



September 4, 2020

To,

General Manager,
Listing Department,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001
Company code: 533333

The Manager,
Listing & Compliance Department
The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai - 400051
Company code: FCL

Dear Sir/Madam,

Subject: Annual Report - 2019-2020 of the 17th Annual General Meeting

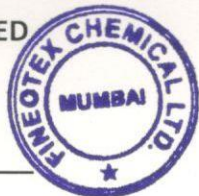
Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed copy of the Annual Report for the financial year 2019-2020 of 17th Annual General Meeting of the Company.

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

Thanking you,

Yours faithfully,

FOR FINEOTEX CHEMICAL LIMITED



Hemant Auti
Company Secretary

Encl: As Above

FCL FINEOTEX
CHEMICAL LIMITED

**ANNUAL
REPORT
2019-2020**

BOARD OF DIRECTORS



Surendrakumar Tibrewala
Chairman & Managing Director



Sanjay Tibrewala
Executive Director & CFO



Aarti Jhunjhunwala
Executive Director



Navin Mittal
Independent Director



Manmohan Mehta
Independent Director



Bindu Shah
Independent Director



Alok Dhanuka
Independent Director

COMPANY SECRETARY AUDITORS & BANKERS

BANKERS

Indian Bank
Oriental Bank of Commerce
Kotak Mahindra Bank
Yes Bank

AUDITORS

ASL & Co
Chartered Accountants

COMPANY SECRETARY

Hemant Auti (Since 13-08-2019)
Pooja Kothari (Till 27-07-2019)

REGISTRARS AND SHARE TRANSFER AGENTS

(For shares and dividend related queries)
Bigshare Services Private Ltd.,
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (E), Mumbai - 400 059
Tel: (+91-22) 62638200
E-mail : investor@bigshareonline.com

REGISTERED OFFICE

42, 43 Manorama Chambers, S V Road,
Bandra (West), Mumbai - 400050.
Tel: (+91-22) 26559174-77
Fax: (+91-22)26559178
info@fineotex.com
grievances@fineotex.com

PLANTS & OFFICES

PLANT LOCATION

Plot nos: A699, 700, 684, 685, 687, 665, 669
TTC Industrial Area, MIDC, Mahape, Navi Mumbai - 400 705



FINANCIAL
TIMES

statista 

High-Growth Companies

Asia-Pacific

2020

HARD-WORK & ACHIEVEMENT GO HAND IN HAND

Success is when you are acknowledged by well-known companies! Fineotex Chemical Limited has been serving in textiles, construction, water treatment, fertilizer, leather, and paint industry since 1979 and got incorporated as a public limited company in 2007. The journey has been long!

In a survey conducted by Financial Times for High-Growth Companies Asia – Pacific 2020, Fineotex Chemical Limited stood amongst the Top 500 Companies. We are always kneed to bring the best outcome from our products and make India proud of it. It has been such a huge privilege and an honor to get recognized. This is when you know your efforts are getting paid off.

60



**WE ARE NOW EXPORTING TO
60 COUNTRIES ACROSS THE WORLD.**



FCL

FINEOTEX CHEMICAL LIMITED

Fineotex is proud to be listed in the coterie of companies and be **India's Growth Champions 2020 by The Economic Times (India's Leading Financial Newspaper)**.

We are privileged to stand out as exemplars and be honoured by **The Economic Times** for our endeavor to maintain continuous growth and excellence with a commendable contribution in Textile Chemical Industry.

Please find the link below:

<https://economictimes.indiatimes.com/industry/miscellaneous/indias-growth-champions-2020-ranks-indias-fastest-growing-companies/articleshow/73734995.cms>

We thank you for all the support and wishes to make this possible for us !

THE SUCCESS JOURNEY HAS JUST STARTED!

Fineotex Chemical Limited has been growing with sheer dedication towards providing the best services and products to our customers. And you know the job is going in the right direction when your company is recognized. We are overwhelmed by being listed in the coterie companies and be India's Growth Champions 2020 by The Economic Times – India's Leading Financial Newspaper. It is such a privilege to stand out as exemplars and be honored for our endeavors to maintain continuous growth and excellence with a commendable contribution to the Textile Chemical Industry.

BIOTEX MALAYSIA NOW A PROUD BLUESIGN SYSTEM PARTNER



Selangor Malaysia, December 2019

Biotex Malaysia Group is now proud System Partner of BLUESIGN
The 1st Chemical System Partner in Malaysia

USING GOOD CHEMISTRY TO IMPROVE OUR INDUSTRY and ENVIRONMENT

Our Chemistry often plays an essential role in delivering the high-performing characteristics that consumers expect from our products, including waterproofing, flame resistance and breathability.

TRACING OUR SUPPLY CHAIN TO IMPROVE OUR FOOTPRINT

Visit us on 8th April 2020 at China Interdye Exhibition booth A213.
We will be presenting our latest sustainable solutions



About BioTex Malaysia has been providing high-tech finishing chemicals to the worldwide textile markets. Focusing strongly on unique and innovative solutions, research & development. BioTex was established in 2002 in Malaysia to manufacture innovative specialty chemicals, using a French technology and to service the textile processing mills.

www.biotex-malaysia.com



CHEM-IQSM
VF Group

About Bluesign

About bluesign technologies ag The bluesign® SYSTEM is the key to sustainable textile production. It eliminates harmful substances right from the beginning of the manufacturing process as well as sets and controls standards for an environmentally friendly and safe production. This not only ensures that the final textile product meets very stringent consumer safety requirements worldwide, but also provides confidence to the consumer in acquiring a sustainable product.

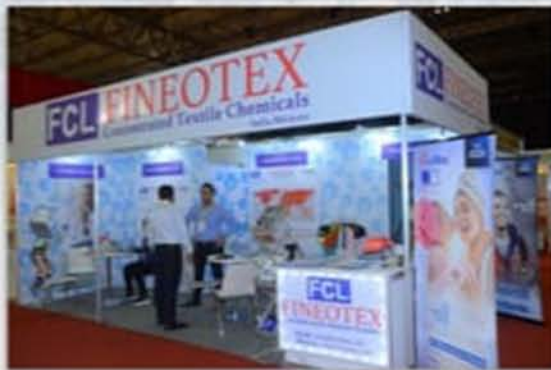
<https://www.bluesign.com>



BHive



**ITME AFRICA
2020**



THANK YOU ETHIOPIA

14TH-16TH FEB 2020

We strongly focused on unique and innovative solutions, research & development & presented our latest sustainable chemistry for the worldwide textile market.

Thank you Ethiopia, our valued partners and customers for the continuous support.



INDIAN FACILITIES LOCATED AT MAHAPE, NAVI MUMBAI

Trans Thane Creek Industrial Area,
Mahape, Navi Mumbai.

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



MALAYSIAN FACILITY AT BANDER BARU BANGI, MALAYSIA

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

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



Surendrakumar Tibrewala
Chairman & Managing Director



Sanjay Tibrewala
Executive Director & CFO



Aarti Jhunjunwala
Executive Director
(Since 14-08-2018)



The CEO Magazine



ISO 9001 : 2015

STAR EXPORT HOUSE

ISO 14001 : 2015

EXPORTS TO 60 COUNTRIES

ISO 45001 : 2018

PLANTS IN INDIA & MALAYSIA

GOTS COMPLIANCE

RANKED AMONGST
INDIA'S TOP

PUBLIC LISTED COMPANY

1000 COMPANIES BY NSE



FCL

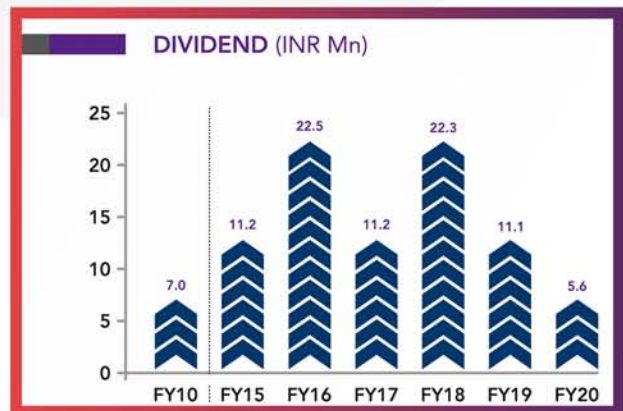
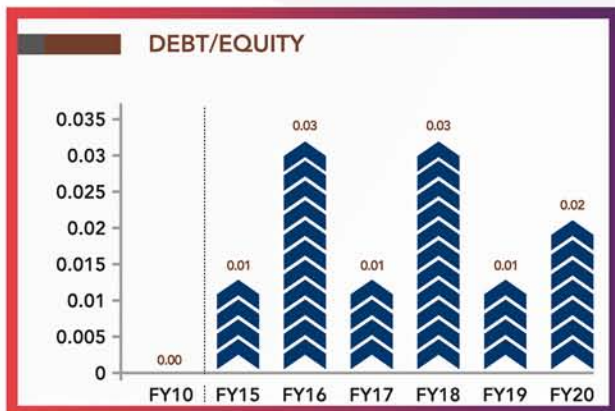
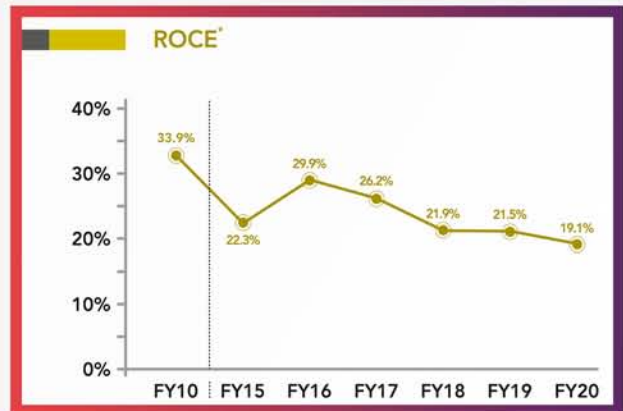
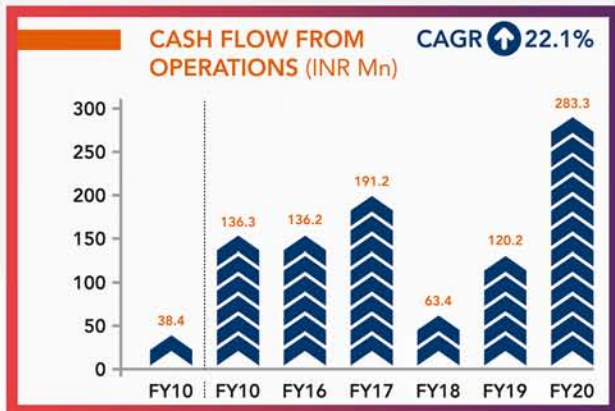
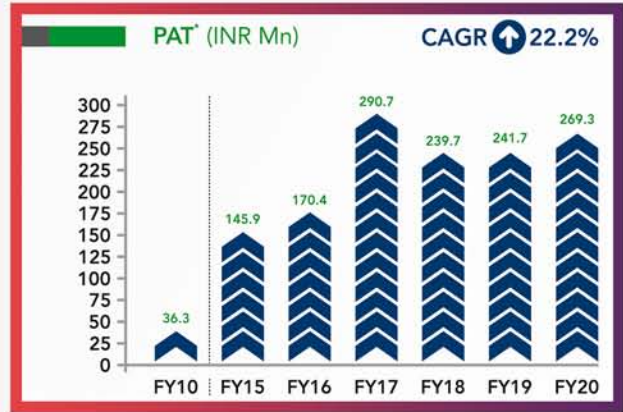
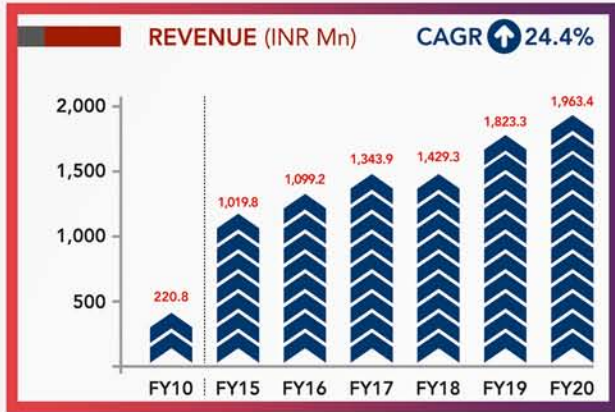
Where Dependability Counts...

**MANUFACTURER OF
SPECIALTY CHEMICALS IN INDIA**



GRAND AND SUCCESSFUL SOUTH INDIA DISTRIBUTORS MEET AND ANNUAL PAN INDIA TECHNICAL SALES CONFERENCE 2019

CONSOLIDATED FINANCIAL PERFORMANCE



NOTE:

The Board of Directors during the meeting held on 27th July 2020 approved buyback by the Company of its equity shares of face value of Rs. 2 each at a maximum price of Rs. 40 per equity share payable in cash for an aggregate maximum amount of Rs. 4,40,00,000. The Company has bought back 5,51,580 shares at an average price of Rs. 33.01 as on 25th August 2020

*Excluded non cash impact recognized on financial assets in PAT in FY19 and FY20.

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

CHAIRMAN SPEECH



Dear Esteemed Shareholders,

We are pleased to present to you the Annual Report for the Financial Year 2019-20. During the year, we embarked upon various strategic initiatives to set the foundation for profitable growth in the coming years. Our aim is to focus on consolidating our leading position in the textile specialty chemicals industry and leverage core manufacturing and development expertise into new high growth areas such as home care and hygiene and drilling specialties.

Financial Highlights

Your Company's Operating Income increased 20% during the year. Despite many challenges in the year gone by your Company came out as a winner and posted an Operating Cash Flow of Rs. 2,832 lakhs, which is 83% of EBIDTA. Our subsidiary in Malaysia, Biotex, is performing well, led by a portfolio of novel products and their application across diverse industries.

Converting the pandemic crisis into an opportunity

By the last week of March 2020, there was a total lockdown enforced across locations where our primary business operations are present. Fineotex responded by venturing into new business avenues that emerged. Your Company forayed into health and hygiene specialties to tap into the large market opportunities for health and hygiene products, which emerged after the outbreak of COVID-19.

The products meet the quality requirements of civic authorities as well as private hospitals. We have also branched out into sanitization and home care products. We are in early stage dialogue with select FMCG companies for chemical solutions for branded detergents, which we envisage is a large addressable business opportunity

COVID-19 has also brought up opportunities for textile and garments to feature more technical chemistries like stain release, water repellents, antimicrobials etc. which are strengths of BioTex Malaysia. We are optimistic that strong demand will be created for chemical application in textiles and other allied industries

Way Forward

Adapt or perish. With our track record of adapting to changing requirements, we are sure that we will be able to adapt to the new business environment. Since June 2020, our operations have resumed. We have diversified our product range and our outlook for the future is promising. We continue to leverage Fineotex industry insights and long-standing customer relationships with Biotex's high-end product expertise and regional positioning. We aim to build on our strong in house development capabilities to grow market share across existing and new customers in Indian and International markets. Your Company has a conservative approach towards funding greenfield developments through internal accruals and is in process of laying the foundation for the next phase of growth. The state and central government have shown positive dispensation by offering incentives to MSMEs like us which will provide a boost to our growth trajectory.

Corporate Social Responsibility (CSR)

Your Company is concerned about Corporate Social Responsibility (CSR) for the upliftment of elders and society. Your Company has spent a sum of Rs. 49 Lakhs in the Financial Year 2019 2020. We will continue to invest our time and resources in these areas and contribute towards making a real difference in the world around us.

In the last few years, your Company has enhanced its core capabilities with a transformed and rejuvenated team committed towards robust growth. Our strength lies in such people, our versatile product portfolio, our technical competence, our thought leadership in the industry and our agility in adapting to the fast-changing world. Our major focus is on generating free cash flows which can be utilized in building large scale projects and we are committed towards increasing shareholder value.

We will continue to address challenges with innovative and sustainable solutions and our customers lie at the heart of our progress. Your encouragement and confidence will drive us forward in our journey towards becoming a leading Speciality Chemicals Company.

Surendrakumar Tibrewala
Chairman & Managing Director

ANNUAL REPORT 2019-20

17th Annual Report

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of Fineotex Chemical Limited will be held on Tuesday, the 29th day of September, 2020 at 5.00 p.m. through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements and Audited Consolidated Financial Statements for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Aarti Jhunjhunwala who retires by rotation at the conclusion of this meeting and being eligible offers herself for reappointment.
3. To confirm the interim dividend declared as final dividend for the financial year ended 31st March, 2020.

SPECIAL BUSINESS

4. Remuneration of Cost Auditors

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs. 40,000/- per annum (Rupees Forty Thousand only) plus applicable taxes and reimbursement of travel and out of pocket expenses, to be paid to M/s. V. J. Talati & Co., Cost Accountants (Firm Registration No. 100675), appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2021.

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

5. Re-Appointment of Mr. Navin Mittal as an Independent Director of the Company for a further term of 5 years

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

RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Mr. Navin Mittal (DIN 03555295), Independent Director, whose period of office expires on 27th September 2020, who has

submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for the next term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 be and is hereby re-appointed as an Independent Director of the Company, not subject to retirement by rotation, for a term of 5 (Five) consecutive years effective from 28th September, 2020 to 27th September, 2025.

