The Parent Company has completed Initial Public offering (IPO) of 76,64,994 shares of ₹ 5/- each at an offer price of ₹ 783/- per Equity Share aggregating to ₹ 60,017 lakhs, through offer for sale. Equity shares of the Group are listed on July 2, 2018 on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The 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
Principal place of business and Country of incorporation	United States of America	Belgium	India	Germany
Description of the method used to account for investments	Line by line Consolidation	Line by line Consolidation	Equity method	Equity method
Investee relationship	Subsidiary Company	Subsidiary Company	Joint Venture	Joint Venture
Proportion of ownership interest	100.00%	99.46%	50.00%	50.00%

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

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:

- 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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

2.4 Use of estimates and judgements

The preparation of the Consolidated Financial Statements in accordance with Ind AS requires use of judgements, estimates and assumptions, which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2020 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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Litigation

From time to time, the Group might be subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

2.5 Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both Financial and non-Financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the Management. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are 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 realization 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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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 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 Standard 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 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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

- 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 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.

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible Assets	Useful lives as per Schedule II
Buildings	30 Years
Computers	
Computers – Server & Network	6 Years
Computers - Others	3 Years
Plant & Machinery	5 - 15 Years
Furniture and Fixtures	10 Years
Electrical Installation	10 Years
Motor Cars & Vehicles	8 Years
Office Equipments	5 Years

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	Useful life
Computer Software (WDV Method)	3 Years
Patent / Trademark (SLM Method)	10 Years

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

3.3 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale less any investment income on the temporary investment of those borrowings.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.4 Impairment of Non-Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

3.5 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will 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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Company.

Minimum Alternate Tax (MAT) credit is recognized as a Deferred Tax Asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

3.6 Inventories

Inventories which comprise raw materials, packing materials, work-in-progress, finished goods, consumables and stores & spares are carried at the lower of cost and net realisable value.

The cost of inventories is based on weighted average basis and includes expenditure incurred in acquiring the inventories, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work in progress, cost includes an appropriate share of fixed production overheads based on 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 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 an integral part of the Group's cash management.

3.8 Trade Payables

Trade payables represent liabilities for 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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Derivative financial instruments and Hedge Accounting

The Parent Company uses various derivative financial instruments such as forwards and Interest rate swaps to mitigate the risk of changes in exchange rates and Interest rates.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

In case of loss / gains from interest rate swaps, directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Cash flow hedge

The Parent Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is

discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Fair Value Hedge

The Parent Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

b) De-recognition of Financial instruments

The Group derecognizes a Financial asset when the contractual rights to the cash flows from the Financial asset expire or it transfers the Financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when and only when, the Group

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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 recognized 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 recognized 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 recognized 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 recognized, 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 recognize 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 asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Sale of Products

Revenue from sale of goods is recognized on the basis of approved contracts, when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and acceptance by the buyer. Any additional amount based on the terms of the agreement entered into with customers, is recognized in the period when the collectability of the profit share becomes probable and a reliable measure of the profit share is available. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group does not provide any warranties or maintenance contracts to its customers.

As per erstwhile Ind AS 18, the Parent Company has assumed that recovery of excise duty (up to June 2017) flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

Variable consideration

This includes incentives, volume rebates, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Cost to obtain a contract

The Group pays sales commission to its selling agents for each contract that they obtain for the group. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows it to immediately expense sales commissions because the amortization 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 recognized 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 Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Insurance and other claims

Revenue in respect of Insurance and other claim is recognized only on reasonable certainty of ultimate collection.

3.12 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 recognized 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 recognized in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are reported as current employee benefits payable in the balance sheet.

Post-employment benefits

a) Defined benefit plans

The liability or asset 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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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 recognized immediately in the profit or loss as past service cost.

b) **Defined contribution plans**

Contributions under defined contribution plans payable in keeping with the related schemes are 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 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, 2020 (Contd.)

NOTE 4 PROPERTY PLANT AND EQUIPMENT (PPE)

(₹ in lakhs)

Particulars	Factory/ Research Centre Building	Office Prem- ises	Resi- dential Prem- ises	Factory Flat / Land	Plant and Equip- ments	Electrical Equip- ments	Labo- ratory Equip- ments	Office Equip- ments	Furni- ture & Fixtures	Computer & Peripher- als (includ- ing Server & Network)	Vehicles	Total Property Plant and Equipment
Gross Carrying Amount												
Balance as at April 01, 2018	8,599.02	92.35	77.44	2.76	11,145.92	973.71	644.05	509.44	657.15	513.89	738.47	23,954.20
Add: Additions during the year	92.08	-	-	-	258.64	25.68	39.64	49.96	4.31	40.10	205.31	715.72
Less: Disposals/ Adjustments	-	-	-	-	-	-	-	-	-	-	24.41	24.41
Balance as at March 31, 2019	8,691.10	92.35	77.44	2.76	11,404.56	999.39	683.69	559.40	661.46	553.99	919.37	24,645.51
Add: Additions during the year	6,292.09	13.31	-	-	9,208.69	1,054.44	177.16	169.20	102.39	183.18	60.29	17,260.75
Less: Disposals/ Adjustments	-	-	-	-	20.04	-	0.41	0.29	-	-	86.33	107.07
Balance as at March 31, 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
Accumulated Depreciation												
Balance as at April 01, 2018	3,793.15	61.30	11.15	1.17	8,359.01	707.03	525.59	354.15	487.18	401.63	446.78	15,148.14
Add: Depreciation for the year	456.84	1.52	3.22	0.08	859.73	72.13	36.31	71.65	40.06	73.77	121.56	1,736.87
Less: Disposals/ Adjustments	-	-	-	-	-	-	-	-	-	-	21.57	21.57
Balance as at March 31, 2019	4,249.99	62.82	14.37	1.25	9,218.74	779.16	561.90	425.80	527.24	475.40	546.77	16,863.44
Add: Depreciation for the year	745.36	2.15	3.06	0.07	2,115.66	198.19	55.60	76.40	35.23	86.10	124.68	3,442.50
Less: Disposals/ Adjustments	-	-	-	-	18.70	-	0.25	0.07	-	-	79.42	98.44
Balance as at March 31, 2020	4,995.35	64.97	17.43	1.32	11,315.70	977.35	617.25	502.13	562.47	561.50	592.03	20,207.50
Net Carrying Amount												
Balance as at March 31, 2019	4,441.11	29.53	63.07	1.51	2,185.82	220.23	121.79	133.60	134.22	78.59	372.60	7,782.07
Balance as at March 31, 2020	9,987.84	40.69	60.01	1.44	9,277.51	1,076.48	243.18	226.19	201.38	175.67	301.30	21,591.69

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 5 CAPITAL WORK IN PROGRESS

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year	10,629.09	3,167.49
Additions during the year	7,225.69	7,946.12
Capitalisation during the year	17,270.67	484.52
Balance as at the end of the year	584.11	10,629.09

NOTE 6 INTANGIBLE ASSETS

Particulars	(₹ in lakhs)		
	Software	Patents / Trademarks	Total Intangible Assets
Gross Carrying Amount			
Balance as at April 01, 2018	17.02	24.78	41.80
Add: Additions during the year	13.68	2.64	16.32
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2019	30.70	27.42	58.12
Add: Additions during the year	74.26	-	74.26
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2020	104.96	27.42	132.38
Accumulated Depreciation			
Balance as at April 01, 2018	10.88	4.24	15.12
Add: Depreciation for the year	5.69	2.80	8.49
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2019	16.57	7.04	23.61
Add: Depreciation for the year	20.29	2.74	23.03
Less: Disposals/ Adjustments	-	-	-
Balance as at March 31, 2020	36.86	9.78	46.64
Net Carrying Amount			
Balance as at March 31, 2019	14.13	20.38	34.51
Balance as at March 31, 2020	68.10	17.64	85.74

NOTE 7 NON CURRENT FINANCIAL ASSETS : INVESTMENTS

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unquoted Investment in Equity Instruments of Jointly Controlled Entity (At Cost)		
(i) Fine Zeelandia Private Limited	3,235.56	950.89
(Current Year: 4,02,84,250 shares of ₹ 10/- each fully paid up)		
(Previous Year: 13,184,250 shares of ₹ 10/- each fully paid up)		
(ii) FineADD Ingredients GmbH	39.60	41.26
(Current Year: 2,500 shares of Euro 100 each fully paid up)		
(Previous Year: 1,000 shares of Euro 100 each fully paid up)		
Unquoted Investment in Equity Instruments at FVTOCI		
(i) Saraswat Co-Operative Bank Limited	4.60	4.78
(Current Year: 2,500 shares of ₹ 10/- each fully paid up)		
(Previous Year: 2,500 shares of ₹ 10/- each fully paid up)		
Total	3,279.76	996.93

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 8 NON CURRENT FINANCIAL ASSETS : LOANS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Loan to employees	99.88	100.82
Total	99.88	100.82

NOTE 9 NON CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits rent (amortised cost)	38.39	31.96
Fixed Deposits with bank (Original maturity more than 12 months)	262.79	176.07
Total	301.18	208.03

NOTE 10 DEFERRED TAX ASSET (NET)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible assets	525.36	-
Others	157.76	324.99
Gross Deferred Tax Asset (a)	683.12	324.99
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipments & Intangible assets	3.66	237.37
Others	7.65	68.11
Gross Deferred Tax Liability (b)	11.31	305.48
Deferred Tax Assets (Net) (a-b)	671.81	19.51

NOTE 11 OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances (unsecured, considered good)	2,730.23	3,568.40
Security Deposits	244.23	216.19
Income tax refund receivables	17.42	17.42
Prepaid rent on leasehold land & premises	3,173.35	3,247.47
Total	6,165.23	7,049.48

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 12 INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials and packing materials	5,495.69	4,537.50
Semi-Finished goods	147.49	281.60
Trading goods	1,221.92	1,026.09
Finished goods	5,189.28	2,090.75
Consumables	53.18	43.61
Stores & spares	1,059.59	946.75
Total	13,167.15	8,926.30

NOTE 13 CURRENT FINANCIAL ASSETS : TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good	-	-
Unsecured		
Considered good	12,970.65	14,991.75
From related parties {refer to note no. 42(b)}	262.67	570.12
Which have significant increase in credit risk	157.00	117.57
Less: Allowance for expected credit loss	157.00	117.57
Total	13,233.32	15,561.87

NOTE 14 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In Current account	15,668.54	2,282.53
In Exchange Earning Foreign Currency account	404.86	934.41
In Fixed Deposit account {refer to note no. 14.1} (With original maturity of less than 3 Months)	4,470.90	7,574.92
Cash on hand	22.07	20.33
Total	20,566.37	10,812.19

Note 14.1 - Disclosure of Fixed Deposits

Includes Current Year ₹ Nil (Previous Year : 3,800.00 Lakhs) created out of unutilised Foreign Currency Borrowings.

NOTE 15 CURRENT FINANCIAL ASSETS : BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
In Fixed Deposits (with original maturity of more than 3 months and 12 months or less)	475.14	108.74
Total	475.14	108.74

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 16 CURRENT FINANCIAL ASSETS : OTHERS

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security Deposit	32.80	27.55
Total	32.80	27.55

NOTE 17 CURRENT TAX ASSETS (NET)

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Income tax (net of provision for income tax)	702.10	437.22
Total	702.10	437.22

NOTE 18 OTHER CURRENT ASSETS

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	252.69	200.28
Balance with statutory / government authorities *	1,858.08	5,083.55
Gratuity fund balance with LIC of India	-	28.07
Other advances (including advance to suppliers)	2,138.59	2,232.28
Total	4,249.36	7,544.18

* 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".

NOTE 19 EQUITY SHARE CAPITAL

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
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

(#) As per the Scheme of Amalgamation, the authorised share capital of the Transferor Companies Fine Research & Development Centre Private Limited ("FRDCPL") and Fine Speciality Surfactants Private Limited ("FSSPL") amounting to 100,000 shares of ₹ 10 each are transferred to and merged with the authorised share capital of the Amalgamated Company. Also refer to note no. 19.6 regarding sub-division of shares.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Note 19.1 - Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2020	As at March 31, 2019
Number of shares at the beginning of the year	3,06,59,976	3,06,59,976
Add: Issued on account of Bonus issue	-	-
Add: Issued on account of Subdivision of shares	-	-
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 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 Parent Company

Name of share holders	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of Share	% in Share Capital	Number of Share	% in Share Capital
Mukesh Maganlal Shah	17,64,045	5.75%	17,64,045	5.75%
Prakash Damodar Kamat	44,52,835	14.52%	44,52,835	14.52%
Jayen Ramesh Shah	34,23,627	11.17%	34,23,627	11.17%
Jyotsna Ramesh Shah	43,25,886	14.11%	43,25,886	14.11%
Bimal Mukesh Shah	21,16,827	6.90%	21,16,827	6.90%
Tushar Ramesh Shah	36,99,182	12.07%	36,99,182	12.07%
SBI Mutual Fund under various schemes	17,21,463	5.61%	17,78,264	5.80%

Note 19.4 - 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.

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 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 during the financial year 2017-18.

The requisite approvals for modification of the Memorandum and Articles of Association of the Parent Company had been accorded by the shareholders on November 06, 2017.

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

- 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.
(Previous year: 2,80,000 Equity shares of ₹ 10 each)
- 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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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 06, 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, 2020	As at March 31, 2019
(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 year	48,016.17	36,978.32
Add:		
Profit for the year	16,480.01	13,625.53
Less:		
Dividend paid on equity shares	3,372.60	2,146.20
Dividend distribution tax paid	693.25	436.92
Transfer to Legal reserve	-	1.45
Non Controlling interest	1.88	3.11
Balance as at the end of the year	60,428.45	48,016.17
(c) Other Comprehensive Income		
Balance as at the beginning of year	(352.17)	(33.29)
Add: Other comprehensive income for the year	(351.58)	(318.88)
Balance as at the end of the year	(703.75)	(352.17)
(d) Foreign Exchange Translation Reserve		
Balance as at the beginning of year	(330.01)	(74.92)
Add: Addition / (Deletion)	(195.41)	(255.09)
Balance as at the end of the year	(525.42)	(330.01)
(e) Legal Reserve		
Balance as at the beginning of year	1.45	-
Add: Addition / (Deletion)	0.10	1.45
Balance as at the end of the year	1.55	1.45
Total (a + b + c + d + e)	60,356.07	48,490.68

(\$ Retained Earnings are the profits that the group has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

NOTE 21 NON CONTROLLING INTEREST

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Non controlling interest in Subsidiary	3.20	0.08
Add:- Share of current year's profit	1.88	4.55
Less:- Share of previous year's accumulated loss	-	(1.43)
Total	5.08	3.20

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 22 NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans		
Foreign currency borrowings - External Commercial Borrowings		
From bank {refer to note no. 22.1}	12,471.93	10,808.02
Less : Current maturity {refer to note no. 26}	(3,325.85)	(1,525.84)
Total	9,146.08	9,282.18

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 45 Months

NOTE 23 NON CURRENT FINANCIAL LIABILITIES : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Derivatives Designated as Hedge		
Interest rate swaps	755.86	390.92
Total	755.86	390.92

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 : BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans		
From scheduled banks repayable on demand		
Cash Credit facility {refer to note no. 24.1}	-	2,019.15
Total	-	2,019.15

Note 24.1 - 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 25 TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding due to Micro and Small Enterprises {refer to note no. 25.1}	187.12	344.62
Others	8,387.96	4,993.87
Total	8,575.08	5,338.49

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Note 25.1 - Disclosure to Trade Payable

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 ₹ 187.12 lakhs (Previous Year: ₹ 344.62 lakhs). The disclosure pursuant to MSMED Act based on the books of account is as under:

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
(i) Principal amount due and remaining unpaid	187.12	344.62
(ii) Interest due on above and the unpaid interest	3.39	4.67
(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	3.39	4.67
(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	-	-

NOTE 26 CURRENT FINANCIAL LIABILITIES : OTHERS

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings	3,325.85	1,525.84
Trade / Security Deposits from customers	162.65	124.32
Dividend payable	0.48	0.25
Total	3,488.98	1,650.41

NOTE 27 OTHER CURRENT LIABILITIES

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Statutory dues liabilities	131.96	124.22
Contractual liabilities {refer to note no. 30.1}	284.07	152.71
Other liabilities	0.11	80.40
Gratuity liability	144.74	-
Total	560.88	357.33

NOTE 28 CURRENT LIABILITIES : PROVISIONS

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Provision for CSR expenses {refer to note no. 37.1}	327.50	446.60
Total	327.50	446.60

NOTE 29 CURRENT TAX LIABILITIES (NET)

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Income tax (net of income tax paid)	457.11	726.53
Total	457.11	726.53

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 30 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Revenue from contracts with customers		
Sales - Specialty chemicals	1,02,723.14	1,05,004.45
Sales - Others	1,083.61	1,028.62
Total [A]	1,03,806.75	1,06,033.07
(B) Other operating revenue		
Income from sale of Scrap	1.22	0.21
Total [B]	1.22	0.21
Total [A] + [B]	1,03,807.97	1,06,033.28

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. 42.3}

Reconciliation of Revenue recognised from contracts with customers with Contract liabilities

(₹ in lakhs)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Opening contract liability	152.71	151.72
Less: Recognised as revenue during the year	5,929.57	7,775.58
Add: Addition to contract liability during the year	6,060.93	7,776.57
Closing Contract liability	284.07	152.71

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, 2020	For the year ended March 31, 2019
Revenue from contract with customer as per Contract price	1,04,196.88	1,06,265.61
Less: Discounts and Rebates	29.04	20.25
Less: Sales Returns	361.09	212.29
Revenue from contract with customer as per statement of profit and loss	1,03,806.75	1,06,033.07

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 31 OTHER INCOME

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross interest income	860.59	324.94
Less: FD interest on utilised borrowings transferred to CWIP	63.63	157.44
Net Interest Income {refer to note no. 31.1}	796.96	167.50
Dividend income	0.04	0.04
Net gain on foreign exchange fluctuations	1,195.53	1,423.04
Reversal of Expected Credit Loss provisions	-	87.43
Other Non Operating Income		
Profit on sale of Property, Plant and Equipment (net of loss)	13.58	3.61
Insurance claim received	2.77	3.65
Miscellaneous income	9.71	12.14
Licence fees	-	285.11
Total	2,018.59	1,982.52

Note 31.1 - Particulars of Interest Income

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income from financial assets on amortised cost basis [at EIR]	763.11	115.23
Interest income from non financial assets	33.85	52.27
Total	796.96	167.50

NOTE 32 COST OF MATERIAL CONSUMED

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Materials and Packing Materials Consumed		
Opening stock at the beginning of the year	4,537.50	4,459.65
Add : Purchases and incidental expenses	64,559.16	64,861.69
	69,096.66	69,321.34
Less : Closing stock at the end of the year	5,495.69	4,537.50
Total	63,600.97	64,783.84

Note 32.1 - Purchase of Stock-in-trade

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Traded goods	490.16	525.62
Total	490.16	525.62

Note 31.2 - Particulars of Material Consumed

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials	61,164.75	62,104.90
Packing materials	2,436.22	2,678.94
Total	63,600.97	64,783.84

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A] Opening stock of inventories		
Finished goods	2,090.75	2,873.95
Semi-finished goods	281.60	147.42
Trading goods	1,026.09	582.85
Total [A]	3,398.44	3,604.22
B] Closing Stock of inventories		
Finished goods	5,189.28	2,090.75
Semi-finished goods	147.49	281.60
Trading goods	1,221.92	1,026.09
Total [B]	6,558.69	3,398.44
Net Total [A] - [B]	(3,160.25)	205.78

NOTE 34 EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and other benefits to Directors	1,320.00	1,140.00
Salaries, wages & other benefits to others	5,488.76	4,760.87
Contribution to Provident Fund and other Funds	204.32	171.14
Employee Welfare and other amenities	232.38	207.05
Total	7,245.46	6,279.06

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, 2020	For the year ended March 31, 2019
Employer's contribution to Pension Scheme	75.03	65.34
Employer's contribution to Provident Fund	34.26	29.40
Total	109.29	94.74

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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of Defined Benefit Obligation at beginning of the year	816.04	639.21
Add : service cost		
(a) Current service cost	68.36	55.31
(b) Past service cost	-	-
(c) Loss/(Gain) from settlement	-	-
Add: Current interest cost	59.57	49.55
Add: Benefit paid	(29.81)	(25.93)
Add: Remeasurements of Actuarial (Gain) / Loss		
(a) From changes in Demographic assumptions	-	-
(b) From changes in financial assumptions	64.92	17.59
(c) From experience over the past year	38.70	67.50
Effect of acquisition/ (divestiture)		-
Transfer in/(out)	-	12.81
Changes in foreign exchange rates	-	-
Present value of Defined Benefit Obligation at the end of the Year	1,017.78	816.04

(ii) Reconciliation of opening & closing balances of fair value of plan assets

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of Plan Asset at beginning of the year	844.11	656.11
Add: Contributions paid by employer	-	158.98
Add: Benefits paid / (received)	(29.81)	(25.93)
Add: Interest income on plan assets	59.83	51.76
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)	(1.09)	(10.77)
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Effect of acquisition/ (divestiture)	-	-
Transfer in/(out)	-	13.96
Changes in foreign exchange rates	-	-
Fair value of Plan Asset at the end of the year	873.04	844.11
Actual return on Plan Assets	58.74	40.99
Expected employer contributions for the coming year	150.00	30.00

(iii) Expenses recognised in Statement Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Service Cost		
(a) Current service cost	68.36	55.31
(b) Past service cost	-	-
(c) Loss/(Gain) from settlement	-	-
Net interest on net defined benefit liability/ (asset)	(0.26)	(2.21)
Employer Expenses	68.10	53.10

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(iv) Net Liability/(Assets) recognised in the Balance Sheet

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of Defined Benefit Obligation at end of the year	1,017.78	816.04
Less: Fair value of Plan Asset at the end of the Year	873.04	844.11
Liability/ (Asset) recognised in the Balance Sheet	144.74	(28.07)
Funded Status [Surplus/(Deficit)]	(144.74)	28.07
Of which, short term liability		
Experience adjustment on Plan Liabilities: (Gain)/Loss	38.70	67.50
Experience adjustment on Plan Assets: Gain/(Loss)	-	(10.77)

(v) Assumptions used to determine the defined benefit obligation

Particulars	As at March 31, 2020	As at March 31, 2019
Salary growth rate	5.00 % P.A.	5.00 % P.A.
Discount rate (p.a.)	6.40% P.A.	7.30% P.A.
Withdrawal rate	5.00 % P.A.	5.00 % P.A.
Mortality table rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest rate on net DBO	7.30% P.A.	7.60% P.A.
Expected weighted average remaining working life	8 years	8 years

(vi) Movement in Other Comprehensive Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at start of year (Loss)/ Gain	(122.70)	(26.84)
Re-measurements on DBO		
(a) Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
(b) Actuarial (Loss)/Gain from changes in financial assumptions	(64.92)	(17.59)
(c) Actuarial (Loss)/Gain from experience over the past period	(38.70)	(67.50)
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)	(1.09)	(10.77)
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at end of year (Loss)/ Gain	(227.41)	(122.70)

(vii) 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:

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Salary growth rate	increases by ₹ 83.24 lakhs	decreases by ₹ 74.38 lakhs	increases by ₹ 64.16 lakhs	decreases by ₹ 57.56 lakhs
Discount rate	decreases by ₹ 72.81 lakhs	increases by ₹ 82.91 lakhs	decreases by ₹ 55.90 lakhs	increases by ₹ 63.33 lakhs
Withdrawal rate	increases by ₹ 6.23 lakhs	decreases by ₹ 7.01 lakhs	increases by ₹ 8.21 lakhs	decreases by ₹ 9.16 lakhs
Mortality (increase in expected lifetime by 1 year)	decreases by ₹ 0.18 lakhs	-	decreases by ₹ 0.37 lakhs	-
Mortality (increase in expected lifetime by 3 years)	decreases by ₹ 0.53 lakhs	-	decreases by ₹ 0.92 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.