6. **Appointment of CS (Mrs). Bindu Darshan Shah as an Independent Director of the Company.**

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

RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), CS (Mrs.) Bindu Darshan Shah (DIN 07131459) who was appointed as Independent Director by the Board on 14th July, 2020, and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 along with her eligibility and consent to act as such for the term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, for a term of 5 (Five) consecutive years effective from 14th July, 2020.

7. **Approval of Fineotex Chemical Limited Employees’ Stock Option Scheme 2020’ (“FCL-ESOP 2020”) -**

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

“RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with rules framed thereunder and the Securities and Exchange Board of India (“SEBI”) (Share Based Employee Benefits) Regulations, 2014 (“SEBI Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to any approval(s) of any authorities as may be required, and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include the ESOP Committee constituted by the Board to act as the “Compensation Committee” under the SEBI Regulations to exercise its powers, including the

powers conferred by this resolution), the consent of the members be and is hereby accorded to the Board to grant, issue, vest and allot, from time to time and in one or more tranches, Options under the 'Fineotex Chemical Limited Employees' Stock Option Scheme 2020' ("FCL ESOP 2020"), the salient features of which are set out in the Statement annexed to this Postal Ballot Notice, to or to the benefit of such person(s) who are permanent employees of the Company, whether working in India or outside India, and / or to the directors of the Company, whether whole-time or not but excluding independent director(s) and to such other persons as may be decided by the Board and / or permitted under SEBI Regulations (hereinafter referred to as "Eligible Employees") but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any Body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, to subscribe to such number of equity shares and / or equity linked instruments which would give rise to issue of equity shares (hereinafter collectively referred to as "Securities") of the Company not exceeding in aggregate of 1,00,00,000 (one crore) equity shares of the face value of Rs. 2/- (Rupees Two only) each at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of FCL ESOP-2020 Scheme and in due compliance with the SEBI Regulations and other applicable laws, rules and regulations;

RESOLVED FURTHER THAT outstanding Options granted under FCL ESOP-2020 before any issue of bonus shares or stock splits or consolidation of shares shall be suitably adjusted for the number as well as the exercise price as applicable and such outstanding Options may be further adjusted at the discretion of the Board for any corporate action(s). Further, the ceiling as aforesaid of 1,00,00,000 (One Crore) shares shall be deemed to be increased/decreased, as may be determined by the Board, to facilitate making a fair and reasonable adjustment to the entitlements of participants under FCL ESOP-2020.;

RESOLVED FURTHER THAT the Board be and is hereby authorised to devise, formulate, evolve, decide upon and bring into effect FCL ESOP-2020 as per the terms approved in this resolution read with the Statement annexed to this Postal Ballot Notice and at any time to modify, alter or amend the said terms or suspend, withdraw or terminate FCL ESOP-2020, subject to compliance with the SEBI Regulations and other applicable laws, rules and regulations, as may be prevailing at that time;

RESOLVED FURTHER THAT the equity shares so issued and allotted under FCL ESOP-2020 shall rank pari-passu with the then existing equity shares of the Company;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Securities allotted under FCL ESOP-2020 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Regulations and other applicable laws, rules and regulations;

RESOLVED FURTHER THAT the Company shall conform to

the accounting policies prescribed from time to time under SEBI Regulations and any other applicable laws and regulations to the extent relevant and applicable to FCL ESOP-2020;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of FCL ESOP-2020 and to take all such steps and do all acts as may be incidental or ancillary thereto;

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including appointment of various intermediaries, Merchant Banker, Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of FCL ESOP-2020 as also to make applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and filing of requisite documents, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

8. **Approval of Grant of Stock Options to the Employees/ Directors of Subsidiary Company(ies) (Present & Future) under Fineotex Chemical Limited Employees' Stock Option Scheme 2020' ("FCL-ESOP 2020") Fineotex Chemical Limited Employees' Stock Option Scheme 2020' ("FCL-ESOP 2020") -**

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

"RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 (the "Act") read with rules framed thereunder and the Securities and Exchange Board of India ("SEBI") (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to any approval(s) of any authorities as may be required, and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by

the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include the ESOP Committee constituted by the Board to act as the “Compensation Committee” under the SEBI Regulations to exercise its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the Board to extend the benefits of the ‘Fineotex Chemical Limited Employees’ Stock Option Scheme 2020’ (“FCL ESOP 2020”), referred to in the Special Resolution under Item No. 1 of this Postal Ballot Notice, also to or to the benefit of such person(s) who are permanent employees of subsidiary companies of the Company (present or future), whether working in India or outside India, and / or to the directors of the subsidiary companies of the Company, whether whole-time or not but excluding independent director(s) of the subsidiary companies and to such other persons as may be decided by the Board and/ or permitted under SEBI Regulations (hereinafter referred to as “Eligible Employees”) but excluding employees who are promoters or persons belonging to the promoter group and director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, to the intent that the number of Securities offered under FCL-ESOP 2020 to the Eligible Employees of the subsidiary companies shall be subsumed in the aggregate limit of 1,00,00,000 equity shares of the face value of Rs. 2/- (Rupees Two only) each set out in the Special Resolution under Item No. 1 of this Postal Ballot Notice;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of FCL ESOP-2020 and to take all such steps and do all acts as may be incidental or ancillary thereto.

Grant of Stock Options Grant of Stock Options to the identified employees during any one year, equal to or exceeding one percent of the issued capital of the Company at the time of grant of Employee Stock Options under Fineotex Chemical Limited Employees’ Stock Option Scheme 2020’ (“FCL-ESOP 2020”)

9. Approval for Grant of Stock Options to the identified employees during any one year, equal to or exceeding one percent of the issued capital of the Company at the time of grant of Employee Stock Options under Fineotex Chemical Limited Employees’ Stock Option Scheme 2020’ (“FCL-ESOP 2020”)

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the applicable

provisions of the Companies Act, 2013 (the “Act”) read with rules framed thereunder and the Securities and Exchange Board of India (“SEBI”) (Share Based Employee Benefits) Regulations, 2014 (“SEBI Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to any approval(s) of any authorities as may be required, and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include the ESOP Committee constituted by the Board to act as the “Compensation Committee” under the SEBI Regulations to exercise its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the Board to grant, issue, vest and allot, from time to time and in one or more tranches, Options under the ‘Fineotex Chemical Limited Employees’ Stock Option Scheme 2020’ (“FCL ESOP 2020”), equal to or more than 1% of the issued, subscribed and paid-up capital of the Company (excluding outstanding warrants and conversions) at the time of grant of ESOPs/SARs/Shares, during any one year, to identified employees of the Company in accordance with the SEBI Regulations and FCL ESOP 2020.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard, as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the Shareholders.

10. Contracts with Related Parties

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

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

as mentioned against the name of each of the following Related Party during the period mentioned against the name of each Related Party:

Sr. No.	Related Parties with whom Transactions are Estimated	Nature of the Transaction	Approval sought for transactions from 1st April 2019 to 31st	Relationship
1	BT Chemicals SDN BHD	Investments/Loans, Sale/ Purchase of goods and services of all kinds	Rs.30 (Thirty) Crores per annum	2nd Tier Subsidiary

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

Place: Mumbai
Date: 27th July, 2020

By Order of the Board
For **Finetex Chemical Limited**
Surendrakumar Tibrewala
Chairman & Managing Director
DIN: 00218394

ANNEXURE TO THE NOTICE

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. In terms of the provisions of Section 152 of the Act, Mrs. Aarti M Jhunjhunwala, Director, retire by rotation at the Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company commend her re-appointment. Mrs Aarti Jhunjhunwala is interested in the Ordinary Resolutions set out at Item No. 2, of the Notice with regard to her re-appointment. Mr. Surendrakumar D Tibrewala and Mr. Sanjay Tibrewala may be deemed to be interested in the resolution. The other relatives may be deemed to be interested in this resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business?
7. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the “Annexure” to the Notice.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 23rd day of September, 2020 to Tuesday, the 29th day of September, 2020 (both days inclusive) for the purpose of Annual General Meeting.
9. Members holding shares in electronic form are requested that correct bank particulars are registered against their respective depository accounts which will be used by the Company for any payment of dividend in future. The Company or its Registrars and Transfer Agents, Bigshare Services Private Limited (“Bigshare”) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
10. Members are requested to check that the correct account number has been recorded with the depository. Members holding shares in electronic form are requested to intimate any change in their address, E-mail Id, Signature or bank mandates to their respective Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to intimate such changes to the Registrars and Transfer Agents of the Company to ensure timely receipt of information, details and changes if any and dividend.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
12. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM will be uploaded on the website of the Company at www.fineotex.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
13. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Saturday, 26th September, 2020 at 9:00 A.M. and ends on Monday, 28th September, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

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

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?	
1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.	
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.	
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.	
4. Your User ID details are given below :	
Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113806 then user ID is 101456001***

5. Your password details are given below:
a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
c) How to retrieve your ‘initial password’?
(i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com .
b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com .
c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
2. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
3. Now, you will have to click on “Login” button.
4. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?
1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to hs@hsassociates.net with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@fineotex.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@fineotex.com.
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the

instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request in advance atleast 15 days prior to meeting mentioning their name, demat account number/folio number, email id at cs@fineotex.com. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. Shareholders who would like to express their views/ask questions may send their questions in advance mentioning their name demat account number/folio number, email id at cs@fineotex.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

Pursuant to Section 102 of the Companies Act, 2013 (“the Act”), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 10 of the accompanying Notice dated 27th July, 2020.

Item No. 4

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records for applicable products of the Company. On the recommendation of the Audit Committee, at its meeting held on 14th July, 2020, the Board considered and approved the appointment of M/s. V.J. Talati & Co., Cost Accountants (Firm Registration No. 100675) as the Cost Auditor for the fiscal year 2020-21 at a remuneration of Rs. 40,000/- per annum plus applicable taxes and reimbursement of out-of-pocket expenses.

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

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

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

Item No. 5

The Members of the Company, at their 12th (Twelfth) Annual General Meeting (AGM) held on September 28, 2015, had appointed Mr. Navin Mittal [Director Identification Number (DIN): 03555295] as an “Independent Director” of the Company for a term of 5 years. Pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder, read with Schedule IV to the Act. The term of Mr. Navin Mittal as an “Independent Director” shall, thus, expire on September 27, 2020.

Mr. Navin Mittal has an expertise in steel business and construction activity and business management in general. He is a member of various Committees of the Board. A brief resume of Mr. Navin Mittal also forms part of this Notice. He was appointed as a Director of our Company with effect from 02/09/2011 and has been associated with the Company since then. Mr. Navin Mittal satisfies the criteria for independence as specified in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee of the Board of Directors has recommended the re-appointment of Mr. Navin Mittal as an “Independent Director” of the Company, since he possesses the requisite qualifications and attributes for re-appointment. The Members are, therefore, requested to grant their approval by way of a Special Resolution for the re-appointment of Mr. Navin Mittal as an “Independent Director” of the Company to hold office for a further term of 5 (five) years, effective from conclusion of the Annual General Meeting, not liable to retire by rotation.

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

The Board recommends the Special Resolution set forth in Item No. 5 for approval of the Members.

Item No. 6

On 14th July, 2020, the Board of Directors has appointed CS (Ms.) Bindu Darshan Shah as an Independent Director pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”), Rules framed thereunder, read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Her Director Identification Number is 07131459 and her registration number with the Indian Institute of Corporate Affairs is IDDB-DI-202001-006421. A brief resume of CS Bindu Darshan Shah also forms part of this Notice. She satisfies the criteria for independence as specified in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee of the Board of Directors has recommended her appointment as an “Independent Director” of the Company, since she possesses the requisite qualifications and attributes. The Members are, therefore, requested to grant their approval by way of a Special Resolution for her appointment as an “Independent Director” of the Company to hold office for a further term of 5 (five) years, effective from her date of appointment, not liable to retire by rotation.

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

Item Nos. 7-9

Employee Stock Option Schemes are considered as an effective tool to attract and retain the best talent and also serves to attract, incentivise and motivate professionals and reward exceptional performance.

The objective of ‘Fineotex Chemical Limited Employees’ Stock Option Scheme 2020’ (“FCL ESOP-2020”), which Company intends to implement, is to reward the employees for their association, performance and contribution to the goals of the Company. The Company intends to use this FCL ESOP - 2020 to motivate its employees to contribute to the growth and profitability of the Company and to attract new talent. The Company views Employee Stock Options as an instrument that would enable the Employees to share the value he/she creates for the Company in the years to come.

The ESOP Committee (“the Committee”) at its meeting inter-alia formulated the detailed terms and conditions of the said scheme which was duly approved by the board of directors of the Company (“the Board”) at its meeting held on 14th July, 2020 subject to the approval of the members and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the ‘SEBI Regulations’).

The Company seeks approval of the members for launch of FCL

ESOP – 2020 and for grant of stock options to the employees of the Company as may be decided by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include the ESOP Committee constituted by the Board to act as the “Compensation Committee” under the SEBI Regulations to exercise its powers, including the powers conferred by this resolution) from time to time in accordance with the provisions of the Companies, Act, 2013 (including rules framed thereunder), SEBI Regulations and other applicable laws and regulations.

The number of equity shares to be issued and allotted under FCL ESOP-2020 will be limited to 1,00,00,000 (One crore) equity shares of the Company representing 8.98% of the existing paid-up equity share capital of the Company.

Pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SEBI Regulations”), the Company is seeking approval of its members to offer FCL ESOP - 2020 scheme to eligible employees (defined herein below).

As per Regulation 6(3) of the SEBI SEBI Regulations, approval of member(s) by way of a separate Special Resolution is also required to be obtained by the Company, if (i) the benefits of the ESOP Scheme are to be extended to the employees of the subsidiary Company; and (ii) if the benefits of the Scheme are to be extended to identified Employees, during any one year, equal to or exceeding one per cent of the issued capital of the Company at the time of grant of ESOPs.

Therefore, the special resolution set out at Item No. 7 to 9 proposes to cover the employees of the Subsidiary(ies) of the Company (present/future) under ESOP 2020. Also, the special resolution as set out in Item No. 3 provides that the Company may grant ESOPs equal to or exceeding 1% of the issued, subscribed and paid-up capital of the Company (excluding outstanding warrants and conversions) at the time of grant of ESOPs, during any one year to the Employee(s) identified by the Committee.

The salient features of FCL ESOP - 2020 are set out as per SEBI circular and are as under:

a) Brief description of the scheme – FCL ESOP – 2020:

FCL ESOP - 2020 is intended to reward the Eligible Employees (as described under clause (c) herein below) of the Company and/or its Subsidiary Companies (present or future), for their performance and to motivate them to contribute to the growth and profitability of the Company and/or Subsidiary Company(ies). FCL ESOP 2020 will help to retain talent in the organization as the Company views stock options as an instrument that would enable the Eligible Employees to share the value they create for the Company and align individual objectives with the objectives of the Company in the years to come.

Options granted under the Scheme shall vest on satisfaction of vesting conditions which can thereafter be exercised resulting in allotment of equity shares of the Company. The Nomination, Remuneration & Compensation Committee (“Committee”) shall administer ESOP 2020 and all questions of interpretation of the ESOP 2020 shall be determined by the Committee and such determination shall be final, conclusive and binding.

b) Total number of Options to be granted:

1. A total of 1,00,00,000 (One crore) options would be available for grant to the eligible employees (as described under clause (c) herein below) of the Company and/or its Subsidiary Companies (present or future), in one or more tranches, under FCL ESOP-2020. This ceiling will be adjusted for any future bonus issue of shares or stock splits or consolidation of shares and also may further be adjusted at the discretion of the Board for any corporate action(s), to facilitate making a fair and reasonable adjustment to the entitlements of participants under FCL ESOP-2020 such that the total value to the employee of the options remains the same after the corporate action.
2. Each option when exercised would give the option holder a right to get one fully paid equity share of the Company.
3. In cases where options, whether vested or unvested, lapse or expire or are forfeited for any reason under the applicable laws, the Nomination and Remuneration Committee may re-issue the options to other eligible employees. The options so issued shall be subject to the terms and conditions of the FCL ESOP-2020.

c) Identification of Classes of employees entitled to participate in the FCL ESOP-2020:

Present and future, permanent employees and directors (whether whole time director or not but excluding independent directors) of the Company as may be determined by the Board or Nomination and Remuneration Committee from time to time, shall be eligible to participate in the FCL ESOP-2020. However, the eligible employees and directors shall be amongst from the following persons:

1. Permanent employees of the Company working in India or outside India;
2. A director of the Company, whether a whole-time director or not but excluding an independent director; or
3. An employee as defined in above clause (1) or (2) of a subsidiary of the Company, in India or outside India.

Further, the following persons are not eligible to be categorized as eligible employees under the FCL ESOP-2020:

1. An employee who is a promoter of the Company or belongs to the promoter group; or
2. A director, who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

d) Requirements of Vesting and period of Vesting:

The options granted shall vest so long as the employee continues to be in the employment of the Company. The vesting period shall be decided by the Nomination and Remuneration Committee from time to time based upon the performance & loyalty of the employee, but shall not be less than 1 year from date of grant of

options. The vesting may happen in one or more tranches. The detailed terms and conditions of vesting are mentioned in the respective FCL ESOP-2020.

The Nomination and Remuneration Committee may, at its sole & absolute discretion, lay down performance metrics which shall inter-alia include business performance and achievement of set business targets on the achievement of which such options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which options granted would vest.

e) Maximum Period within which the options shall be vested:

Stock Options granted under FCL-ESOP 2020 would vest after 1 (one) year but not later than 5 (five) years from the date of grant of such options.

f) Exercise Price or pricing formula:

The Nomination and Remuneration Committee will determine the exercise price in case of each grant subject to the same not being less than the face value of the equity shares of the Company and not more than the 'market price' (that is, latest available closing price on a recognised stock exchange, having highest trading volume, on which the equity shares of the Company are listed) of the equity shares at the time of grant.

g) Exercise Period and process of exercise:

Eligible Employee will be permitted to exercise vested options on and from the date of vesting of the options for an exercise period as may be determined by the Committee and set out in the Grant Letter. However, in no event shall the Exercise Period exceed a period of 5 (five) years from the Vesting Date.

The vested options shall be exercisable by the employees by submitting an application to the Board/Committee expressing his/her desire to exercise such vested options in such manner and in such format as may be prescribed by the Committee. The employee can exercise stock options either in full or in tranches by making full payment of exercise price and applicable taxes (if any). The vested options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of the Eligible Employees:

The process for determining the eligibility of the Eligible Employees will be specified by the Nomination and Remuneration Committee and will be based on designation; period of service, loyalty, value addition, designation, present & past contribution, performance evaluation, current compensation, future potential, criticality of the Employee in the Company/Subsidiary Company and such other criteria as may be determined by the Nomination and Remuneration Committee at its sole discretion, from time to time.

i) Maximum number of options to be granted per Eligible Employee and in aggregate:

The number of Options that may be granted to any specific

Employee of the Company or of its subsidiary company under the Scheme, in any financial year and in aggregate under the Scheme shall be decided by the Committee.

As per Regulation 6(3) of the SEBI Regulations, a separate special resolution is required to be passed if the benefits of the Scheme are to be extended to identified Employees, during any one year, equal to or exceeding one per cent of the issued capital of the Company at the time of grant of ESOPs. Further, the Committee may identify certain Employee(s) to whom it may be necessary to grant ESOPs exceeding one per cent in one year to ensure continuity of their service with the Company. The resolution as set out in Item No. 3 provides that the Company may grant ESOPs equal to or exceeding 1% of the issued, subscribed and paid-up capital of the Company (excluding outstanding warrants and conversions) at the time of grant of ESOPs, during any one year to the Employee(s) identified by the Committee.

j) Maximum quantum of benefits to be provided per employee under the scheme:

The maximum quantum of benefits underlying the Options granted to an Eligible Employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option Exercise Price and the Market Price of the equity shares on the exercise date.

k) Whether the scheme is to be implemented and administered directly by the Company or through a Trust:

FCL ESOP-2020 shall be implemented directly by the Company through the Nomination and Remuneration Committee of the Company as permissible under the SEBI Regulations.

l) Whether the scheme involves new issue of shares by the company or secondary acquisition by the trust or both:

FCL ESOP-2020 contemplates only new issue of Securities by the Company.

m) The amount of loan to be provided for implementation of the scheme by the company to the trust, its tenure, utilization, repayment terms, etc.:

Not applicable as FCL ESOP – 2020 contemplates only new issue of Securities by the Company.

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme:

Not Applicable

o) A statement to the effect that the company shall conform to the accounting policies specified in regulation 15 of the SEBI Regulations:

The Company shall conform to the disclosure requirements and accounting policies prescribed from time to time under Regulation 15 of the SEBI Regulations, Indian Accounting Standards (Ind AS) and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.

p) Method of valuation of options:

The Company shall adopt the fair value Method for determining the value of an option granted under the FCL ESOP-2020 to calculate the employee compensation cost.

A copy of FCL ESOP-2020 is available for inspection at the Registered Office of the Company between 11.00 Hours IST to 13.00 Hours IST on any working day (excluding Saturdays, Sundays and holidays) upto the date of the last day of voting through physical Postal Ballot and e-voting.

None of the Directors, Key Managerial Personnel, Promoters and their relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of the stock options that may be granted or vested or exercised by them under the Plan.

The Board accordingly recommends the Special Resolution as set out at Item No. 1 to 3 of this Postal Ballot Notice for the approval of the Members.

Item No. 10

The Company had entered into similar contracts / agreements for the same as per Section 188 of the Companies Act, 2013. These were approved by the members in the earlier years and also last year for

a period of 5 years till March 2024. The transactions with one of the related parties BT Chemical SDN BHD a Tier-2 Subsidiary in Malaysia have increased and are expected to rise further. Hence your approval is sought for an amount of Rs. 30 crores/year instead of Rs. 10 crs/year.

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

Mr. Surendrakumar Tibrewala, Chairman & Managing Director, Mr. Sanjay Tibrewala, Executive Director and Chief Financial Officer and Mrs. Aarti Jhunjhunwala Director are interested in this resolution. None of the other Board Members or Key Managerial personnel or their relatives are interested in the resolution set out at Item No. 10.

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

By Order of the Board
For **Fineotex Chemical Limited**
Surendrakumar Tibrewala
Chairman & Managing Director
DIN: 00218394

Place: Mumbai
Date: 27th July, 2020

Details of Directors seeking appointment /reappointment at the 17th Annual General Meeting pursuant to Secretarial Standards on General Meetings (SS-II) and regulation36(3) of LODR

Sr. No	Particulars	Reappointment of Mr. Navin Mittal as Independent Director	Appointment of CS (Mrs) Bindu Darshan Shah as Independent Director	Reappointment of Mrs Aarti Jhunjunwala as Director
1	Name of the Director	Navin Mittal	Mrs Bindu Darshan Shah	Mrs Aarti Jhunjunwala
2	Director Identification Number	03555295	07131459	07759722
3	Date of Birth / Age	13-03-1973 /47 years	07/06/1975-44 years	24/01/1983-37 years
4	Date of First Appointment	02/09/2011	14/07/2020	14/08/2018
5	Expertise in General Specific Areas	Steel and general Business	Practising Company Secretary	Rich and varied experience in International Business
6	Qualifications	B.Com	B. Com (Hons), Dip in Business Management, Company Secretary	Masters in Accounts and Taxation
7	Shareholding in the Company	Nil	Nil	50
8	Relationship with Directors	Nil	Nil	Daughter of Mr. Surendrakumar Tibrewala and sister of Mr. Sanjay Tibrewala
9	Total No of Board meeting attended during the year 2019-20	6/6	NA	6/6
10	Directorship in other Public Limited Company as on 27-Jul-2020	Nil	Kadamgiri Fashion Limited – (Listed Company)	Nil
11	Chairmanship/Membership of Committees of the Board of Directors of the Company	Nomination and Remuneration Committee	Nil	1. Member of Whistleblowing Committee (Fineotex Chemical Limited) 2. Member of Women Welfare Committee (Fineotex Chemical Limited)
12	Chairmanship/Membership of Committees of other Indian Public Limited Companies	Nil	1. Member of Audit Committee (Kamadgiri Fashion Limited) 2. Member of NRC Committee (Kamadgiri Fashion Limited) 3. Chairman of Stakeholder Relationship Committee (Kamadgiri Fashion Limited)	Nil

DIRECTORS' REPORT

Dear Shareholders,

We take pleasure in presenting the Seventeenth Annual Report, together with the Audited Financial Statements of the Company for the Financial Year ended 31st March 2020.

1. HIGHLIGHTS

Your companies Operating Income increased, 20%. Despite many challenges in the year passed by, your company come out to be winner and posted a operating cash flow Rs. 2832 lakhs which is 91% of EBIDTA. Our subsidiaries in Malasiya are performing well and benefiting the company by its novel products and application research.

2. FINANCIAL RESULTS

(Rs. in Lakhs)

	Standalone		Consolidated	
	Year ended 31-03-2020	Year ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2019
Total Income	13,211	11,361	19,794	18,318
Less: Expenditure	10,246	8,885	16,335	14,971
Profits before Tax	2,965	2,476	3,459	3,347
Less: Income Tax Expense	625	760	765	930
Less Exceptional Items	1,262	(17)	1,263	(17)
Profit after Tax	1,078	1,733	1,431	2,434
Other Comprehensive Income (net of tax)	(1)	(1)	(1)	(1)
Total Comprehensive Income	1,077	1,732	1,430	2,433
Other Comprehensive Income (net of tax)	-	(1)	-	(1)
Total Comprehensive Income	-	1,732	-	2,433

The above data has been extracted from the Audited Standalone and Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards (IndAS), as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards Rules 2015) and the relevant provisions of the Act, as applicable. The Board of Directors had recommended a dividend of Rs. 0.05 per each paid up share of Rs. 2/- each. The same may be considered as final dividend for the year 2019-20.

3. OPERATIONS

Due to the Company's policy of providing quality utility products for textile processing with a thrust on satisfying more customers in more and more countries, sales have shown significant jump. The turnover has increased from Rs. 18,388 lakhs (Consolidated and Rs. 11,431/- lakhs Standalone) in 2018-19 to Rs. 19,794 lakhs and Rs.13,211 lakhs respectively in 2019-20. This has resulted in an increase of 8% (Consolidated) and 16% (Standalone) despite the pandemic.

At the end of the year, the whole world had to face the COVID-19

pandemic. The disease has an unimaginable capacity of transmitting amongst humans and can lead to quick deaths unless preventative and immediate action is taken. It required isolation and social distancing, accompanied by lockdown. This brought the economy to a complete standstill to an extent that it was neither experienced nor imagined by the present generation in our sub-continent.

Your Company was no exception. However, like all forward-looking enterprises, we took the challenge head-on and coped with the changing circumstances on the new path. The year 2020-21 is likely to face a contracted economy and accordingly the results will be impacted. However, Fineotex is gearing up to follow the emerging trends energetically.

Life and the environment have been changing continuously and the rules of the game will not be the same again. The business outlook and environment will unfold in a very unknown way after the pandemic recedes. Your Company is regrouping its resources and will continue to strive for the best in the newer world. It has already begun to reinforce its philosophy, operations and products so that it can provide retentive anti-microbial and anti-odor protection to the final textile products of our customers.

4. SHARE CAPITAL

There was a change in the Share Capital of the Company. The paid-up equity share capital of the Company as on 31st March, 2020 stood at Rs. 22,26,00,000 comprising of 11,13,00,000 equity shares of Rs. 2/- each.

During the year, the Company increased its Authorised Share Capital from Rs. 23,00,00,000 (Rupees Twenty-Three Crores only) divided into 11,50,00,000 (Eleven Crores Fifty Lakhs) Equity shares of Rs. 2/- (Rupees two only) each to Rs. 28,00,00,000 (Rupees Twenty-Eight Crores only) divided into 14,00,00,000 (Fourteen Crore) equity share of Rs.2/- each by creation of additional 2,50,00,000 (Two Crore Fifty Lakh) equity shares of Rs. 2/- each ranking pari passu in all respects with the existing equity shares of the Company

5. DIVIDEND

The Board of Directors had recommended an interim dividend of Rs. 0.05 per fully paid equity share of Rs. 2/- each. The same may be considered as final dividend for the year.

6. BUYBACK OF SHARES

The Board has approved the offer for the Buy Back of equity shares by way of an open offer which will be open only for public shareholders. The Company proposes to buy up to 11,00,000 equity shares of Rs. 2/- each fully paid at a maximum price of Rs 40/- (Rupees Forty only) per share. The offer will open on 5th August, 2020 and will be open till 4th February, 2021. The Company retains the right to close the offer earlier at its discretion after it has bought back at least 50% of the quantity . The details are available on the Company's website.

7. SUBSIDIARIES

The summary of the performance of the subsidiary companies is provided below:

i. Foreign Subsidiaries:

Fineotex Malaysia Limited (FML), a Limited Company, was incorporated in a free trade zone in Labaun, Malaysia in 2011. FML in turn has controlling interest in 3 other companies in Malaysia that have established manufacturing and trading activities. FML has increased their stake in these subsidiaries. These Companies are BT Biotex Sdn Bhd, BT Chemicals Sdn Bhd and Rovatex Sdn Bhd. The synergy of the businesses has helped all the companies. BT Chemicals Sdn Bhd qualifies as a material subsidiary as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Fineotex Specialties FZE was incorporated in the Region of UAE on 25th January 2015 and operates in a free zone in UAE.

ii. Indian Subsidiaries:

Manya Steels Private Limited is the only Indian subsidiary. It was acquired for diversification. The Company will commence commercial operations in the future. It is not a material subsidiary as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of subsidiary companies in Form AOC 1 is attached to the Financial Statement.

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

8. FINANCE

The Company's finance position continues to be robust. During the year under review, the cash generation from operations reflect a substantial increase. This has been the Company's philosophy throughout and can be vouched over the years. The Company is a zero debt company. The borrowings are taken for short term requirements so that the investment portfolio is not abruptly disturbed.

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

There have been no significant changes / significant orders passed by the regulators or appellate authorities or commitments affecting the financial position of the Company which has occurred after the Balance Sheet date and the date of adoption of the Board Report that may affect the going concern status of the Company's future operations.

10. INTERNAL FINANCIAL CONTROLS

The Internal Control System is reviewed on a continuous basis in light of the changed circumstances and way of doing business due to the changing systems and procedures. With the onset of the pandemic in January 2020, coupled with recommendatory and

statutory directions of the Government, the Company had to tweak the controls time and time again in national interest as well as business necessity. The Board is taking extra efforts to ensure better controls and has to be constantly vigilant on its impact on the business. The Board is continuously reviewing the changes in the controls, their impact on the business and corrective and remedial action. For this they are in touch with stakeholders, experts and auditors. Necessary provision has been made on the basis of such interaction.

11. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company along with its subsidiaries – both foreign and Indian - for the year ended 31st March, 2020 form part of this Annual Report. The same are prepared as per the applicable Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards Rules) 2015 and the relevant provisions of the Act, as applicable.

12. PUBLIC DEPOSITS, LOANS AND ADVANCES

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

13. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS.

The Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 as at the end of the Financial Year 2019-20 are provided in the Standalone financial statements and the same are also given in **Annexure '1'** forming part of this report.

14. RELATED PARTY TRANSACTIONS / CONTRACTS

All Related Party Transactions entered into during the year were mostly on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

The shareholders have also given approval to these contracts and transactions at the 16th Annual General Meeting of the Company. During the current year, there was an increase in transactions with one step down subsidiary. The Audit Committee approved the increase of the limit and asked the Board to seek the shareholders' approval at the ensuing 17th Annual General Meeting. The Board seeks your approval as the increase is in the course of normal business transactions.

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

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

15. DIRECTORS

Mrs. Aarti Jhunjhunwala is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, she offers herself for re-appointment. She is related to the Whole-time Directors of the Company and therefore a Non-Independent Director liable to retire by rotation and being eligible, she offers herself for reappointment. The details about her are attached separately. Mr. Naveen Mittal was appointed as Independent Director, as per Section 149 of the Companies Act, 2013, in 2015 for a period of five years. Their term expires in 27th September, 2020. It is proposed to re-appoint Mr. Mittal as an Independent Director for a second term of five years from 28th September, 2020. The Board recommends his re-appointment. The Board has received their eligibility and consent for re-appointment. The other details are given in the notice to the Annual General Meeting.

As per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended, your Company is required to appoint its Independent Director on the Board of the material subsidiary. As per the said regulation, BT Chemicals Sdn Bhd is a material subsidiary, as it contributed more than 10% to the Consolidated Income of the Group in 2018-19. The status of this subsidiary is ‘Private Limited’ Company under Malaysian Law. The law requires the Director to obtain a work permit from the Malaysian Government and there is also the reluctance of minority shareholders for such an appointment. The Company is exploring to appoint an Independent Director on the Board of FML which is the holding Company of BT Chemicals Sdn Bhd. FML is incorporated in the ‘Export Zone’ in Malaysia where the restriction for Non-Malaysians is less.

Your Company is also required to appoint an Independent Woman Director from 2020-21. The Company has appointed Mrs. Bindu Shah on July 14, 2020 – the first Board Meeting of the current financial year. Ms. Shah is a member of the Institute of Companies Secretaries of India and her Director Identification Number is 07131459. She has also registered with Indian Institute of Corporate Affairs and her registration number is IDDB-DI-202001-006421. She has a versatile personality, having worked with an international bank and has been a practicing Company Secretary for over a decade. The Board welcomes her and looks forward to her contributions to the Company. The resolution of her appointment is in the agenda for the ensuing Annual General Meeting and the Board recommends her appointment.

16. BOARD MEETINGS

The Board of Directors of the Company met six times during the financial year. The details of various Board Meetings are provided in the Corporate Governance Report given in **Annexure ‘C’**.