(viii) Movement in Surplus/ (Deficit)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
	(₹ in lakhs)	
Surplus/ (Deficit) at start of year	28.07	16.90
Add : Net acquisition adjustment	-	-
Transfer in / (out) on net basis	-	1.15
<i>Movement during the year</i>		
Less : Current service cost	(68.36)	(55.31)
Less : Past service cost	-	-
Add : Net interest on net DBO	0.26	2.21
Actuarial Gain/ (Loss)	(104.71)	(95.86)
Add : Employer contributions/ benefits paid	-	158.98
Surplus/ (Deficit) at end of year	(144.74)	28.07

(ix) 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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 35 FINANCE COSTS

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross interest expenses	633.05	327.80
Less: Interest expenses transferred to CWIP (including interest rate swaps hedge loss)	252.37	264.91
Net Interest Expenses	380.68	62.89
Bank charges and commission	101.43	121.03
Total	482.11	183.92

NOTE 36 DEPRECIATION & AMORTISATION EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Property, Plant and Equipment	3,442.50	1,736.88
Amortisation on Intangible Assets	23.03	8.49
Total	3,465.53	1,745.37

NOTE 37 OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement & Publicity expenses	7.16	7.31
Auditors remuneration:		
(i) Statutory audit	28.00	29.00
(ii) Taxation matters	8.50	12.50
(iii) Limited Review Fees	9.75	7.50
(iv) Others	1.25	-
Remuneration to Cost Auditor	3.00	3.00
Consumption of stores and spares	42.71	21.22
Corporate Social Responsibility expenses {refer to note no. 37.1}	335.56	263.10
Director sitting fees	11.35	11.55
Electricity charges	60.53	59.64
Expected Credit Loss provisions	39.44	-
Freight and forwarding charges	2,066.12	2,138.61
Insurance charges	151.45	117.34
Laboratory expenses	92.14	91.50
Legal and professional fees	543.39	559.56
Other administrative expenses	218.38	189.02
Postage, telephone and telegram	82.59	117.12
Power, Fuel and Water charges	4,927.16	4,241.25
Printing and Stationery expenses	44.53	50.35
Product Registration fees	-	40.78
Provision for doubtful receivables	15.81	9.25
Provision for diminution in value of Joint Venture	40.08	-
Rent, rates and taxes	329.13	283.72

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Repairs and maintenance to:		
(i) Factory Building	186.86	42.63
(ii) Machinery	676.68	726.41
(iii) Others	213.32	326.84
Sales promotion expenses	87.83	90.72
Sales commission	633.73	741.27
Security charges	217.17	197.66
Seminar & trade fair expenses	180.32	125.06
Subscription, membership, books & periodicals	34.71	42.18
Travelling and conveyance expenses	218.82	263.36
Vehicle expenses	76.89	69.92
Total	11,584.36	10,879.37

Note 37.1 - Corporate Social Responsibility Expenses

As per section 135 of the Companies Act, 2013, amount required to be spent by the Parent Company during the year ended March 31, 2020 and 2019 is ₹ 335.56 lakhs and ₹ 263.10 lakhs, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR).

The Parent Company has spent an amount of ₹ 454.66 lakhs and ₹ 33 lakhs during the year ended March 31, 2020 and 2019 respectively towards various CSR Projects.

NOTE 38 RECONCILIATION OF REPORTED PROFIT TO TOTAL TAX EXPENSE

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	22,118.22	23,077.75
Applicable income tax rate	25.17%	34.94%
Expected income tax expense	5,566.72	8,064.29
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses / provisions not deductible in determining taxable profit	15.06	(66.88)
Other permanent differences	84.45	91.94
Reported income tax expense	5,666.23	8,089.35

NOTE 39 DEFERRED TAX EXPENSES / (INCOME)

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipments & Intangible Assets	-	682.24
Others	225.02	52.35
Sub Total (a)	225.02	734.59
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	759.07	-
Others	-	97.95
Sub Total (b)	759.07	97.95
Deferred tax expenses / (income)	(534.05)	636.64

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 40 EARNINGS PER EQUITY SHARE

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Computation of Profit (numerator)		
Net profit attributable to shareholders (₹ in lakhs)	16,480.01	13,625.53
(b) Computation of weighted average number of shares (denominator)		
Number of shares outstanding at the beginning of the year	3,06,59,976	3,06,59,976
Weighted average number of equity shares issued and outstanding during the year on account of amalgamation	-	-
Total number of shares outstanding at the end of the period	3,06,59,976	3,06,59,976
(c) Adjusted weighted average equity shares	3,06,59,976	3,06,59,976
EPS (Basic & Diluted) (in ₹)	53.75	44.44

NOTE 41 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
		(₹ in lakhs)
Contingent Liabilities		
Income tax liability that may arise in respect of matters in appeal	150.30	407.15
Indirect taxes liability that may arise in respect of matters in appeal	5.72	27.16
Commitments		
Estimated contracts remaining to be executed on capital account not provided	1,046.76	3,445.61
Bank guarantee	865.61	629.32

The Financial Statements of the Group for the year ended March 31, 2020 has been approved by the Board of Directors in its meeting held on June 27, 2020. For the year ended March 31, 2020, final dividend of ₹ 3/- per share (Total dividend of ₹ 919.80 lakhs) has been proposed by the Board of Directors at its meeting held on June 27, 2020. 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, 2020 (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 applicable, 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	Mukesh Maganlal Shah	Managing Director
2	Prakash Damodar Kamat	Chairman
3	Jayen Ramesh Shah	Executive Director & CEO
4	Tushar Ramesh Shah	Executive Director & CFO
5	Bimal Mukesh Shah	Executive Director
6	Parthasarathi Thiruvengadam	Independent Director (w.e.f. November 13, 2017)
7	Mahesh Pansukhlal Sarda	Independent Director (w.e.f. November 13, 2017)
8	Kaushik Dwarkadas Shah	Independent Director (w.e.f. January 24, 2018)
9	Prakash Krishnaji Apte	Independent Director (w.e.f. November 13, 2017)
10	Pratima Madhukar Umarji	Independent Director (w.e.f. November 13, 2017)
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 Jayen Shah	
23	Shaili Nirav Doshi	Significant influence by KMP
24	Smoothex Chemicals Private Limited	
25	Olefine Organics	
26	Oleofine Organics SDN. BHD.	
27	Oleofine Organics (Thailand) Co. Limited	
28	Fine Organic Industries	Jointly Controlled Entities
29	Fine Zeelandia Private Limited	
30	FineAdd Ingredients GmbH	