17. EMPLOYEES

Key Managerial Personnel (KMP)

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

- a) Mr. Surendrakumar Tibrewala – Chairman & Managing Director
- b) Mr. Sanjay Tibrewala – Whole-Time Director & Chief Financial Officer
- c) Ms. Pooja Kothari – Company Secretary (upto 27/07/ 2019)
- d) Mr. Hemant Auti -Company Secretary (from 13/08/2019)

Particulars of Employees and related disclosures

None of the employees who were employed throughout the financial year were in receipt of remuneration of more than Rs. 1,02,00,000 during the year ended 31st March, 2020, nor was their remuneration in excess of that drawn by the Managing Director or Whole-time Director.

There were no employees employed for any part of the financial year 31st March 2020 in receipt of remuneration more than Rs.8,50,000 per month. No employee drew remuneration in excess of that of Managing Director and Executive Director.

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

18. DECLARATION OF INDEPENDENT DIRECTORS

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

a. POLICY RELATING TO DIRECTORS, KMP AND OTHER EMPLOYEES

Your Company has adopted the Nomination and Remuneration Policy on the principles of consistency and transparency. It includes criteria for determining qualifications, positive attributes and independence of a Director. The Remuneration Policy is set out in **Annexure ‘4’** to the Director’s Report and is also available on the Company’s website.

b. FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of the erstwhile Listing Agreement with the stock exchange (“Listing Agreement”) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company had conducted a Familiarization Program on 7th February, 2020 for the Independent Directors

to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, entitlement of sitting fees to Independent Directors etc. [aspx#InvestorRelation](#). The Company also circulates explanatory notes on amendments made to various applicable laws and regulations - 7th February, 2020 (Web Link-<https://fineotex.com/fcl-familiarisation-programme.aspx>)

c. BOARD EVALUATION

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

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

19. AUDITORS AND AUDIT REPORT

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

The Audit Committee and the Board of Directors have recommended a remuneration of Rs. 4,00,000/- p.a. excluding taxes and out of pocket expenses fixed by the Audit Committee and Board of Directors of the Company. This is the same as last year.

Further, the Auditors' Report for the financial year ended 31st March, 2020 on the financial statements of the Company is a part of this Annual Report. The Auditors' Report for the financial year ended 31st March, 2020 does not contain any qualification, reservation or adverse remark.

20. COST ACCOUNTING RECORDS AND COST AUDIT

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, your Company, as specified in item (B) of Rule 3, had to get its cost records audited for the financial year 2019-20 in accordance with these rules as the annual turnover of the Company from all its products and services during 2018-19 had exceeded rupees one hundred crore or more and the aggregate turnover of the individual product or products or service or services for which cost records are required to be maintained under rule 3 is rupees thirty five crore or more.

The Board had appointed M/s V J Talati & Co., Cost Accountants, for the conduct of the Cost Audit of the Company's manufacturing units. The shareholders have approved their appointment at the last Annual General Meeting and fixed their remuneration. They will submit the report in due course. This year too, Cost Audit is necessary and hence M/s V J Talati & Co. are proposed to be appointed as mentioned in the Notice to the 17th Annual General Meeting.

21. SECRETARIAL AUDIT

As per Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 it is mandatory for the Listed Company, like yours, to have secretarial records audited. The Board of Directors had appointed HS Associates, Company Secretaries as Secretarial Auditors for 2019-20.

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

The Secretarial Audit Report for 2019-20 does not contain any qualification, reservation or adverse remark.

22. CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules 2014, it is mandated that your Company spends at least 2% of its average last 3 years net profit after tax on Corporate Social Responsibility (CSR) Activities and explained therein. This was the fourth year of compliance for your Company; the Company has formed a Committee which has gone through the requirements and decided to carry out the same through the Trust who carry out these activities. The Company had to Spend Rs. 49.25 Lakhs in 2019-20. Details of CSR is annexed herewith as **Annexure '6'**.

23. RISK MANAGEMENT COMMITTEE

As per Regulation 21 of (Listing Obligation and Disclosure Requirements) Regulation, 2015, the provisions of Risk Management Committee are not applicable for your Company. However, the management of the Company is determining various aspects so as to be able to minimize the risk in all spheres of the Company's business from finance, human resources to business strategy, growth and stability.

24. AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report which forms a part of this Report.

25. WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

No complaints/suggestions were received during the year.

26. HUMAN RESOURCES

The Company has 94 employees at the year-end including whole time Directors. We are an equal opportunity employer and over 25% are women. We consider our employees as our most valuable asset and have been working towards keeping them engaged and inspired. The current workforce structure has a good mix of employees at all levels. The Company is aware that the success of its business depends upon its technical experts coordinating with research and development staff on one hand and marketing on

the other. Necessary training and orientation are provided to our employees to equip them in providing productive and committed results.

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

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

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

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

The following is a summary of sexual harassment complaints and disposed of during the year 2019-20

No. of Complaints received: **NIL**

No. of Complaints disposed off: **NIL**

29. MANAGEMENT DISCUSSION AND ANALYSIS

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

30. CORPORATE GOVERNANCE

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

31. BUSINESS RESPONSIBILITY REPORT

Your Company stands at 907th position at 31st March, 2019 based on market capitalization amongst the companies listed on the National Stock Exchange of India. Accordingly, from this year the Board has to submit a Business Responsibility Report as a part of this Report. The same is attached as **Annexure ‘D’** and forms part of this Report.

32. DIRECTORS’ RESPONSIBILITY STATEMENT

To the best of their knowledge, belief, explanation and information obtained by them and as required under Section 134(3)(c) of the

Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure, if any;
- (ii) they have selected such accounting policies as mentioned in Note 2 to the Notes to Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the Annual Accounts on a going concern basis;
- (v) the proper internal controls were in place and that the financial controls were adequate and were operating effectively and
- (vi) the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

33. EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31st March, 2020 in Form No. MGT 9 is attached herewith as **Annexure ‘7’** and forms part of this Report.

34. EMPLOYEE STOCK OPTIONS

The Company is planning to have Employee Stock Options Scheme with intention to attract and retain best talent. It will also motivate them and reward exceptional talent. Such a proposal requires your approval and the same is sought at the ensuing Annual General Meeting. The Board recommends your approval.

35. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director)
DIN: 00218525

Place : Mumbai
Dated: 27th July, 2020

Annexure A

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

A. CONSERVATION OF ENERGY

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

Form ‘A’

	Power & Fuel Consumption	2019-20	2018-19
1. Electricity			
	Purchased Units (Nos)	3,49,651	1,81,497
	Total Cost (Rs.)	37,38,118	16,76,498
	Rate / Unit (Rs.)	10.69	9.24
2. Diesel Oil			
	Quantity (K.Ltrs)	4404.88	5436.62
	Total Cost (Rs.)	3,12,444	3,95,398
	Average rate per K Ltr. (Rs.)	70.93	72.83

B. TECHNOLOGY ABSORPTION

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

Form ‘B’

Research and Development (R & D)

- Specific areas in which the Research and Development (R & D) is being carried out by the Company – There has been no major expenditure in what is generally understood as Research and Development. However, it is our continuous endeavor to improve the performance of products as well as develop new products as required by customers, which is a continuous process.
- Benefits derived as a result of the above R & D – Developed a few products as well as improved performance of certain products to meet customer requirements. These help in maintaining and improving margins.
- Future plan of action – No major plan is on anvil but development to suit the customer’s requirements and satisfaction is the main back bone of our business activity and is a continuous activity pursued with missionary zeal.
- Expenditure on R & D – Not significant during the year or in the immediate future.

Technology absorption, adoption and innovation

- Efforts, in brief, made towards technology absorption, adoption and innovation – the initiatives leading to development or improvement and continuously adopted into production process. The Company has not taken any technical knowhow from outsiders.
- Benefits derived as a result of the above efforts – there are improvements in process, cost reduction, reduction in the production process cycle time.
- Information regarding Imported Technology – We have no imported technology

C. FOREIGN EXCHANGE EARNING AND OUTGO

Activities relating to export, initiatives to increase exports developments of new export markets for products.

Sr.No	Particulars	2019-20	2018-19
		Rupees in Lakhs	
(a)	Total Foreign exchange earned	3,062.41	2350.26
	i. Sales - Export	2,887.05	2094.15
	ii. Dividend	172.01	256.12
	iii Commission Received	3.35	-
(b)	Total Foreign exchange used	1,566.06	836.38
	i. Commission	41.65	79.84
	ii. Travelling & Exhibition	20.38	19
	iii. Import	1,467.40	737.54
	iv. Salary	2.24	0
	v. Professional Fees	34.38	0

Annexure 'B' to the Directors Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT INDUSTRY STRUCTURE AND DEVELOPMENTS

GLOBAL DEVELOPMENTS AND THEIR EFFECT

The world had witnessed the last major downturn in 2008 in the form of a depression which was comparable to the Great Depression of the 1930s. However after its effect subsided, the world has been witnessing a year on year growth in the Indian Chemical Industry. India Invest, India's national investment promotion and facilitation agency, had forecasted that the domestic chemical industry was projected to reach \$304 billion by 2025. However, the COVID-19 pandemic has affected the whole world order – both economic and commercial to such an unimaginable extent that this ambitious target looks a farfetched dream.

During the recent past, the Indian Chemical Industry depended on China for its raw materials. But this source was severely impacted as COVID-19 originated in China. There were lockdowns and the suspension of production and exports, causing raw material worries for the Indian industry. Shifting to Europe and America was also an alternative. But before the shortage could be a reality, western countries, as well as India, were in lockdown mode and hence the shortage of raw materials was not faced. Once activity picks up, the chemical industry will have to decide upon the source of raw materials. However, for that to become a possibility, these countries have to get out of their own lockdowns, sort out trade preferences, capacity constraints, high logistics cost and non-tariff barriers and restrictions.

Urgent action will be required and Fineotex is geared for the same. The world is moving on unknown terrain. The supply chain will have to be reviewed and re-established. One thing that can certainly be tried out in this precarious situation is to re-strategize supply chains. Diversifying supply chains can certainly help because any concentration in the supply chain can result in potential damages to businesses, just as is happening now. Indian businesses can diversify their vendors and supply chains. The trick here is to have many suppliers to hedge your bets against large scale disruption. Also, as the COVID-19 virus progresses, disruptions will occur in different regions, finding them in different levels of lockdown.

Fineotex, as you know, is in the manufacturing of specialty chemical products for a host of end-use markets. Its produce is predominantly for the textile processing industry around the world. These chemicals (including catalysts, surfactants, coating additives etc.) are used based on their performance and have a specific purpose. Textile chemicals are a product of the interaction and understanding of both organic chemistry with surface chemistry. Organic chemistry encompasses the synthesis and formulation of the products used in these processes. The principles of surface chemistry are applied to all the processes – especially finishing.

Specialty chemical makers are grappling with a short supply of raw materials as a result of Coronavirus. The closure of a large number of factories to contain the spread of the virus has disrupted the global supply chain. This in turn is expected to push up the prices of inputs. Higher raw material prices are, thus, likely to squeeze margins of chemical specialty companies over the short term. The final user is determined to hold back every penny and hence the textile processor is hard pressed to balance their cost in uncertain periods.

The Budget of 2020-21 has provided some relief to the textile industry. One nation – one grid will ensure uniform rate of power supply to the textile industry. There is also emphasis on women empowerment. As women constitute a sizable portion of the work force, the textile industry will have some benefit. Another proposal is to consolidate the various labour laws into four, which will ensure standardization and uniformity. Provisions will be made for better health conditions, which will have a positive impact on the industry's performance. As the majority of Fineotex's turnover is from the textile industry, these factors should have a positive impact on its performance.

The onset of Coronavirus and after the world has some grip over it, the way we live, conduct business, trade and economic policies, and the constraints for business will be totally different – something which will be beyond our imagination. Credit will be a constraint. Buying, manufacturing and selling would be amongst new ball games. The logistics of raw material receipts and delivery of end product to the customers and the transport means will undergo a sea change. There would be a great deal of caution amongst stakeholders and it will take time to increase their confidence. In the short term, it will not only affect the volumes but also the viability of many of the businesses and institutions.

Just as the whole of India and the whole of the world is fighting COVID-19 physically, we in Fineotex are getting our business act together to meet the challenges that will unfold as the pandemic subsides. Our brand is dependability. We are re-enforcing with doubled vigour, assuring our customers, suppliers, employees and other stakeholders that you can depend on us and we will take two steps against one when needed. Our promise remains. Secondly, we will remain at your service to make the products you need and solve all your associated problems with your processing activity. Our dependability will not be restricted to our present relationship but with your future plans and requirements as the stakeholders settle in the new environment. Our products and services and the logistic related thereto would be mutually aligned so as to facilitate transition in the new set up that may evolve.

Textile Chemicals and Fineotex

Fineotex Chemical Limited is a major Company which manufactures a range of specialty chemicals which improve process performance from the pre-weaving preparatory stage to finishing chemicals. Change is permanent – nothing applies to our products than this wise statement. The trust of its chemicals is for use by the Apparel segment of the textile industry. Its products are well accepted and are used by who's who in the textile industry in India. There is no significant textile manufacturer or processor who does not use Fineotex products.

The products are also accepted worldwide with exports to over 60 countries.

The SWOT Analysis

Strength

Dependability is the brand of Fineotex. In this trying period of resurgence with survival, it is our prime arsenal. It is being used with much more vigour and perseverance to ensure all the stakeholders of Fineotex's assurance of same service and commitment to extend as much help in the changing environment. The Company has around four decades of experience in this business backed by expertise in

production, availability of capacity, ability to work with the customer to maximize their process performance and anticipate customers' needs and solve them. We are confident that in the new environment that is emerging, it will be an active and positive contributor to all stakeholders.

Weakness

There is a paradigm change in the business and economic environment with the start of Coronavirus pandemic. The future is unfolding gradually and is very uncertain. There is no previous guidance available which may create a doubt amongst the stakeholders. But Fineotex's philosophy and operations are based on everchanging requirements of the customers. A repeat order is with a modification to improve their process – it is working in a changing environment- albeit an uncertain environment. This ability has given strong confidence to its customers. Company's products and philosophy require it to be ever ready to contemplate on consumer needs, look for solutions and work with them to solve issues. This could affect the pace at which the Company can cater to the requirements of the industry. However, the inherent strength of Fineotex proven by the previous history has demonstrated that such threats are tackled successfully and converted into opportunity. This has helped the Company to grow at a faster rate.

Opportunities

Fineotex is in the business of manufacturing specialty chemicals for textile processing. The operations involve making several alterations to the products only to meet the changing requirements of consumers. Hence Fineotex's ethos makes it excel in producing goods which are different from those made earlier for the customer. In the changing times in future, which is now a certainty, this ability of Fineotex will put it in an advantageous position to grab opportunities. With the production coming to a standstill for the last few weeks, opportunities will open up for the Company

Threats

The present uncertainties due to the Coronavirus pandemic, preceded by trade wars amongst nations, are major threats as we come out of the pandemic. The changes will be as never before seen or imagined. This will make the environment somewhat less confident. There will be a lack of trust amongst stakeholders. The way we produce and sell our goods and services will change. Logistics and selling methods will change. This will vitiate the atmosphere for business and our efforts should be to minimize the same. Trade wars in the Global Economy are not likely to cause any major impact on the Company.

Outlook

The Coronavirus pandemic has changed the world as never before. The changes will be far reaching and quite different from what one could have imagined or forecasted. The world is to be like never before. The optimism will be diminished, lack of trust amongst the stakeholders will be visible. The relationship between the stakeholders will not be as before – skepticism will increase. International trade which is already at cross roads both on account of economic reasons as well as protective nationalization will be further restrictive for smooth flow.

Business will also change radically. Two new departments may emerge. First to sanitize the receipts before they are taken for inspection and

storage. Quality checking will increase also for hitherto non-hazardous goods. There could be a department to guarantee virus free packing for movement of goods sold. Goods may have to be packed in such a way that they can be sanitized. There would be high degree of caution amongst stakeholders. There would be additional terms and conditions to the buy-sell transactions that were in vogue during the past.

The work environment will change. People will be less willing to travel, salesmen will avoid travelling to a great extent and for various reasons. Trains were used for virus patients and hence show reluctance. Hotels may not be safe for lodging and so on. Technology will help but the actual buyer-seller meet to explain the product, evaluate performance jointly will take a back seat. Business meets, training programs, conferences and trade fairs will be reduced. People will like to pick up their things themselves from safe places than rely on courier and delivery services. Service providers will restrict their operations to their local area - at least in the short term - lest they get locked down in a different city.

Finance will be a significant player in short supply. The past 1-2 years have shown a decline in economic growth worldwide. This was further aggravated due to the pandemic where there was a lockdown which prevented the generation of income on one side and dragged reserves to meet the containment of the pandemic. Once the world economy tries to get back on track, finance will have to be given its dues. Governments around the world have declared relief and support facilities. However, the economy will face a scarcity of finance. This will be a major factor influencing the recovery plan.

At Fineotex, we are aware of the hard road ahead and we, along with all stakeholders, will have to face the situation with one resolve – we have to and will succeed. Fineotex has managed its finances well in the past and this could help it in the road ahead. It is a dependable ally to its suppliers, customers, employees and other stakeholders. It has adapted its sales plans on a timely basis as per the requirements of its customer to meet the need of the customers in an exclusive manner. This philosophy and mindset should keep Fineotex ahead. We are aware of the hard, uncertain period ahead but are pursuing the new path ready to respond to the situation as it unfolds. We hope the post virus era will bring in hope leading to better environment for all. We will do our part – stakeholders can test our dependability.

SUSTAINABILITY

The Company's products are made from no hazardous chemicals which require a very minimal quantity of natural resources like water or fuel. The process also does not emanates pollutants in the form of gases, liquids or solid wastes. Neither the employees of the Company nor of its users face any harmful effects or side effects due to its products.

The Company's production process ensures that the air and water pollution norms laid by the local authorities are met. The effluent treatment plants are properly maintained and the waste releases are as per the requirements. Company ensures that the total activity does not degrade the environment

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

During the year, the turnover of the Company grew to Rs. 12,885 Lakhs, as compared to Rs. 11,264 Lakhs for FY 2018-19 resulting in growth

of 14.40 % even though in the last one and half months, the activity was adversely affected due to the COVID pandemic. The Company's performance during the year showed a jump of 18.19 % in PBDIT and exceptional items over the last year. The increase in profits is due to the Company's conscious effort to improve quality of the products as per customers' requirements which has helped in enhancing margins as well as increase in market share. The Company is a zero debt Company with no borrowings for its local operations. Short term borrowings are restricted to need based working capital requirements. Employee benefit expense increased to Rs. 692.35 Lakhs during the year as against Rs. 594.13 Lakhs in the previous FY 2018-19. The increase is mainly due to the salary hike given to employees and the appointment of new employees.

The salient indicators are as under :-

Rs. in lakhs

	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Income from Operations	12,885	11,264	19,634	18,232
PBDIT before Exceptional Items	3,105	2,627	3,639	3,533
PAT	1,077	1,732	1,430	2,433
EPS (of Rs 2/-) (Basic & Diluted)	0.97	1.56	1.17	2.02

During the year under review the plant had smooth operations.

As per the Ind AS 108 on Business Segments prescribed under section 133 of Companies (Indian Accounting Standard) Rules 2015, the Company has only one segment, i.e. specialty or auxiliary chemicals and preparations which are mainly used in textile processing. The Company's products play an important role in the textile manufacturing processes. With cautious growth after the pandemic subsides, it is expected that the textile industry in the coming year will have new and varied demand for chemicals based on the increasing expectation of quality and fashionable textile products. The Company expects a growth in turnover for the current year. However, the margins will be a matter of uncertainty. The total quantitative sales in 2019-20 were 14,365 MT against 13,005 MT in 2018-19. It is pertinent to note that quantity is not a very indicative criteria to evaluate performance as the quantity may vary depending upon the concentration level of products sold.

The Company's financial performance is sound. The fall in profits is due to the hiccup in the economy caused by the COVID-19 pandemic on the global economy. The fall is mainly due to fall in the fair value of investments. A substantial portion of the fall in fair value as on 31st March, 2020 has been recovered by June 2020. The debtor turnover ratio is a shade better than last year but there is improvement in Inventory Turnover ratio. The ratios are as under:

		Standalone		Consolidated	
		2019-20	2018-19	2019-20	2018-19
Debtor Turnover	times	3.30	3.26	3.65	3.71
Inventory Turnover	times	9.96	8.16	9.31	7.27
Interest Coverage ratio	number	103.32	44.37	55.90	41.18

		Standalone		Consolidated	
		2019-20	2018-19	2019-20	2018-19
Current Ratio	times	3.22	3.36	3.62	3.58
Debt Equity ratio	times	44.15	54.71	50.79	62.77
Operating Profit Margin	Percent	23.24	22.49	17.94	18.81
Net profit margin	Percent	8.15	15.24	7.22	13.28
Net Worth	Rs in lakhs	14,752.29	13,842.58	16,969.42	15,880.53
Operating cash generated to income %	Percent	21.98	11.13	18.51	11.84

The Net Profit Margin has shown a substantial fall. This has been due to fall in the securities market due to the COVID pandemic. A substantial portion of the fall in fair value has already been recovered. It is also vital to note that the percentage of cash generated from operations has increased from 11.13 % to 21.98% on a standalone basis.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Control System is reviewed in light of the changed circumstances and way of doing business especially after the introduction of Goods and Services Tax. Your Company has an effective system of receipt, storage and utilization of materials – especially in the environment in which the Company operates. This is reflected in its Internal Financial Controls. The interventions of the Top Management in the control processes is significantly required and this is provided by them. Its products are not standardized but each supply has to meet the requirements of the customer on his shop floor. This is backed by quality control at each stage. It also has in place adequate accounting, administrative, logistics and system of internal checks and controls to ensure safety and proper recording of all assets of the Company and their proper and authorized utilization. The Company constantly reviews its adherence to environmental norms. The Company has its own Internal Control system and the Audit Committee reviews its adequacy from time to time. Measures are taken to strengthen the same and check its effectiveness.

HUMAN RESOURCE

The Company has 94 employees at the year-end including Whole Time Directors. We are an equal opportunity employer. Out of the total strength, over 25% are women. We consider our employees as our most valuable asset and have been working towards keeping them engaged and inspired. The current workforce structure has a good mix of employees at all levels. The Company is aware that the success of its business depends upon its technical experts co-coordinating with research and development staff on the one hand and marketing on the other. Necessary training and orientation are provided to our employees to equip them in providing productive and committed results.

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director)
DIN: 00218525

Place : Mumbai
Date: 27th July, 2020

Annexure 'C' to the Directors Report

CORPORATE GOVERNANCE REPORT

In compliance with regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 'SEBI (LODR) Regulations', the Company submits the report for the year ended 31st March, 2020 on the matters mentioned in the said regulation and lists the practices followed by the Company in compliance with the SEBI (LODR) Regulations.

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

The composition of the Board of Directors and other details as on 31st March, 2020 are given below:

Name of the Director	Composition & Category	***No of outside directorship in other Public Companies	****No of other Committee Chairman/ Members	Inter-se Relationship between Directors
Mr. Surendrakumar Tibrewala (DIN 00218394)	Promoter Chairman & Managing Director	Nil	Nil	Father of Mr. Sanjay Tibrewala and Mrs. Aarti Jhunjhunwala
Mr. Sanjay Tibrewala (DIN 00218525)	Promoter Executive Director	Nil	Nil	Son of Mr. Surendrakumar Tibrewala and Brother of Mrs. Aarti Jhunjhunwala
Mr. Manmohan Mehta* (DIN 00391964)	Non Executive Independent Director	ACEELENE SUITINGS LIMITED	Nil	--
Mr. Navin Mittal* (DIN 03555295)	Non Executive Independent Director	Nil	Nil	--
Mr. Alok Dhanuka* (DIN 06491610)	Non Executive Independent Director	Nil	Nil	--
Mrs. Aarti Jhunjhunwala** (DIN 07759722)	Executive Director	Nil	Nil	Daughter of Mr. Surendrakumar Tibrewala and Sister of Mr. Sanjay Tibrewala

* Independent Director as per section 149 of the Companies Act, 2013

** Woman Director

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

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

The Board consists of 6 members – 2 Non retiring Directors as per the Articles of Association of the Company, 3 Independent Directors as per Section 149 of the Companies Act, 2013 constituting more than one third of the Board's strength and director who is not liable to retire by rotation. The Board also has one Woman Director as required under section of the Companies Act, 2013. The Company was required to appoint Independent Director on the Board from 1st April, 2020. The Company has appointed CS (Ms) Bindu Shah as Independent Director on 14th July, 2020. During the year under review, 6 meetings of the Board of Directors were held and the Directors attending the same as well as the Annual General Meeting are as under:

Type of Meeting	Board	Board	Board	Board	Board	Board	AGM
Director's Name / Date of Meeting	14/05/19	04/06/19	13/08/19	14/11/19	07/02/20	12/03/20	27/09/19
Mr. Surendrakumar Tibrewala	P	P	P	P	P	P	P
Mr. Sanjay Tibrewala	P	P	P	P	P	P	P
Mr. Manmohan Mehta	P	P	P	P	P	P	P
Mr. Navin Mittal	P	P	P	P	P	P	A
Mr. Alok Dhanuka	P	P	P	P	P	P	P
Mrs. Aarti Jhunjhunwala	P	P	P	P	P	p	p

P = Present A= Absent

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

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

Profile of the Directors

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

Mr. Sanjay Tibrewala has been associated with the Company's business for the last 20 years. He is a B.Com and has completed higher studies in Textile processing. His missionary zeal has helped the Company to develop new products which have received acceptance in domestic as well as international markets. The Company's products have a growing acceptance internationally and has helped the Company achieve the Star Exporter credentials.

Mr. Manmohan Mehta was appointed as a Director of the Company on 31st December, 2007 liable to retire by rotation as per the provisions of Companies Act, 1956. At the 11th Annual General Meeting held on 23rd September, 2014 he was appointed as an Independent Director within the provisions of section 149(4) of the Companies Act, 2013 for a period of five years. Further, his term of office as an Independent Director is liable to expire on 22nd September 2019. Mr. Manmohan Mehta being eligible for re-appointment for the next term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 was accordingly appointed for 2nd Term till September 2024 at the 16th Annual General Meeting.. Mr. Mehta has an expertise in textile processing and reality business – the main focus areas of the business. He is a member of various Committees of the Board including Chairman in few cases.

Mr. Navin Mittal is a graduate with experience in steel business which the Company has benefitted in the expansion activity. He was appointed as a Director on 2nd September, 2011. He is a member on Nomination and Remuneration Committee of the Board. His skill is in management of business especially with relation to steel and its uses in various sectors. He has been appointed as an Independent Director for a period of 5 years at the 12th Annual General Meeting held on 28th September, 2015.

Mr. Alok Dhanuka was appointed as a Director of the Company on 11th February, 2013 as Independent Director as per the Listing Agreement with Bombay Stock Exchange Limited. He was re-appointed as Independent Director as per the provisions of Section 149(4) of the Companies Act, 2013 for a period of 5 (Five) years at the 11th Annual General Meeting. Further his term of office as an Independent Director is liable to expire on 22nd September 2019. Mr. Alok Dhanuka being eligible for re-appointment for the next term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 was accordingly reappointed for 2nd term at the 16th Annual General meeting which will be till September 2024. Mr Alok Dhanuka is an MBA Finance with experience of exports business. He is a member of various Committees of the Board including Chairman in few cases.

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

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

3. Code of Conduct

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

4. Certification from Company Secretary in Practice

M/s. HS Associates, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as a Director of Companies by the SEBI/ Ministry of Corporate

Affairs or any such Statutory Authority was placed before the Board of Directors at their meeting held on 14th July, 2020.

5. Secretarial Compliance Report

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

6. Recommendations of Committees of the Board

There were no instances during the financial year 2019-20, wherein the Board had not accepted the recommendations made by any committee of the board.

7. Total Fees paid to Statutory Auditor of the Company

The total fees of Rs. 4.00 lakhs for financial year 2019-20, for Statutory Audit and Rs. for all the services, was paid by the Company and its subsidiaries, on a Consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.

8. Key Board qualifications, expertise and attributes

The Board comprises of qualified members who bring in the

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

Director	Sales & Marketing	Production	International Business understanding	Financial Analysis	General Management	Technical & professional skills including legal & regulatory aspects
Surendrakumar Tibrewala	×	√	√	√	√	√
Sanjay Tibrewala	√	√	√	√	√	√
Alok Dhanuka	√	×	√	√	×	√
Manmohan Mehta	√	×	×	√	√	×
Navin Mittal	√	×	×	×	√	×
Aarti Jhunjunwala	√	×	√	×	√	×

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

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

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

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

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

Monitor and Report trading by Designated Persons and the Code of Fair Disclosure and Conduct have been intimated to the Stock exchanges and have been uploaded on website of the Company.

10. Audit Committee

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

The present members of the Audit Committee are Mr Alok

Dhanuka, the Chairman of the Committee, Mr. Sanjay Tibrewala, Executive Director, and Mr. Manmohan Mehta, the Independent Non-Executive Director. Company Secretary of the Company is

the secretary of the Audit Committee.

The Committee met 6 times during the year and the attendance is given below.

Attendance at the Audit Committee Meetings:

Name of Director	14/05/19	04/06/19	13/08/19	14/11/19	07/02/20	12/03/20
Mr. Alok Dhanuka	P	P	P	P	P	P
Mr. Manmohan Mehta	P	P	P	P	P	P
Mr. Sanjay Tibrewala	P	P	P	P	P	P

P = Present A= Absent

11. Nomination & Remuneration Committee

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

Mr. Manmohan Mehta is the Chairman of the Committee with Mr. Navin Mittal and Mr. Alok Dhanuka as members. All members are Independent and Non-Executive Directors.

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

Name of Director	04/06/19	13/08/19	14/11/19	07/02/20
Mr. Alok Dhanuka	P	P	P	P
Mr. Manmohan Mehta	P	P	P	P
Mr. Navin Mittal	P	P	P	P

P = Present A= Absent

Evaluation of Performance of the Board and Committees

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

12. Remuneration of Directors

Payment of remuneration to the Managing Director and Executive Director is governed by the terms and conditions approved by the shareholders as contained in the Agreement entered into with them which incorporated remuneration within the limit stipulated by the provisions of the Companies Act, 2013. The remuneration structure comprises of salary, Consolidated allowance and other perquisites such as house rent allowance, medical benefits, leave travel concession, club subscription, contribution to provident, superannuation and gratuity funds and provision of car and telephone. The other provisions are as per the agreement. At the 16th Annual General Meeting held on 27th September, 2019, the shareholders approved, by a Special Resolution, remuneration within the limits prescribed under the Schedule V of the Companies Act, 2013 with the provision to increase the same if the limits are increased either by the Central Government and any other enactment. The approval is for a period of 3 years from 1st October, 2019.

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

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

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

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

13. Stakeholders Grievances Committee

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

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

During the year 2019-20 no complaints were received by the Registrar and Transfer agents. There were no complaints on the 'SCORES' hosted on the website of Securities and Exchange Board of India (SEBI). Certain grievances regarding re-validation of dividend warrants were received and were attended accordingly and no grievance was outstanding as on 31st March, 2020.

No share transfers/transmissions/issue of duplicate share certificates was pending as on 31st March, 2020.

Mr. Hemant Auti. has been the Company Secretary and the Compliance Officer of the Company since 13th August, 2019. Earlier Ms Pooja Kothari was Company Secretary till 27th July, 2019

14. Corporate Social Responsibility Committee

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

Company Secretary is the secretary to the CSR Committee. Mr Surendrakumar Tibrewala and Mr. Manmohan Mehta have a lot of experience of service to the society.

Three meetings were held on 14th May, 2019, 14th November, 2019 and on 7th February 2020 during the financial year 2019-20.

All the members were present for the meetings.

The Corporate Social Responsibility Policy had been adopted by the Company. There was a lack of guidance with regard to the implementation of this policy. The Committee recommended that instead of starting a separate activity for this policy, the same may be implemented through the eligible Trusts established in this field.

Your Company contributes to eligible Trusts established in the field of CSR. The Company had to spend Rs.49.25 Lakhs during the current year. It has spent Rs 49.00 Lakhs for the financial year in review. Due to lockdown, it could not spend the balance Rs. 0.25 lakhs.

These trusts are pursuing activities in the areas of educational institutions, hospitals and welfare clinics and women empowerment. The Committee will also monitor the usage of the funds in the desired activities on a regular basis.

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

15. Risk Management Committee

Our Company's business is in a way very specialized with no standard product. The products are in the nature of specialties which enhance the processing performance which in the end increases the final utility of the products of the customers. The risks are therefore a bit higher than the standard business risks. But the strength of the Company is based on the ability to continuously innovate as per customers' needs and grow.

As per the requirement of the Revised Listing Regulation, Regulation 21 of the (Listing Obligation and Disclosure Requirements), Regulation, 2015 with the Stock Exchanges, the Company is not required to have a Risk Management Committee.

16. Meeting of Independent Directors

The Independent Directors met once during the year on the 7th of February, 2020 to review the working of the Company, its Board and Committees. The meeting decided on the evaluation of the Audit Committee. The evaluation of the Board and of the Audit committee by Independent Directors was completed. The same was compiled by Independent authority and informed to the members.

17. Committee for Prevention of Sexual Harassment at workplace

The Company has constituted a Committee of Mr. Surendrakumar

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

No complaint was received.