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (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 2019 to March 2020	April 2018 to March 2019	As at March 31, 2020	As at March 31, 2019
1	Director's Remuneration				
	Prakash Damodar Kamat	264.00	228.00	12.21	-
	Mukesh Maganlal Shah	264.00	228.00	12.21	-
	Jayen Ramesh Shah	264.00	228.00	12.21	-
	Tushar Ramesh Shah	264.00	228.00	12.21	-
	Bimal Mukesh Shah	264.00	228.00	12.21	-
2	Director's Sitting Fees				
	Parthasarathi Thiruvengadam	1.80	2.28	-	-
	Mahesh Pansukhlal Sarda	2.40	2.28	-	-
	Kaushik Dwarkadas Shah	2.30	2.23	-	-
	Prakash Krishnaji Apte	2.95	2.73	-	-
	Pratima Madhukar Umarji	1.90	2.05	-	-
3	Sale of Goods				
	Oleofine Organics SDN. BHD.	450.10	405.73	93.57	114.27
	Oleofine Organics (Thailand) Co.Ltd.	482.71	489.66	72.26	74.09
	Fine Zeelandia Private Limited	1,263.23	717.12	96.85	345.00
4	Sale of Licence				
	Fine Zeelandia Private Limited	140.18	146.22	-	33.32
5	Sale of Components / Assets				
	Fine Zeelandia Private Limited	-	15.34	-	-
	Oleofine Organics SDN BHD	0.61	54.15	-	3.44
6	Purchase of Goods / Samples				
	Fine Zeelandia Private Limited	5.36	-	-	-
	Oleofine Organics SDN. BHD.	-	66.03	-	-
7	Processing Charges Paid				
	Oleofine Organics	-	201.00	-	-
8	Purchase of Licence / Trade Mark				
	Fine Organic Industries	-	2.49	-	-
9	Purchase of Components / Assets				
	Oleofine Organics	-	130.33	-	-
10	Dividend paid/proposed				
	Prakash Damodar Kamat	489.81	311.70	-	-
	Jyotsna Ramesh Shah	475.85	302.81	-	-
	Tushar Ramesh Shah	406.91	258.94	-	-
	Jayen Ramesh Shah	376.60	239.65	-	-
	Bimal Mukesh Shah	232.85	148.18	-	-
	Mukesh Maganlal Shah	194.04	123.48	-	-
	Neeta Jayen Shah	72.59	46.19	-	-
	Bina Tushar Shah	63.18	40.21	-	-
	Jayshree Mukesh Shah	62.54	39.80	-	-
	Ramesh M. Shah HUF	33.99	21.63	-	-
	Jayen R. Shah HUF	33.77	21.49	-	-
	Mukesh M. Shah HUF	15.46	9.84	-	-
	Prakash D. Kamat HUF	15.09	9.60	-	-
	Shaili Nirav Doshi	13.52	8.60	-	-
	Rhea Tushar Shah	11.73	7.46	-	-
	Esha Tushar Shah	11.73	7.46	-	-
	Manali Jayen Shah	8.43	5.36	-	-
	Tushar R. Shah HUF	11.35	7.23	-	-

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2019 to March 2020	April 2018 to March 2019	As at March 31, 2020	As at March 31, 2019
11	Salary to Relatives				
	Manali Jayen Shah	31.50	28.50	1.67	-
12	Export Commission				
	Oleofine Organics SDN. BHD.	2.52	3.44	-	1.70
13	Security Deposit - Rent				
	Fine Organic Industries	-	-	17.49	15.90
	Olefine Organics	-	2.40	2.68	2.40
14	Rent Expenses				
	Fine Organic Industries	86.55	86.51	6.48	-
	Olefine Organics	21.53	12.65	1.62	-
	Prakash Damodar Kamat	8.40	8.40	0.63	-
	Jyotsna Ramesh Shah	8.40	8.40	0.63	-
	Jayshree Mukesh Shah	8.40	8.40	0.63	-
	Bina Tushar Shah	8.40	8.40	0.63	-
15	Prepaid Rent				
	Fine Organic Industries	-	-	0.51	2.10
	Olefine Organics	-	-	0.32	0.60
16	Reimbursement of Expenses				
	Prakash Damodar Kamat #	1.40	489.41	-	15.15
	Mukesh Maganlal Shah #	1.40	492.04	-	12.64
	Jayen Ramesh Shah #	3.44	491.64	-	12.94
	Tushar Ramesh Shah #	1.42	491.83	-	13.40
	Jyotsna Ramesh Shah #	1.40	487.53	-	17.02
	Bimal Mukesh Shah	0.93	0.02	-	-
	Parthasarathi Thiruvengadam	-	0.07	-	-
	Prakash Krishnaji Apte	0.32	-	-	-
	Manali Jayen Shah	0.18	0.47	-	(0.04)
	Olefine Organics	-	3.78	-	-
	Fine Zeelandia Private Limited	2.26	2.37	-	-
	Oleofine Organics SDN. BHD.	-	0.34	-	-
	Oleofine Organics (Thailand) Co.Ltd.	-	0.38	-	-
17	Investments in equity instruments (\$)				
	FineADD Ingredients GmbH	119.13	81.29	39.60	4 1.26
	Fine Zeelandia Private Limited	2,710.00	190.00	3,235.56	950.89
18	Interest Income on Advances / Security deposit (*)				
	Fine Organic Industries	1.59	1.55	1.59	1.55
	Olefine Organics	0.29	0.26	0.29	0.26

IPO expenses reimbursed by the Directors to the Company

\$Closing balance of investment includes share of profit / loss from Joint Venture as per Equity Method of consolidation

*Includes Ind AS adjustments

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, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: ₹ 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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

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).

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 Company’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	(₹ in lakhs)	
	Revenue from contracts with customers March 31, 2020	Revenue from contracts with customers March 31, 2019
- In India	46,829.27	46,479.12
- Outside India	56,977.48	59,553.95
Total Revenue	1,03,806.75	1,06,033.07

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
- In India	4,535.41	4,609.94
- Outside India	8,854.91	11,069.50
Less : Expected Credit Loss on Trade Receivables	(157.00)	(117.57)
Total	13,233.32	15,561.87

NOTE 44 INTERNAL FINANCIAL CONTROL SYSTEM

The Management has laid down the Internal Control Framework in which each department of the Parent company is being headed by professional HODs. These HODs are responsible for the day-to-day operations of the company. The company has completed the documentation on internal control framework mechanism and is in the process of formalising the internal control framework. No significant deficiencies or material weakness has been observed in the operation and Financial Control and processes of the Company.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 45 IMPACT OF COVID-19

Due to COVID-19 pandemic and the consequent lock down announced by the Government of India, the operations of the Parent Company have been suspended in the fourth week of March 2020. The Parent Company has since obtained required permissions and partially restarted plants operations in the first week of April 2020. The Management has also evaluated the possible impact of this pandemic on the business operations and the financial position of the Parent Company and based on its initial assessment of the current indicators of the future economic conditions, believes that there is no significant impact on the financial results of the Parent Company, as at and for the year ended March 31, 2020. The Management will continue to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.

NOTE 46 DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013

(a) Investment made (at amortised cost)

Name of entity	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Fine Zeelandia Private Limited	4,028.43	1,318.43
FineADD Ingredients GmbH	160.33	81.29

NOTE 47 OPERATING LEASE COMMITMENTS - COMPANY AS LESSEE

The Group's significant leasing arrangements are in respect of operating leases for building premises (offices, plant, godowns). These leasing arrangements are non-cancellable in nature, and are usually renewable by mutual consent on mutually agreeable terms.

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Lease payment recognised in the statement of profit and loss	25.14	3.56
Minimum lease payments under non cancellable operating leases payable		
Not later than 1 year	37.55	38.61
Later than 1 year but not less than 5 years	150.20	154.44
Later than 5 years	3,022.50	3,054.85
Total future minimum lease payment	3,210.25	3,247.90

NOTE 48 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 Parent Company has invested in following Joint Ventures and are consolidated as per equity method of accounting. These entities are in nature of closely held entity and are not listed on equity public exchange. The following table illustrates the summarised financial information of the Parent company's investment in Joint Venture.