18. Whistle Blower Policy

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

19. Material Subsidiary Companies

The Company has three foreign material subsidiaries incorporated in Malaysia in terms of Regulation 16 of the Listing Regulations. Synopsis of the minutes of the Board meetings of the subsidiary companies are placed at the Board meeting of the Company on a periodical basis. The Audit Committee reviews the financial statements including investments by the unlisted subsidiaries of the Company. The Management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by unlisted subsidiary, if any. During the year under review, the Policy for determining material subsidiaries was suitably modified to bring it in line with the recent amendments to Listing Regulations. The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website at the following link: [https:// fineotex.com/assets/investor-relation/ other/policy/Policy-forDetermining-Material-Subsidiary.pdf](https://fineotex.com/assets/investor-relation/other/policy/Policy-forDetermining-Material-Subsidiary.pdf)

20. Disclosures

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

21. Details of General Body Meetings

The last three Annual General Meetings were held as under:

Year	Date	Time	Venue	Particulars of Special Resolution(s) passed
2016-17	25- Sept- 2017	4.00 P.M.	Rajpuria Bagh, Navinbhai Thakkar Road, Vile Parle (E), Mumbai - 400057	1. Place of Register and index of members
2017-18	28 – Sept-2018	4.00 P.M.	Rajpuria Bagh, Navinbhai Thakkar Road, Vile Parle (E), Mumbai - 400057.	1. Raising of Funds through Issue of Securities. 2. Alteration of Object Clause of the Memorandum of Association of the Company. 3. Appointment of Mrs. Aarti Jhunjhunwala as an Executive Director of the Company. 4. Contracts with related Parties
2018-19	27 – Sept-2019	5.00 P.M	Rajpuria Bagh, Navinbhai Thakkar Road, Vile Parle (E), Mumbai - 400057.	1. Reappointment of Mr. Manmohan Mehta and Mr Alok Dhanuka as Independent Directors for 2nd Term 2. Reappointment and revision in remuneration of Managing Director and Executive Directors 3. Raising of Funds through Issue of Securities. 4. Increase in Authorised capital to Rs. 28. Crs 5. Alteration to Capital Clause in Memorandum of Association 6. Alteration of Capital Clause inf the Articles of Association of the Company. 7. Contracts with related Parties

22. Extra-ordinary General Meeting

During the Financial Year 2019-20, no Extra-ordinary General Meeting was held.

23. Postal Ballot

There was no Special Resolution passed through Postal Ballot during the financial year 2019-20. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

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

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

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

provided that where the period of 7 consecutive years, as above, was completed or being completed during the period from 7th September 2016 to 31st October 2017, the due date of transfer for such shares was 31st October 2017.

In the interest of shareholders, the Company sends periodical reminders to shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <https://fineotex.com/assets/investor-relation/other/other-bottomcomman/Unpaid-Unclaimed-Dividend-28th-September-2018.pdf>

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

The details of unclaimed dividends and shares transferred to IEPF during the year 2019-20 are as follows:

Amount of Unclaimed Dividend transferred (Rs)	Number of Shares Transferred upto 31/03/2020
5206	669

The members who have a claim on above dividends and shares

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

25. Payment of Listing and Depository Fees

Annual listing fee for the financial year 2020-21 has been paid by the Company to BSE and NSE. Annual Custody / Issuer fee is being paid by the Company based on invoices received from the Depositories

26. Means of Communication.

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

The Company has 35024 shareholders as on 31st March, 2020 and the total holding is in dematerialized form except for 13 shareholders holding physical shares.

The Annual Report consisting of Directors' Report, Auditors' Report and detailed accounts form an integral part of communication sent annually to the shareholders in physical or via email where the depository provide email addresses whereas the Annual General Meeting is a means for face to face communication. However, this year, due to the pandemic, and as permitted by the government, this report will be sent electronically only. Shareholders are requested to update the emails with the depositories or Registrar and transfer agents as the case may be.

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

The presentations made to institutional investors or to the analysts are uploaded on the website and can be viewed on the web link <http://fineotex.com/Investor-Relation.aspx>.

h. Stock Price Data:

The shares of the Company were traded as under during 2019-20.

Month	BSE			NSE		
	High (Rs.)	Low (Rs)	Turnover (Rs.in Lakh)	High (Rs.)	Low (Rs)	Turnover (Rs.in Lakh)
April 2019	45.50	37.15	225.75	45.90	37.35	2,555.59
May 2019	42.00	35.00	181.14	42.00	35.15	1,491.00
June 2019	38.70	33.95	79.29	38.80	34.05	694.05
July 2019	35.50	26.65	128.13	35.50	26.50	656.44
August 2019	29.40	21.65	120.47	29.45	22.10	807.67
September 2019	34.25	22.10	129.09	34.60	23.15	1,291.95
October 2019	28.80	23.60	87.51	28.75	24.10	578.83
November 2019	31.85	25.85	101.57	31.90	26.00	840.49
December 2019	28.45	24.10	67.85	28.40	26.90	506.88
January 2020	35.25	25.80	229.72	35.35	25.55	1,915.52
February 2020	30.70	23.50	108.86	30.90	23.50	859.05
March 2020	24.05	12.35	98.51	24.90	12.45	767.78

Source: BSE and NSE Website

27. General Shareholder Information

- a. Annual General Meeting :**
 Day and Date : Tuesday, 29th September, 2020
 Time : 5.00 p.m.
 Venue : Video Conferencing and/ Other Audio Video Means
- b. Financial Calendar for 2020-21 :**
 The Company's Financial Year is a 12 months period from April to following March.
 Period : Dates for Unaudited/ Audited Results.
 April-June 2020 : 1st Fortnight of August, 2020
 July-Sept 2020 : 1st Fortnight of November, 2020
 Oct-Dec 2020 : 1st Fortnight of February, 2021
 Jan-Mar -2021 : before 30th May, 2021
- c. Book Closure :**
 23rd September, 2020 to 29th September, 2020 (both days inclusive)
- d. Dividend :**
 Rs. 0.05 per share of FV Rs. 2/- each (Interim paid)
- e. Dividend payment date :**
 Not Applicable (Since no Final Dividend is recommended for FY 2019-20)
- f. Listing Details:**
 The Equity Shares of the Company are listed on the following Stock Exchanges

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

- g. Stock Code & Scrip Id:**
 Bombay Stock Exchange Ltd, Mumbai Code 533333
 National Stock Exchange of India Limited Id FCL
 International Securities Identification Number (ISIN) INE045J01026

i. Market Price variation in relation to BSE Sensex during 2019-20

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

Month	High (Rs.)	Low (Rs.)	BSE Sensex	BSE Sensex (Low)
April 2019	45.50	37.15	39,487.45	38,460.25
May 2019	42.00	35.00	40,124.96	36,956.10
June 2019	38.70	33.95	40,312.07	38,870.96
July 2019	35.50	26.65	40,032.41	37,128.26
August 2019	29.40	21.65	37,807.55	36,102.35
September 2019	34.25	22.10	39,441.12	35,987.80
October 2019	28.80	23.60	40,392.22	37,415.83
November 2019	31.85	25.85	41,163.79	40,014.23
December 2019	28.45	24.10	41,809.96	40,135.37
January 2020	35.25	25.80	42,273.87	40,476.55
February 2020	30.70	23.50	41,709.30	38,219.97
March 2020	24.05	12.35	39,083.17	25,638.90

j. Market Price variation in relation to NSE Nifty during 2019-20

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

Month	High (Rs.)	Low (Rs.)	NSE Nifty (High)	NSE Nifty (Low)
April 2019	45.90	37.35	11,796.75	11,549.10
May 2019	42.00	35.15	12,041.15	11,108.30
June 2019	38.80	34.05	12,103.05	11,625.10
July 2019	35.50	26.50	11,981.75	10,999.40
August 2019	29.45	22.10	11,181.45	10,637.15
September 2019	34.60	23.15	11,694.85	10,670.25
October 2019	28.75	24.10	11,945.00	11,090.15
November 2019	31.90	26.00	12,158.80	11,802.65
December 2019	28.40	26.90	12,293.90	11,832.30
January 2020	35.35	25.55	12,430.50	11,929.60
February 2020	30.90	23.50	12,246.70	11,536.70
March 2020	24.90	12.45	8,036.98	7,511.10

k. Share Transfer System

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

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

l. Dematerialisation of shares

99.99 % of total Equity Share Capital is held in dematerialized form with NSDL and CDSL as at 31st March 2020. Members can hold shares in electronic form and trade the same in Depository system. However, they may hold the same in physical form also. However, with effect from 5th December, 2018 no transfer of shares in physical form will be permitted as stipulated by SEBI.

m. Shareholding Pattern

The Shareholding Pattern of the Company as on 31st March, 2020 is as follows:

Category	No. of shareholders	No. of Equity Shares held	% of Shareholding
Promoters (Non Corporate)	10	7,55,10,070	67.84
Promoters (Corporate)	2	39,83,000	3.58
Domestic Bodies Corporate	117	17,05,814	1.53
Clearing Members	167	14,20,208	1.28
Non Resident Indians	635	14,08,809	1.27
Non Nationalised Banks	2	39,566	0.04
Directors	1	1,91,494	0.17
Financial Institutions	1	79,998	0.07
Government Companies	1	659	0.00
Public	34,821	2,69,60,382	24.22
Total	35,759	11,13,00,000	100.00

n. Distribution of shareholding

The Distribution of shareholding as on 31st March, 2020 is as follows:

Category (no. of shares)	No of shareholders	Shares held	% of share holding
1-5000	33,749	1,29,59,968	11.6442
5001-10000	1,164	42,93,606	3.8577
10001-20000	518	39,12,955	3.5157
20001-30000	140	17,45,607	1.5684
30001-40000	64	11,46,151	1.0298
40001-50000	35	8,01,006	0.7197
50001-100000	50	16,80,793	1.5101
100001- 999999999	45	8,47,59,914	76.1544
Total	35,759	11,13,00,000	100.0000

Distribution of shares held in physical form and with depositories as on 31st March, 2020:

Held with	No of shareholders (folios)	No of shares
Physical	13	2,187
National Securities Depository Limited	17,303	9,64,14,608
Central Depository Services (I) Ltd	18,443	1,48,83,205
Total	35,759	111300000

o. Company Registration number with ROC/Ministry of Corporate Affairs

: L24100MH2004PLC144295

p. Plant location

: A-699/700/684/685/687, TTC Industrial Area Mahape, New Mumbai

q. Address for correspondence

i) Registrars and Share Transfer Agents

: (For shares and dividend related queries)

Bigshare Services Private Ltd.,
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri (E), Mumbai - 400059
Phone : (022) 62638200.
Email investor@bigshareonline.com
Website : www.bigshareonline.com

ii) Company

(For any other matter, unresolved complaints)

Company Secretary
Fineotex Chemical Limited
42/43, Manorama Chambers,
S V Road, Bandra West,
Mumbai 400050

- r. E-mail** : info@fineotex.com
s. Investors Grievances : grievances@fineotex.com
t. Phone No : 022-26559174-75
u. Fax No : 022-26559178
v. Website : www.fineotex.com

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director)
DIN: 00218525

Place: Mumbai

Date: 27th July, 2020

CEO / CFO CERTIFICATE

To,
The Board of Directors
Fineotex Chemical Limited

1. We have reviewed financial statements and the cash flow statement of Fineotex Chemical Limited (the Company) for the year ended March 31, 2020 and to the best of our knowledge and belief: these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
 - i. there are no significant changes in internal controls over financial reporting during the year;
 - ii. there are no significant changes in accounting policies during the year; and
 - iii. there are no instances of significant fraud of which we have become aware.

Surendrakumar Tibrewala
Chairman and Managing Director
Mumbai 27th July, 2020

Sanjay Tibrewala
Executive Director & CFO

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, the affirmation that they have complied with the 'Code of Conduct' in respect of the financial year 2019-20.

Surendrakumar D Tibrewala
Chairman and Managing Director
Mumbai 27th July, 2020

Annexure '1'

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

Amounts outstanding as on 31st March, 2020

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

Loans, deposits, guarantees and investments made during the Financial Year 2019-20 Rs. Lakhs

Name of Entity	Relation	Amount	Particulars	Purpose for which given
Manya Steels P.Ltd.	WOS	(0.50)	Deposit	Business Purpose
Mutual Funds (net)	-	711.37	Investments	Funds management
Equity Shares (net)	-	284.59	Investments	Funds management
Guarantee	-	9.22	Given favouring customers	Business Purpose

Annexure '2'

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

Details of Contracts or arrangements or transactions not at arm's length basis							
Name of The Related Party and nature of relationship	Nature of Contract	Duration Of Contract	Salient terms	Justification for the Contract	Date(s) of Board Approval	Advance if any	Date of Special Resolution of shareholders
SurendraKumar Tibrewala -Chairman & Managing Director	Remuneration to Wholetime Director	3 years from 01/10/2019 to 30/09/2022	Remuneration upto 5% of the profits computed u/s 198 of the Companies Act, 2013 with minimum salary restricted upto 1,20,00,000/- p.a. and retirement benefits in case of Inadequate profits.	Requirement of Section 203 of Companies Act, 2013	04-06-2019	Nil	27-09-2019
SurendraKumar Tibrewala	Taking office premises on rent at Bandra	5 years from 0/04/2019 to 31/03/2024	Contract for use of premises for Office	Business requirement for Office Premises	14-05-2019	Nil	27-09-2019
Sanjay Tibrewala - Executive Director and CFO	Remuneration to Wholetime Director	3 years from 01/10/2019 to 30/09/2022	Remuneration upto 5% of the profits computed u/s 198 of the Companies Act, 2013 with minimum salary restricted upto 1,20,00,000/- p.a. and retirement benefits in case of Inadequate profits.	Requirement of Section 203 of Companies Act, 2013	04-06-2019	Nil	27-09-2019
Sanjay Tibrewala	Taking office premises on rent at Marol	5 years from 0/04/2019 to 31/03/2024	Contract for use of premises for Office at Marol, Andheri (E), Mumbai 400059	Business requirement for Office Premises	14-05-2019	Nil	27-09-2019
Aarti Jhunjhunwala	Remuneration to Wholetime Director	3 years from 14/08/2018 to 30/09/2019	Remuneration upto Rs. 2,00,000/- p.m with minimum salary restricted upto that account. and retirement benefits The upper limit was Rs. 5. Croresremoved	Requirement of Section 203 of Companies Act, 2013	14-05-2019	Nil	28-09-2018 & 27-09-2019
Kanaklata Tibrewala - relative of wholetime directors & Lady Director	Taking Office premises at Bandra, Mumbai on rent 970 sq.fet	5 years from 0/04/2019 to 31/03/2024	Deposit of Rs.60,00,000/- and Rent not exceeding Rs. 75,000/- p.m.	Business requirement for Office Premises	14-05-2019	Deposit kept	27-09-2019
Kanaklata Tibrewala - relative of wholetime directors & Lady Director	Taking factory premises at unit 701, Mahape, Navi Mumbai-3000 sq.ft	5 years from 0/04/2019 to 31/03/2024	Deposit of Rs. 75,00,000/- and rent not exceeding Rs. 40,000 p.m.	Business requirement for factory Premises	14-05-2019	Deposit kept	27-09-2019
Proton Biochem Private Limited	Directors and relatives hold 100% shares	5 years from 0/04/2019 to 31/03/2024	Sale/Purchase of goods and services of all kind with a deposit of Rs. 60 lakhs.	Business needs	14-05-2019	No	27-09-2019

FINEOTEX CHEMICAL LIMITED

Details of Contracts or arrangements or transactions at arm's length basis					
Name of The Related Party and nature of relationship	Nature of Contract	Duration Of Contract	Salient terms	Date(s) Of Board Approval	Advance if any
Fineotex Malaysia Limited (FML) Wholly owned Subsidiary	Investment / Loans and Sale / Purchase of goods and services of all kinds	5 years from 01/04/2015 to 31/03/2020	Investment as Capital of WOS and receipt of dividend. Upto Rs. 10 crores p.a.	14-05-2019	Nil
BT Chemicals SDN BHD - (subsidiary of FML) 2nd Tier Subsidiary	Investment / Loans and Sale / Purchase of goods and services of all kinds	5 years from 01/04/2015 to 31/03/2020	All types of business transactions upto Rs. 10 crores p.a.	14-05-2019 and 07-02-2020	Nil - at the start of the contract
BT Biotex SDN BHD - (subsidiary of FML) 2nd Tier Subsidiary	Investment / Loans and Sale / Purchase of goods and services of all kinds	5 years from 01/04/2015 to 31/03/2020	All types of business transactions upto Rs. 10 crores p.a.	14-05-2019	Nil - at the start of the contract
Rovatex SDN BHD - (subsidiary of FML) 2nd Tier Subsidiary	Investment / Loans and Sale / Purchase of goods and services of all kinds	5 years from 01/04/2015 to 31/03/2020	All types of business transactions upto Rs. 10 crores p.a.	14-05-2019	Nil - at the start of the contract
Manya Steels Private Limited - WOS	Investment / Loans and Sale / Purchase of goods and services of all kinds including renting and also dispose off the Company's investments - partly of fully	5 years from 01/04/2015 to 31/03/2020	All types of business transactions including partial or total sale of investment upto Rs. 10 crores p.a.	14-05-2019	Rent Deposit of Rs. 79 lakhs in 2014-15
Fineotex Specialities FZE - WOS	Investment / Loans and Sale / Purchase of goods and services of all kinds	5 years from 01/04/2015 to 31/03/2020	All types of business transactions upto Rs. 10 crores p.a.	14-05-2019	Nil
Pooja Kothari - Company Secretary	Employee	Till 29/07/2019	Company Secretary and Compliance Officer	04-04-2018	Nil
Hemant Auti - Company Secretary	Employee	14/08/2019 till superannuation	Company Secretary and Compliance Officer	13-08-2019	Nil

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director)
DIN: 00218525

Place: Mumbai

Date: 14th July, 2020

Annexure '3'

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

Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary during the year 2019-20

S. No	Name of Employee	Designation	Ratio of Remuneration of each Director to median employee	% increase in Remuneration
1.	Surendrakumar Tibrewala	CMD	24.16	17.6
2.	Sanjay Tibrewala	Executive Director & CFO	24.16	17.6
	Aarti Jhunjhunwala	Executive Director	8.52	50.0
3.	Pooja Kothari Till (27/07/2019)	Company Secretary	NaN	NANA
4.	Heman Auti From (13/08/2019)	Company Secretary	NaN	NANA

Notes:

- a. No remuneration is paid to Non-Executive Director.
- b. The Remuneration has increased as the remuneration of Executive Director was increased with the approval of the Nomination and Remuneration Committee with effect from 1st October, 2019 within the limits approved by the members at the 17th Annual General Meeting.
 1. The percentage increase in median employee for the financial year was 20%
 2. The Company has 84 permanent employees including Executive Directors
 3. Relationship between average increase in remuneration and Company's performance:
The remuneration policy of the Company's Employees is based on the philosophy to reward and drive performance culture. Every year the salary increases are decided to provide reward on the basis of market opportunity determined by benchmarking the rewards with similar profile organizations. Variable component is an important criteria which is dependent of individual performance rating, business performance and market competitiveness of the Company. The profits have come down while average increase in remuneration is 8% excluding Executive Directors.
 4. Comparison of the remuneration of the key managerial personnel against the performance of the Company:
As per the policy, increases are dependent on actual performance rating as well as the business performance and increase in scope of work entrusted. The profit after tax has come down due to pandemic. During the year the increase in staff cost is over 13%.
 5. The market capitalization has decreased to Rs. 16,417 Lakhs on 31-03-2020 due to the fall in global economy due to COVID-19. In March 2011 the shares were issued to public at Rs.70 per share of face value of Rs. 10 each. The corresponding price stood at Rs. 147.50.
 6. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year – NA
 7. The remuneration is paid as per the remuneration policy of the Company.