Nam of the Joint Venture	Percentage of Ownership	
	As at March 31, 2020	As at March 31, 2019
Fine Zeelandia Private Limited (incorporated in India)	50%	50%
FineADD Ingredients GmbH (incorporated in Germany)	50%	50%

Note 48.1 - Summarised Financial Position of the Parent Company's Investment in Joint Venture - Fine Zeelandia Private Limited

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current assets (A)	2,768.04	2,901.62
Current assets (B)	691.17	514.86
Total assets (A+B)	3,459.21	3,416.48
Non current liabilities (A)	-	1,442.24
Current liabilities (B)	200.51	1,037.83
Total liabilities (A+B)	200.51	2,480.07
Total equity (net assets)	3,258.70	936.41

Note 48.2 - Summarised Financial Position of the Parent Company's Investment in Joint Venture - FineADD Ingredients GmbH

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current assets (A)	16.51	16.47
Current assets (B)	74.96	28.43
Total assets (A+B)	91.47	44.90
Non current liabilities (A)	-	-
Current liabilities (B)	8.07	5.62
Total liabilities (A+B)	8.07	5.62
Total equity (net assets)	83.40	39.28

NOTE 49 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 No	Carrying Value		Fair Value	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
FINANCIAL ASSETS					
A] Financial assets at fair value through profit & loss					
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	Note 7	4.60	4.78	4.60	4.78
C] Financial assets at amortised cost					
Non Current Financial Assets : Loans	Note 8	99.88	100.82	99.88	100.82
Non Current Financial Assets : Others	Note 9	301.18	208.03	301.18	208.03
Current Financial Assets : Trade receivables	Note 13	13,233.32	15,561.87	13,233.32	15,561.87
Current Financial Assets : Cash and cash equivalents	Note 14	20,566.37	10,812.19	20,566.37	10,812.19
Current Financial Assets : Bank balances	Note 15	475.14	108.74	475.14	108.74

(₹ in lakhs)

Particulars	Note No	Carrying Value		Fair Value	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current Financial Assets : Others	Note 16	32.80	27.55	32.80	27.55
FINANCIAL LIABILITIES					
A] Financial liabilities at fair value through profit & loss					
B] Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (including current maturity on long term borrowing)	Note 22	12,471.93	10,808.02	12,471.93	10,808.02
Non Current Financial Liabilities : Others	Note 23	755.86	390.92	755.86	390.92
Current Financial Liabilities : Borrowings	Note 24	-	2,019.15	-	2,019.15
Current Financial Liabilities : Trade payable	Note 25	8,575.08	5,338.49	8,575.08	5,338.49
Current Financial Liabilities : Others	Note 26	163.13	124.57	163.13	124.57

In all cases, the Management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

NOTE 50 FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group assets and liabilities.

Note 50.1 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2020:

(₹ 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 profit & loss					
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	March 31, 2019 {Refer Note No. 50.3}	4.60	-	4.60	-
C) Financial assets at amortised cost					
Non Current Financial Assets : Loans	March 31, 2020	99.88	-	-	99.88
Non Current Financial Assets : Others	March 31, 2020	301.18	-	-	301.18
Current Financial Assets : Trade receivables	March 31, 2020	13,233.32	-	-	13,233.32
Current Financial Assets : Cash and cash equivalents	March 31, 2020	20,566.37	-	-	20,566.37
Current Financial Assets : Bank balances	March 31, 2020	475.14	-	-	475.14
Current Financial Assets : Others	March 31, 2020	32.80	-	-	32.80
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through profit & loss					
B) Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings (including current maturity on long term borrowing)	March 31, 2020	12,471.93	-	-	12,471.93
Non Current Financial Liabilities : Others	March 31, 2020	755.86			755.86
Current Financial Liabilities : Borrowings	March 31, 2020	-	-	-	-
Current Financial Liabilities : Trade payable	March 31, 2020	8,575.08	-	-	8,575.08
Current Financial Liabilities : Others	March 31, 2020	163.13	-	-	163.13

*Refer Note no. 2.5 for Fair value measurement method

Note 50.2 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2019:

(₹ 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 profit & loss	-	-	-	-	-
B) Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	"March 31, 2018 {Refer Note No. 50.3}"	4.78	-	4.78	-
C) Financial assets at amortised cost					
Non Current Financial Assets : Loans	March 31, 2019	100.82	-	-	100.82
Non Current Financial Assets : Others	March 31, 2019	208.03	-	-	208.03
Current Financial Assets : Trade receivables	March 31, 2019	15,561.87	-	-	15,561.87
Current Financial Assets : Cash and cash equivalents	March 31, 2019	10,812.19	-	-	10,812.19
Current Financial Assets : Bank balances	March 31, 2019	108.74	-	-	108.74
Current Financial Assets : Others	March 31, 2019	27.55	-	-	27.55
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through profit & loss					
B) Financial liabilities at amortised cost:					
Current Financial Liabilities : Borrowings	March 31, 2019	10,808.02	-	-	10,808.02
Current Financial Liabilities : Trade payable	March 31, 2019	390.92	-	-	390.92
Current Financial Liabilities : Borrowings	March 31, 2019	2,019.15	-	-	2,019.15
Current Financial Liabilities : Trade payable	March 31, 2019	5,338.49	-	-	5,338.49
Current Financial Liabilities : Others	March 31, 2019	124.57	-	-	124.57

*Refer Note no. 2.5 for Fair value measurement method

Note 50.3 - 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 profit or loss

Type		Valuation Technique
FINANCIAL ASSETS		
A)	Financial assets at fair value through 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: 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 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)	
	Current financial liabilities : Borrowings	
	Current financial liabilities : Trade payable	
	Current financial liabilities : Others	

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 51 CAPITAL MANAGEMENT

For the purposes of the Group's capital management, capital includes issued equity share capital, all other reserves and borrowed capital less reported cash and cash equivalents.

The primary objective of the Group's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value.

The Group's policy is to borrow primarily through banks to maintain sufficient liquidity. The Group also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Group.

The Group monitors capital on the basis of cost of capital. The Group is not subject to any externally imposed capital requirements.

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Long term borrowing (including current maturities of long term borrowings)	12,471.93	10,808.02
Short term borrowing	-	2,019.15
Less: Cash and cash equivalents	21,304.30	11,096.99
TOTAL BORROWING (NET)	(8,832.37)	1,730.18
Equity share capital	1,533.00	1,533.00
Other equity	60,356.07	48,490.68
TOTAL EQUITY	61,889.07	50,023.68
Gearing ratio (net debt/ total equity)	(0.14)	0.03

No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

NOTE 52 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, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (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, 2020	As at March 31, 2019
Notional value of liability	12,471.93	10,808.02
Less: Interest rate swap on above Liability	12,471.93	10,808.02
Net exposure	-	-

Disclosure of Effects of Interest Rate Swaps Hedge accounting on financial position as at March 31, 2020

(₹ in lakhs)

Particulars	Nominal value of liability	Carrying amount of hedging instrument	Maturity date	Hedge ratio
Interest Rate Risk				
- Interest Rate Swaps	12,471.93	755.86	December 2023	1:1

Disclosure for gain / (loss) recognised in cashflow hedging reserve and recycled during the year

For FY 2019-20

(₹ 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	390.92	364.94	-	-	-	755.86

For FY 2018-19

(₹ 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	-	390.92	-	-	-	390.92

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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (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, 2020			As at March 31, 2019		
	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent
Forward Contract to Sell USD	86	\$78.25	5,899.27	6	\$10.50	726.30
Forward Contract to Sell Euro	56	€ 37.50	3,114.38	-	-	-
Forward Contract to Buy USD	-	-	-	11	\$27.00	1,867.63

b) The unhedged exposures as at the end of the reporting date as follows

(Amount in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
Financial Assets				
Trade Receivables - USD	1,384.24	\$18.36	9,252.75	\$133.77
Trade Receivables - Euro	215.75	€ 2.60	1,908.65	€ 24.56
Financial Liabilities				
Trade Payables - USD	-	\$0.00	18.82	\$0.27
Trade Payables - Euro	75.33	€ 0.91	91.49	€ 1.18
Long term Borrowings - USD	12,471.93	\$165.44	12,333.85	\$156.25
Net Exposure - USD	(11,087.69)	(\$147.08)	(3,099.92)	(\$22.75)
Net Exposure - Euro	140.42	€ 1.69	1,817.16	€ 23.38

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, 2020			As at March 31, 2019		
	Change	USD \$	EURO €	Change	USD \$	EURO €
1% Depreciation in INR	1%	(110.88)	1.40	1%	(31.00)	18.17
1% Appreciation in INR	1%	110.88	(1.40)	1%	31.00	(18.17)

(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 38% of our total purchases made from all suppliers. We do not enter into supplier contracts of duration of more than 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 30.00% (P.Y.: 30.04%) 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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the Industry and Country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits (generally between 30 to 90 days) and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended March 31, 2020 is 0.75% (P.Y. 0.73%) 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.

Uncommitted borrowings - Financial arrangements

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Expiring within one year		
Borrowings in Foreign Currency	-	2,161.60
Expiring beyond one year		
Borrowings in Foreign Currency	-	-

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.

(₹ in lakhs)

Particulars	Outstanding Balance as on March 31, 2020	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term borrowings (including current maturity on long term borrowings)	12,471.93	3,325.85	6,651.70	2,494.38	-
Trade payable	8,575.08	8,575.08	-	-	-
Securities deposits taken	162.65	162.65	-	-	-
Statutory dues payable	131.96	131.96	-	-	-
Other liabilities	0.11	0.11	-	-	-
Advanced from customer	284.07	284.07	-	-	-
Provision - Others	327.50	327.50	-	-	-
Income tax	457.11	457.11	-	-	-

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

NOTE 53 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 FOR COMPANY PREPARING CONSOLIDATED IND AS FINANCIAL STATEMENTS:

For March 31, 2020

(₹ in lakhs)

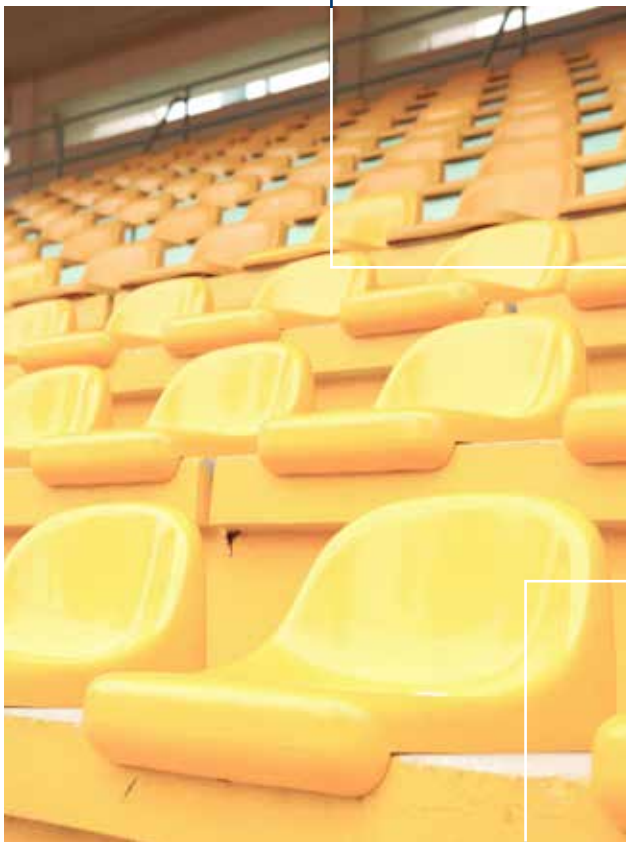
Sr. No.	Name of the entity	Net Assets i.e Total Assets (minus) Total Liabilities		Share in Profit or Loss		Share in other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other comprehensive Income	Amount
A	Parent								
1	Fine Organic Industries Limited	101.92%	63,077.45	101.04%	16,650.17	100.00%	(351.58)	101.05%	16,298.59
B	Subsidiaries-Foreign								
1	Fine Organics (USA), Inc.	(0.05%)	(33.87)	0.86%	142.37	-	-	0.88%	142.37
2	Fine Organics Europe BV	0.74%	456.56	2.12%	349.80	-	-	2.17%	349.80
2.1	Minority Interest on all Subsidiaries	0.01%	5.08						
C	Joint Ventures (Investment as per equity method)								
	Fine Zeelandia Private Limited	(1.28%)	(792.86)	(2.58%)	(425.32)	-	-	(2.64%)	(425.32)
	FineADD Ingredients GmbH	(0.20%)	(120.73)	(0.49%)	(80.71)	-	-	(0.50%)	(80.71)
D	Inter Company adjustment for Stock Reserve								
1	Fine Organics (USA), Inc.	(0.58%)	(358.68)	0.06%	10.21	-	-	0.06%	10.21
2	Fine Organics Europe BV	(0.56%)	(343.88)	(1.01%)	(166.49)	-	-	(1.03%)	(166.49)
	Total	100.00%	61,889.07	100.00%	16,480.03	100.00%	(351.58)	100.00%	16,128.45

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

For March 31, 2019

(₹ in lakhs)

Sr. No.	Name of the entity	Net Assets i.e Total Assets (minus) Total Liabilities		Share in Profit or Loss		Share in other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other comprehensive Income	Amount
A	Parent								
1	Fine Organic Industries Limited	101.64%	50,844.73	94.69%	12,901.37	100.00%	(318.88)	94.56%	12,582.49
B	Subsidiaries-Foreign								
1	Fine Organics (USA), Inc.	(0.22%)	(107.72)	2.87%	391.53	-	-	2.94%	391.53
2	Fine Organics Europe BV	0.47%	235.04	6.21%	845.52	-	-	6.35%	845.52
	Minority Interest on all Subsidiaries	0.01%	3.20	0.03%	4.55		-	0.03%	4.55
C	Joint Ventures (Investment as per equity method)								
	Fine Zeelandia Private Limited	(0.73%)	(367.54)	(2.17%)	(295.06)	-	-	(2.22%)	(295.06)
	FineADD Ingredients GmbH	(0.08%)	(40.02)	(0.29%)	(40.02)	-	-	(0.30%)	(40.02)
D	Inter Company adjustment								
1	Fine Organics (USA), Inc.	(0.67%)	(334.53)	(1.23%)	(167.98)	-	-	(1.26%)	(167.98)
2	Fine Organics Europe BV	(0.42%)	(209.48)	(0.11%)	(14.38)	-	-	(0.11%)	(14.38)
	Total	100.00%	50,023.68	100.00%	13,625.53	100.00%	(318.88)	100.00%	13,306.65



FINE ORGANIC INDUSTRIES LIMITED

(Formerly known as Fine Organic Industries Private 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 Eighteenth Annual General Meeting of the Members of Fine Organic Industries Limited will be held on Friday, September 18, 2020 at 11.00 AM (IST) through video conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business :

ORDINARY BUSINESS

- (a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 alongwith the Reports of the Board of Directors and the Auditors thereon
- (b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 alongwith the Report of Auditors thereon
- To declare a Final Dividend on Equity Shares for the financial year 2019-20.
- To appoint a Director in place of Mr. Tushar Shah (DIN: 00107144), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

- To Ratify the Remuneration payable to M/s Y. R. Doshi & Associates, Cost Accountants, appointed as Cost Auditors of the Company for the financial year 2020-21 and in this regard, 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 of ₹ 3,00,000/- (Rupees Three Lakh only) plus Goods and Service Tax as applicable and reimbursement of actual out of pocket expenses 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 ended March 31, 2021, be and is hereby ratified.”

By Order of the Board of Directors

Pooja Lohor

Company Secretary

Date: August 12, 2020

Place: Mumbai

Registered Office:

FINE ORGANIC INDUSTRIES LIMITED

CIN:L24119MH2002PLC136003

Fine House, Aanandji 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 (Contd.)