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director)
DIN: 00218525

Place: Mumbai

Date: 27th July, 2020

Annexure '4'

NOMINATION AND REMUNERATION POLICY

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

APPLICABLE

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

GUIDING PRINCIPLE

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

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

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

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

TERM / TENURE

a) Managing Director/Whole-time Director:

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

b) Independent Director:

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

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

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

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

EVALUATION

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

REMOVAL

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

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the

Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

- 1) Remuneration to Managing Director / Whole-time Directors:
 - a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
- 2) Remuneration to Non- Executive / Independent Directors:
 - a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
 - b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
 - c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
 - d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- 3) Remuneration to Key Managerial Personnel and Senior Management:
 - a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
 - c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

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

On behalf of Board of Directors
Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Place: Mumbai

Date: 27th July, 2020

Annexure '5'

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2020.

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

To,
The Members,

FINEOTEX CHEMICAL LTD.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by FINEOTEX CHEMICAL LIMITED (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited.
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company being in Chemical Sector as given below:
 - (I) Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards.
 - (II) Water (Prevention and Control of Pollution) Act, 1975 and Rules issued by the State Pollution Control Boards.

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent

Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period:

1. Board accepted resignation of Ms. Pooja Kothari as Company Secretary w.e.f 27th July, 2019 and appointed Mr, Hemant Auti as Company Secretary w.e.f 13th August, 2019.
2. The Company in its 16th Annual General Meeting held on Friday, 27th September, 2019 passed following resolutions:
 - a) A Ordinary Resolution for appointment of M/s. ASL & Co, Chartered Accountants (Firm Registration No. 101921W), as the Statutory Auditors of the Company and to fix their remuneration for a period of 5 (Five) years pursuant to section 139 read with Companies (Audit and Auditors) Rules, 2014.
 - b) A Special Resolution for re-appointment of Mr. Manmohan Mehta and Mr. Alok Dhanuka as Independent Director of the Company pursuant to section 149, 152 pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for a second term of period of 5 (Five) years.
 - c) A Special Resolution pursuant to Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for appointment of Mr. Surendrakumar Tibrewala as Managing Director of the Company for a period of three year from 1st October, 2019 to 30th September, 2022 and fixation of his remuneration.
 - d) A Special Resolution pursuant to Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for appointment of Mr. Sanjay Tibrewala as Whole-Time Director of the Company for a period of three year from 1st October, 2019 to 30th September, 2022 and fixation of his remuneration.
 - e) A Special Resolution for Revision in the remuneration payable to Mrs. Aarti Jhunjhunwala, as Executive Director of the Company with effect from October 1, 2019 till remaining term of appointment.
 - f) A Ordinary Resolution pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) for Ratification of Remuneration payable to Cost Auditor of the Company for the financial year ended March 31, 2020.
 - g) A Special Resolution for Raising of Funds Through Issue of Securities pursuant to Section 23, 42, 62 and other applicable provisions of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities), Rules, 2014, The Companies (Share Capital and Debentures) Rules, 2014 read with SEBI (ICDR), Regulations, 2009 and SEBI (LODR) Regulations, 2015. However, as on the date of signing of this report company has not initiated any action for giving effect to aforesaid resolution.
 - h) A Ordinary resolution for increasing its Authorised Share Capital from Rs. 23,00,00,000 (Rupees Twenty-Three Crores only) divided into 11,50,00,000 (Eleven Crores Fifty Lakhs) Equity shares of Rs. 2/- (Rupees two only) each to Rs. 28,00,00,000 (Rupees Twenty-Eight Crores only) divided into 14,00,00,000 (Fourteen Crore) equity share of Rs.2/- each by creation of additional 2,50,00,000 (Two Crore Fifty Lakh) equity shares of Rs. 2/- each ranking pari passu in all respects with the existing equity shares of the Company and subsequent changes were made to MOA and AOA of the Company.
 - i) A Special Resolution pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of Regulations 23 of the SEBI (LODR) Regulations, 2015 for entering into transactions with Related Parties.
3. Company ratified the Interim Dividend during the Annual General Meeting which was declared for the Financial Year 2018-19. Board declared and paid Interim dividend of Rs. 0.05 (Rupees Five paise Only) i.e 2.5% per equity share of Rs. 2 (Rupees Two) fo the Financial Year 2019-20 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014. Board transferred 210 (Two-Hundered and Ten) equity shares and Rs.5206 (Rupees Five Thousand and Six) as unpaid and unclaimed dividend to IEPF authority for the financial year ended 2011-2012 pursuant to section 124(5) of

the Companies Act, 2013 read with applicable rules made thereunder.

4. Board appointed one its employees, a commerce graduate and semi-qualified as Internal Auditor of the Company pursuant to section 138 of the Companies Act, 2013..

For **HS Associates**
Company Secretaries

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

Date: 27th July, 2020

Place: Mumbai

ICSI UDIN: F002827B000512314

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

ANNEXURE - I

To,

The Members,

FINEOTEX CHEMICAL LTD.

Our report of even date is to be read along with this letter.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. This report is based on data received from the Company partially through electronic mode as physical verification of the data and corresponding documents could not be accessed during the course of audit due to the ongoing nationwide lockdown on account of COVID-19 pandemic

For **HS Associates**
Company Secretaries

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

Date: 27th July, 2020

Place: Mumbai

ICSI UDIN: F002827B000512314

Annexure '6'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	Brief outline of Company's CSR Policy	:	The policy encompasses the company's philosophy for outlining its social responsibility and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. It was adopted by the Board on 23rd September, 2014.
2.	Composition of Committee	:	Mr. Surendrakumar Tibrewala - Chairman Mr. Sanjay Tibrewala - Member Mr. Manmohan Mehta - Member (Independent Director) The Committee met four times in the year
3.	Average Net Profits of the Company for last 3 years	:	Rs. 2,462.89 Lakhs
4.	Prescribed CSR Expenditure (2% of Item 3)	:	Rs. 49.25 Lakhs
5.	Details of Amount spent	:	Rs. 49.00 Lakhs
6.	Amount spent for following activities		

- a. Education of any persons and enable them to earn an independent livelihood and thereby become useful and efficient citizen of India.
- b. Rendering help/assistance to deserving persons by payment of fees, allowances, scholarship for the purpose of education.
- c. Rendering help to deserving persons for medical purpose, to run hospitals, aushadalayas, maternity homes, sanitoriums, dispensaries, family welfare citizens.
- d. Render financial help in establishing, conducting and maintaining houses for old aged and needy persons.
- e. To provide financial assistance and supply items of necessity like food, clothing, medicine etc. for running and maintenance of houses for destitute, aged persons/retired needed persons.
- f. Organize re-habilitation of destitute, old age persons wherever possible and provide assistance in cash.
- g. To look after family planning centres and nursing homes/ run eye bank, blood bank, organ banks etc.
7. The funds have been given to recognized trusts which carry out these activities. The Committee would in co-ordination through the Trustees would make best efforts to keep track that the expenses are utilized on an overall basis towards the objectives for which they have to be used.

8. CSR Committee Responsibility statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company. The Company could not spend Rs.0.25 lakhs due to lockdown at the year end.

For and on behalf of the Board
Surendrakumar Tibrewala
 (Chairman & Managing Director)
 CSR Committee Member
 DIN: 00218394

Place: Mumbai

Date: 27th July, 2020

Annexure '7'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION AND OTHER DETAILS

Company Identification Number (CIN)	L24100MH2004PLC144295
Registration Date	30-01-2004
Name of Company	FINEOTEX CHEMICAL LIMITED
Category/Sub-category of the Company	PUBLIC LIMITED COMPANY Limited by Shares
Address of the Registered Office and Contact details	42/43, Manorama Chambers, SV Road, Bandra (West), Mumbai 400050. Tel. No. 022-26559174-77 Fax 022-26559178 info@fineotex.com; www.fineotex.com
Whether Listed Company	LISTED
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai 400059. Tel: (+91-22) 62638200 E-mail : investor@bigshareonline.com, www.bigshareonline.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	% to total turnover of the company
1	Manufacture of Chemical products or preparations of a kind used in the textile and like industries in processing of textile products.	20297	100.00%

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	Fineotex Malaysia Limited		Subsidiary	100.00	2(87)
2	Rovatex Sdn Bhd		Subsidiary	74.76	2(87)
3	BT Biotex Sdn Bhd		Subsidiary	72.38	2(87)
4	BT Chemical Sdn Bhd		Subsidiary	71.92	2(87)
5	Fineotex Specialities Bhd		Subsidiary	100.00	2(87)
6	Manya Steels Private Limited	U24200MH2009PTC195660	Subsidiary	100.00	2(87)

IV. SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total equity)

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(I) Indian										
(a) Individual/ HUF	7,55,10,070	-	7,55,10,070	68%	7,55,10,070	-	7,55,10,070	68%	-	
(b) Central Govt	-	-	-	0%	-	-	-	0%	-	
(c) State Govt(s)	-	-	-	0%	-	-	-	0%	-	
(d) Bodies Corp.	39,83,000	-	39,83,000	4%	39,83,000	-	39,83,000	4%	-	
(e) Banks / FI	-	-	-	0%	-	-	-	0%	-	
(f) Any other	-	-	-	0%	-	-	-	0%	-	

Category of Shareholder	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub Total (A) (1)	7,94,93,070	-	7,94,93,070	71%	7,94,93,070	-	7,94,93,070	71%	-
(2) Foreign									
(a) NRI Individuals	-	-	-	0%	-	-	-	0%	-
(b) Other Individuals	-	-	-	0%	-	-	-	0%	-
(c) Bodies Corp.	-	-	-	0%	-	-	-	0%	-
(d) Any other	-	-	-	0%	-	-	-	0%	-
Sub Total (A) (2)	-	-	-	0%	-	-	-	0%	-
TOTAL (A)	7,94,93,070	-	7,94,93,070	71%	7,94,93,070	-	7,94,93,070	71%	-
(B) Public shareholding									
1. Institutions									
(a) Mutual Funds	-	-	-	0%	-	-	-	0%	-
(b) Banks / FI	1,52,231	-	1,52,231	0%	1,19,564	-	1,19,564	0%	(0.21)
(c) Central Govt	-	-	-	0%	659	-	659	0%	-
(d) State Govt(s)	-	-	-	0%	-	-	-	0%	-
(e) Venture Capital Funds	-	-	-	0%	-	-	-	0%	-
(f) Insurance Companies	-	-	-	0%	-	-	-	0%	-
(g) FII's	-	-	-	0%	-	-	-	0%	-
(h) Foreign Venture Capital Funds	-	-	-	0%	-	-	-	0%	-
(i) Others (specify)	-	-	-	0%	-	-	-	0%	-
Sub-total (B)(1):-	1,52,231	-	1,52,231	0%	1,20,223	-	1,20,223	0%	(0.21)
2. Non-Institutions									
(a) Bodies Corp.	-	-	-		-	-	-		
(i) Indian	22,39,044	-	22,39,044	2%	25,57,682	-	25,57,682	2%	0.14
(ii) Overseas	-	-	-	0%	-	-	-	0%	-
(b) Individuals	-	-	-		-	-	-		
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,49,66,579	2,221	2,49,68,800	22%	2,41,73,588	2,187	2,41,75,775	22%	(0.03)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	17,34,741	-	17,34,741	2%	21,24,233	-	21,24,233	2%	0.22
(c) Others (specify)	-	-	-		-	-	-		
Non Resident Indians	-	-	-	0%	-	-	-	0%	-
Overseas Corporate Bodies	-	-	-	0%	-	-	-	0%	-
Foreign Nationals	-	-	-	0%	-	-	-	0%	-
Clearing Members	13,68,140	-	13,68,140	1%	14,20,208	-	14,20,208	1%	0.04
Trusts	-	-	-	0%	-	-	-	0%	-
Non Resident Indians Repatriable	10,66,617	-	10,66,617	1%	-	-	-	0%	(1.00)
Non Resident Indians Non Repatriable	2,77,357	-	2,77,357	0%	3,17,692	-	3,17,692	0%	0.15
(d) Foreign Bodies - D R	-	-	-	0%	10,91,117	-	10,91,117	1%	-
Sub-total (B)(2):-	3,16,52,478	2,221	3,16,54,699	28%	3,16,84,520	2,187	3,16,86,707	28%	0.00
Total Public (B)	3,18,04,709	2,221	3,18,06,930	29%	3,18,04,743	2,187	3,18,06,930	29%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0%	-	-	-	0%	-
Grand Total (A+B+C)	11,12,97,779	2,221	11,13,00,000	100%	11,12,97,813	2,187	11,13,00,000	100%	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2019)			Shareholding at the end of the year (March 31, 2020)			% change in shareholding 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	SURENDRAKUMAR TIBREWALA	68655830	61.69	-	68655830	61.69	-	-
2	KANAKLATA TIBREWALA	3281700	2.95		3281700	2.95	-	-
3	SANJAY TIBREWALA	3213990	2.89		3213990	2.89	-	-
4	SURENDRAKUMAR TIBREWALA HUF	345500	0.31		345500	0.31		
5	RITU ADITYA GUPTA	11000	0.01		11000	0.01		
6	NIDHI TIBREWALA	1000	0.00		1000	0.00		
7	MITESH VINOD JHUNJHUNWALA	1000	0.00		1000	0.00		
8	AARTI MITESH JHUNJHUNWALA	50	0.00		50	0.00		
9	KAMAL CHEMICALS PVT. LTD.	2954500	2.65		2954500	2.65		
10	PROTON BIOCHEM PVT LTD	1028500	0.92		1028500	0.92	-	-
	TOTAL	7,94,93,070	71.42	-	7,94,93,070	71.42	-	-

(iii) Change in Promoters' Shareholding - There is no change in promoters holdings during the year

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs): NA

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year (April 01, 2018)		Cumulative Shareholding during the year (March 31, 2019)	
				No. of shares	% of total shares	No. of shares	% of total shares
1	ARCADIA SHARE AND STOCK BROKERS PVT LTD-PROPRIETARY A/C						
	At the beginning of the year			8,31,116	0.75%	8,31,116	0.75%
	Bought during the year			2,68,913	0.24%	11,00,029	0.99%
	Sold during the year			(2,39,779)	-0.22%	8,60,250	1.20%
	At the end of the year				0.00%	8,60,250	0.77%
2	SHAKTI CHOUBE						
	At the beginning of the year			3,48,000	0.31%	3,48,000	0.31%
	Bought during the year			18,000	0.02%	3,66,000	0.33%
	Sold during the year			(3,66,000)	-0.33%	-	0.00%
	At the end of the year				0.00%	-	0.00%
3	KARVY STOCK BROKING LTD(BSE)						
	At the beginning of the year			2,64,785	0.24%	2,64,785	0.24%
	Bought during the year			59,583	0.05%	3,24,368	0.29%
	Sold during the year			(3,09,969)	-0.28%	14,399	0.01%
	At the end of the year				0.00%	14,399	0.01%
4	YASH MANAGEMENT AND SATELLITE LTD.						
	At the beginning of the year			2,48,762	0.22%	2,48,762	0.22%
	Bought during the year			3,32,534	0.30%	5,81,296	0.52%
	Sold during the year			-	0.00%	5,81,296	0.52%
	At the end of the year				0.00%	5,81,296	0.52%
5	ALKA AGRAWAL						
	At the beginning of the year			2,10,000	0.19%	2,10,000	0.19%
	Bought during the year			2,00,000	0.18%	4,10,000	0.37%
	Sold during the year			(4,10,000)	-0.37%	-	0.00%
	At the end of the year				0.00%	-	0.00%