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'the MCA Circulars') permitted holding of the Annual General Meeting ('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'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and the Circulars, the 18th AGM of the Company is being held through VC/OAVM.
2. Since this AGM is being held pursuant to the MCA Circulars through VC/OVAM, 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, Attendance Slip and Route Map are not annexed to this Notice.
3. 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/Authorization etc. authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address to co.secretaries@gmail.com with a copy marked to evoting@kfintech.com.
4. Participatiton of Members through VC/OVAM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
5. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 4 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.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 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 Private Limited (KFintech) at <https://evoting.karvy.com>.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 12, 2020 to Friday, September 18, 2020 (both days inclusive) for the purpose of determining the members who shall be entitled to receive the dividend for the financial year 2019-20. The final dividend for the Financial Year 2019-20, if declared at the AGM, will be paid on and from 6th day from the conclusion of the 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 September 11, 2020.
8. Members holding shares in dematerialized 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 numbers, 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, KFin Technologies Private Limited (KFintech) to provide efficient and better services. Members holding shares in physical form are requested to intimate aforesaid changes to KFintech.
9. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The ISIN of the Company is INE686Y01026. Members can contact the Company or KFintech for assistance in this regard.

NOTICE (Contd.)

10. 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 DP in case the shares are held in electronic form and to KFintech in case the shares are held in physical form.
11. 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.
12. 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/cheque to such Members, upon normalization of the postal services.
13. 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 address 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/email_registration/. Members are requested to follow the process as guided 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 umesh.pandey@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 umesh.pandey@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.karvy.com> for the same.
14. 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).

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 September 10, 2020.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

NOTICE (Contd.)

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 September 10, 2020.

15. 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 email to investors@fineorganics.com.

16. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the 18th AGM by electronic means and has engaged the services of KFintech to provide the facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') as well as e-voting during the proceedings of the AGM through VC/OVAM ('e-voting at the AGM').

- I. Remote E-voting: The remote e-voting period commences on September 15, 2020 (9:00 am) and ends on September 17, 2020 (5:00 pm). During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being September 11, 2020, 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:

- A. In case a Member receives an email from KFintech [for Members whose email IDs are registered with the Company / Depository Participant(s)]:
- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - (ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 5476 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.
 - (iii) After entering these details appropriately, click on "LOGIN".
 - (iv) 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.
 - (v) You need to login again with the new credentials.
 - (vi) On successful login, the system will prompt you to select the "EVENT" i.e., Fine Organic Industries Limited - 5476.
 - (vii) 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"

NOTICE (Contd.)

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.

- (viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- (ix) Voting has to be done for each resolution of the 18th AGM Notice separately. In case you do not desire to cast your vote on any specific resolution it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on “Submit”.
- (xi) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted all the resolution(s).

B. In case of Members who have not registered their e-mail address (including Members holding shares in physical form):

- i. Please register your email address as mentioned in para 13 of the “Notes” and obtain the User ID and Password
- ii. Please follow all steps from Sr. No. (i) to (xi) as mentioned in (A) above, to cast your vote.

II. Voting at the Annual General Meeting: Those Members who are present in the Meeting through VC 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.

III. 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 dematerialized form, as on the close of business hours on September 11, 2020, 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 cutoff 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. September 11, 2020 may obtain the login ID and password by sending a request at evoting@kfintech.com.
 - i. 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.karvy.com> the Member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - ii. In case of any queries, you may refer Help & FAQ section of <https://evoting.karvy.com> or call KFintech on 040-67162222 and Toll Free No. 1800 3454 001.
 - iii. 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 Mr. Kartik Shah, Practicing Company Secretary (Membership No. FCS 5732) as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon 3 unsuccessful attempts to key in the correct

NOTICE (Contd.)

- password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on <https://evoting.karvy.com> to reset the password.
- e. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> (KFintech website) or contact Mr. Umesh Pandey from KFintech (Unit: Fine Organic Industries Limited), Selenium Tower B, Plot 31- 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 or at einward.ris@kfintech.com and evoting@kfintech.com or Contact No. 040-67162222 or call KFintech's toll free number 1-800-3454-001
 - f. Only those Members, who will be attending the AGM through VC/OVAM and have not cast their vote by remote e-voting, may exercise their voting rights at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may attend the AGM and their presence shall be counted for the purpose of quorum, but shall not be entitled to cast their vote again at the AGM. A Member can vote either by remote e-voting or by e-voting at the AGM.
 - g. The Scrutinizer 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 Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
 - h. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.fineorganics.com) and on e-voting at <https://evoting.karvy.com> and will be communicated to the BSE Ltd. and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

17. Instructions for Members attending the AGM through VC/OAVM

- a. Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com> by using their remote e-voting credentials. The link for the AGM will be available in the shareholder/ Members login where the "Event" and the "Name of the company" can be selected. 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 schedule time.
- c. The e-Voting window shall be activated upon instructions of the Chairman during the AGM proceedings. Members shall vote as per the credentials displayed in the e-voting window. 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 advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC in a smooth manner. Participants may experience audio/video loss due to fluctuation in their respective networks.
- e. Members who may want to express their views or ask questions with regard to the accounts or any matter to be placed at the AGM may visit <https://evoting.karvy.com> and click on the tab "Post Your

NOTICE (Contd.)

Queries Here” to post their queries in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall remain active during the remote e-voting period and shall be closed 24 hours before the time fixed for the AGM.

- f. Members who may require any technical assistance or support before or during the AGM are requested to contact KFin Technologies Private Limited at toll free number 1-800-3454-001 or write to them at evoting@kfintech.com.

By Order of the Board of Directors

Pooja Lohor

Company Secretary

Date: August 12, 2020

Place: Mumbai

Registered Office:

FINE ORGANIC INDUSTRIES LIMITED

CIN:L24119MH2002PLC136003

Fine House, Aanandji 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

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

ITEM NO.4

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records for applicable products of the Company and the remuneration to be paid to the Cost Auditor is subject to ratification by members of the Company.

On the recommendation of the Audit Committee, the Board at its meeting held on June 27, 2020, considered and approved the appointment of M/s Y. R. Doshi & Associates, Cost Accountants, as the Cost Auditor for the financial year 2020-21 at a remuneration of ₹ 3,00,000/- (Rupees Three Lakh only) plus Goods and Service Tax as applicable and reimbursement of actual out of pocket expenses incurred .

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 4.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for the approval of the Members.

Details of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting

Name of Director	Tushar Shah
Date of Birth	March 18, 1968
Age	52
Director Identification Number	00107144
Date of First Appointment	May 24, 2002
Qualification, Experience in specific functional areas and brief resume	Tushar Ramesh Shah is the Executive Director and Chief Financial Officer of our Company. He has completed second year while pursuing for bachelors' in science (S.Y. B.Sc.) from the University of Mumbai. He joined our Fine Organic group in 1989 and led several change management initiatives like the introduction of enterprise resource planning, customer relationships management and financial systems that helped us scale up our operations. He played a key role in the development of our Company's first slip additive manufacturing facility. He helped in the setting up of our offices in North America and Europe. He has been associated with our Company since inception.
Directorship in other Companies	Fine Zeelandia Private Limited Fine Organics Europe BV FineADD Ingredients GmbH Fine Organics (USA), Inc.
Chairman / Member of the Committees of the Board of Directors of the Company	Member – Audit Committee Member – Stakeholders Relationship Committee Member – CSR Committee Member – Executive Committee
Chairman / Member of the Committees of the Board of Directors of the other Companies in which he is a Director	Nil
Terms and conditions of Reappointment / Appointment	Being eligible for retirement by rotation and seeking reappointment at the AGM, the terms and conditions of reappointment are the same as approved by the shareholders at the Extra Ordinary General Meeting of the Company held on November 6, 2017 and at the Annual General Meeting of the Company held on July 30, 2019.
Last Drawn Salary	₹ 22,00,000/- per month
No. of shares held in the Company	36,99,182 Equity shares (Face value of ₹ 5/- per share) representing 12.07 % of the total paid up equity share capital of the Company
Inter se Relationship between Directors	Brother of Mr. Jayen Shah, Nephew of Mr. Mukesh Shah and Cousin of Mr. Bimal Shah
No. of Board meetings attended during the Financial Year (2019-20)	Four