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year (April 01, 2018)		Cumulative Shareholding during the year (March 31, 2019)	
				No. of shares	% of total shares	No. of shares	% of total shares
6	M VENKATESWARA RAO						
	At the beginning of the year			2,05,400	0.18%	2,05,400	0.18%
	Bought during the year			-	0.00%	2,05,400	0.18%
	Sold during the year			-	0.00%	2,05,400	0.18%
	At the end of the year				0.00%	2,05,400	0.18%
7	P RAMA KRISHNA RAO						
	At the beginning of the year			1,81,585	0.16%	1,81,585	0.16%
	Bought during the year			-	0.00%	1,81,585	0.16%
	Sold during the year			(564)	0.00%	1,81,021	0.16%
	At the end of the year				0.00%	1,81,021	0.16%
8	Arihants Securities Limited						
	At the beginning of the year			1,60,000	0.14%	1,60,000	0.14%
	Bought during the year			-	0.00%	1,60,000	0.14%
	Sold during the year			(5,000)	0.00%	1,55,000	0.14%
	At the end of the year				0.00%	1,55,000	0.14%
9	KISHORE SHETTY						
	At the beginning of the year			1,49,570	0.13%	1,49,570	0.13%
	Bought during the year			-	0.00%	1,49,570	0.13%
	Sold during the year			(1,49,570)	-0.13%	-	0.00%
	At the end of the year				0.00%	-	0.00%
10	EDELWEISS CUSTODIAL SERVICES LIMITED						
	At the beginning of the year			1,38,309	0.12%	1,38,309	0.12%
	Bought during the year			1,60,242	0.14%	2,98,551	0.27%
	Sold during the year			(2,63,368)	-0.24%	35,183	0.50%
	At the end of the year				0.00%	35,183	0.03%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Bought /(Sold) during the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares			No. of shares	% of total shares
1	Surendrakumar D Tibrewala			6,86,55,830	61.69%			6,86,55,830	61.69
2	Sanjay Tibrewala			32,13,990	2.89%			32,13,990	2.89
3	Aarti Jhunjhunwala			50	0.00%			50	0.00
4	Manmohan Mehta	06-Mar-2020		-	0.00%	64765	0.06%	64,765	0.06
		13-Mar-2020		-	0.00%	32000	0.03%	96,765	0.09
		20-Mar-2020		-	0.00%	83000	0.07%	1,79,765	0.16
		24-Mar-2020		-	0.00%	33906	0.03%	2,13,671	0.19
		27-Mar-2020					(22,195)	-0.02%	1,91,476
5	Navin Mittal			NIL	0.00%			NIL	-
6	Alok Dhanuka			NIL	0.00%			NIL	-
7	Pooja Kothari			NIL				NIL	
8	Hemant Auti			NIL				NIL	

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	2,19,25,848	-	-	2,19,25,848
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,19,25,848	-	-	2,19,25,848
Change in Indebtedness during the financial year				
* Addition	86,88,947	-	-	86,88,947
* Reduction	11,44,840	-	-	11,44,840
Net Change	75,44,107	-	-	75,44,107
Indebtedness at the end of the financial year				
i) Principal Amount	2,94,69,955	-	-	2,94,69,955
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,94,69,955	-	-	2,94,69,955

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (Rs.)
		Surendrakumar d Tibrewala	Sanjay Tibrewala	Aarti Jhunjhunwala	
	Designation	Chairman & MD	Execurive Direcor & CFO	Executive Director	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	83,40,000.00	83,40,000.00	29,40,000.00	1,96,20,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	83,40,000.00	83,40,000.00	29,40,000.00	1,96,20,000.00
	Ceiling as per the Act	1,20,00,000.00	1,20,00,000.00	1,20,00,000.00	3,60,00,000.00

B. Remuneration to Other Directors:

Sr. No.	Particulars of Remuneration	Name of Director			Total Amount (Rs.)
		Manmohan mehta	Navin Mittal	Alok Dhanuka	
1.	Independent Directors				
	Fee for attending board committee meetings	30,000.00	30,000.00	30,000.00	90,000.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	30,000.00	30,000.00	30,000.00	90,000.00
2.	Other Non-Executive Directors	NA	NA	NA	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	30,000.00	30,000.00	30,000.00	90,000.00
	Total Managerial Remuneration				1,97,10,000.00
	Overall Ceiling as per the Act				3,66,00,000.00

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs.)
		Sanjay Tibrewala	Ms Pooja Kothari	Mr. Hemant Auti	
	Designation	CFO	Company Secretary (upto 29/07/2019)	Company Secretary (from 13/08/2019)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	88,810.00	3,00,050.00	3,88,860.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	88,810.00	3,00,050.00	3,88,860.00

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	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

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

To
The Members of
Fineotex Chemical Limited

The Corporate Governance Report prepared by Fineotex Chemical Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2020 pursuant to the Listing Agreement of the Company with the National Stock Exchange Limited and Bombay Stock Exchange Limited (collectively referred to as the "Stock Exchanges").

Management's Responsibility

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

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether for the year ended March 31, 2020 the Company has complied, with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

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

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

Opinion

In our opinion, based on our examination of the relevant records and to the best of our information and according to explanations given to us, and representations provided by the management, we certify that, the Company, has complied with the conditions of Corporate Governance as stipulated, in the above-mentioned Listing Regulations, except Regulation 24(1) for appointing at least one independent director from the board of directors of the listed entity, on the board of directors, of its one unlisted material subsidiary company incorporated outside India, during the year ended March 31, 2020.

Other Matters and Restriction on use

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

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, for the year ended March 31, 2020, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

(Manish Pansari)
Partner
Membership No.: 137974

Place : Mumbai
Date : July 14, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	Surendrakumar Deviprasad Tibrewala	00218394	30/01/2004
2.	Sanjay Surendra Tibrewala	00218525	30/01/2004
3.	Manmohan Ranjitsingh Mehta	00391964	31/12/2007
4.	Navin Bhimsen Mittal	03555295	02/09/2011
5.	Alok Shashikant Dhanuka	06491610	11/02/2013
6.	Aarti Mitesh Jhunjhunwala	07759722	14/08/2018

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 **HS Associates**
Company Secretaries

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

Date: 27th July, 2020
Place: Mumbai
ICSI UDIN: F002827B000512336

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:
L24100MH2004PLC144295.
- Name of the Company: **Fineotex Chemical Limited**
- Registered address: **42/43, Manorama Chambers, Swami Vivekananda Road, Bandra (West), Mumbai- 400 050.**
- Website: **www.fineotex.com**
- E-mail id: **fineotex@fineotex.com**
- Financial Year reported: **1st April, 2019 to 31st March, 2020**
- Sector(s) that the Company is engaged in (industrial activity code-wise)

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service
1.	Specialty Chemicals for Textile Processing	20297

- List three key products/services that the Company manufacturers/ provides (as in the balance sheet):
 - Finishing Textiles Processing Chemicals
 - Printing Textiles Processing Chemicals
 - Dyeing Textiles Processing Chemicals
- Total number of locations where business activity is undertaken by the Company
 - Number of International locations: 1
 - Number of National Locations:

Plant manufacturing facilities	6
Administrative offices	1
 - Regional Offices in India: 2
- Markets served by the Company – Local/State/ National/ International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Rs. in lakhs

1	Paid up Capital (INR)	2,226
2	Total Turnover (INR)	12,885
3	Total profit after taxes 2019-20 (INR)	1,078

4	Total budgeted expenditure on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	CSR spend, as per Section 135 read with Schedule VII of the Companies Act, 2013, is Rs. 49.25 lakhs (i.e. 2% of the average profit for last three years)
5	List of activities in which expenditure in above has been incurred	i) Environment Protection and Sustainability ii) Promoting education and vocational skills iii) Preventive healthcare and Sanitation iv) Eradicating extreme hunger v) Medical services to tribal population below poverty line.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?

The Company has one wholly owned Indian Subsidiary Manya Steels Private Limited and two wholly owned foreign subsidiaries – Fineotex Malaysia Limited (FML) in Malaysia and Fineotex Specialities FZE in UAE.FML has three subsidiaries.

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

No. Manya Steels Private Limited has very limited activity.

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

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

SECTION D: BR INFORMATION

- Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	00218525
2.	Name	Sanjay Tibrewala
3.	Designation	Executive Director & CFO
4.	Telephone number	022 - 2655 9175
5.	e-mail id	sanjay@fineotex.com

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

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

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability;
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;
- P3 Businesses should promote the wellbeing of all employees;
- P4 Businesses should respect the interests of, and be responsive

towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized;

- P5 Businesses should respect and promote human rights;
- P6 Business should respect, protect, and make efforts to restore the environment;
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner;
- P8 Businesses should support inclusive growth and equitable development;
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

Details of compliances

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies and consultation are continuing and the policies too are in the evolving stage.								
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		a. Section 135 of the Companies Act, 2013 and CSR Rules thereof. b. Health, Safety and Environmental Policy c. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 d. ISO14001 Environmental Management System e. ISO 9001 for quality f. SA 8001 for Occupational Health and Safety								
4.	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Indicate the link for the policy to be viewed online	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All applicable policies relevant to external stakeholders are hosted on FCL website- www.fineotex.com , on following address: a. Code of conduct b. Fraud Prevention Policy c. Protect and Sustain Policy d. Quality, Environment, Health and Safety Policy e. Health, Safety and Environmental Policy f. Policy of Determination of Material and Price Sensitive Information and Disclosure Obligations www.fineotex.com g. Policy for determination of Material Subsidiary h. Policy for prevention of insider trading in the securities of the Company i. Whistle Blower Policy j. CSR Policy								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The setting up of policy and its implementation is evolving by trial and error method. Hence the stage has not reached for audit of the same. Suggestions from the stakeholders is welcomed.								

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

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

2. Governance related to BR

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

Reporting of BR initiatives and its implementation have been made mandatory for the Company since very recently. The Company is in the process initiating policies, processes, interaction with stakeholders and implementation of these initiatives

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

FCL is publishing Business Responsibility Report for the first time for this year. The applicability of the same was for since. .

SECTION 3 – PRINCIPLE WISE PERFORMANCE

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

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

No.

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

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

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

There were no complaints. :

Stakeholder	No. of Complaint received	No. of Complaint resolved	% Resolved
Shareholder's Complaints	-	-	100%
Customers/Consumers	-	-	100%
Related to services, tenders and through Public Grievance Redressal	-	-	100%
Vigilance	-	-	100%
RTI	-	-	100%
Workers Grievance	-	-	100%

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

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

The Company does not have a standardized product.

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

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

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

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

This is the continuous need for continued modification and request for improving their operation performances that changes are necessitated in our product deliverables. Does the Company have procedures in place for sustainable sourcing (including transportation)?

3. **Does the Company have procedures in place for sustainable sourcing of raw material as well as sale products (including transportation)?**

Company's raw materials are mainly basic manufactured chemicals and not natural materials whose sustainability would affect natural imbalance in case of ruthless utilization.

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

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

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

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

Principle 3: Businesses should promote the wellbeing of all employees–

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

The total number of employees as on 31.03.2020 are 94.

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

The total number of employees hired on temporary/ contractual/ casual basis as on 31.03.2020 are 15.

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

The total number of permanent women employees as on 31.03.2020 are 24.

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

The total number of employees with disabilities as on 31.03.2020 are nil.

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

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

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

The Company has no recognised employee association.

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

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

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

Sr. No.	Safety & skill up gradation training	Total Employees	Employees Trained	% Employees Trained
		Total employees	Trained	%
1	Permanent Employees	94	2564	100
2	Permanent Women Employees	24	24	100
3	Casual/Temporary/ contractual employees	15	15	100
4	Employees with Disabilities	NA	NA	NA

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

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

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

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

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

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

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

Principle 5: Businesses should respect and promote human rights

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

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

FCL's Subsidiaries, Associatess/Suppliers/Contractors/NGOs/ Others are separate legal entities having their own policies and procedure. Hence, none of these companies are covered by RCF Policy on human rights etc.

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

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

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

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

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

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

FCL's Policy of Health, Safety and Environment covers the Company. By implementing protect & sustain stewardship purpose of IFA the policy covers suppliers, contractors, NGO's & Farmers.

3. 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.

Yes. FCL is publishing Business Responsibility Report from this year and it can be accessed from the link: <http://www.fineotex.com/>

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

Yes. Company identifies and assesses potential environment risks by evaluating operating plants, processws, storages through implementing ISO14001 Environmental Management System.

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

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

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

The consumption of power and fuel is limited and not significant.

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

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

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

Nil.

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

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

Yes, your Company is a member of

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

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

No.

3. If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development

Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

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

- Governance and Administration
- Economic Reforms, Inclusive Development Policies
- Water and Food Security for the country
- Principles for Sustainable Business
- Energy security

Principle 8: Businesses should support inclusive growth and equitable development

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

Yes, the Company has specified programs in support of inclusive growth and equitable development. It is the endeavor of the company to ensure that there is continuous improvement in its economic, environmental and social performance as the tagline of the company reads as “let us grow together”. At our company employees are recognized based on their merit and skill and nobody is differentiated on the basis of cast, creed, gender and/ or religion. All CSR programmes of the company are towards downtrodden and weaker strata of the society, which includes education, sanitation, nutrition, drinking water projects etc. The details of CSR.

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

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

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

No but are checking if the activities are carried on.

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

The total contribution towards CSR for the year 2019-20 is Rs. 49.00 lakhs.. The details of projects have been provided in Annexure 6 of the Directors Report.

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

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

The details on “Corporate Social Responsibility’ are provided in Annexure 6.

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

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

Nil.

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

Our products are predominantly for industrial use and there is no such requirement for suitable and required precautions to be taken, like product application procedure, recommended dozes, storing guidance etc.

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

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

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

No consumer survey was conducted during 2019-20. However in FCL, we access the level of consumers’ satisfaction towards the Organization’s Products & Services at various extension platforms such as trade fairs. Predominantly our product service involve active and joint participation to evaluate the performance of our product in the operating processes of our customers and attempt to give them solutions for improving their results.

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director)
DIN: 00218525

Place: Mumbai

Date: 27th July, 2020

Independent Auditor's Report To the Members of Fineotex Chemical Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **FINEOTEX CHEMICAL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2020, and its Profit (financial performance including other comprehensive income), the changes in equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note No 41 (a) (iv) of the standalone financial statements which explains the impact of COVID-19 pandemic on the Company's operations and financial statements. The actual Impact is dependent on future developments, which are highly uncertain.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole,

and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the standalone financial statements and our auditors report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

- (i) Due to lock down since 24th March 2020 imposed by the Government, year-end inventory could not be physically verified by the Company. The management was able to perform year end physical verification of inventories, subsequent to the year end.

Also we were not able to physically observe the verification of inventory that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion on these Statement.

Our Opinion is not modified in respect of this matter.

- (ii) The Ind AS financial statements of the Company for the year ended March 31, 2019, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 14, 2019.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b). In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c). The standalone financial statements dealt with by this Report are in agreement with the books of account;
 - (d). In our opinion, the aforesaid standalone financial statements

comply with the Ind AS specified under Section 133 of the Act;

- (e). On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;
- (g). With respect to the matter to be included in the Auditors Report under Section 197(16), in our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of and not in excess of limits laid down under Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us;
- (h). With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company does not have any pending litigations which would impact its financial position.
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2020.

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

(Manish Pansari)
Partner
Membership No. : 137974

Place: Mumbai
Date: July 14, 2020

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FINEOTEX CHEMICAL LIMITED FOR THE YEAR ENDED 31ST MARCH 2020.

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under. Matters specified in clauses (iii)(a)(b)(c),(v), ,(ix),(xii),(xiv),(xv) & (xvi) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 do not apply to the Company. Accordingly no comments have been made on the matters not applicable to the company.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (b) As per the information and explanations given to us, property, plant and equipment have been physically verified by the management at the reasonable intervals having regards to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As per the information and explanations given to us, the inventory, has been physically verified by the management during the year at reasonable intervals. In our opinion and according to the information and explanations given to us, the discrepancies noticed on verification between the physical stock and the book records were not material and the same have been properly dealt with in the books of account. Also Refer "Other Matter" Paragraph above of the main audit report.
- (iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships other parties covered in the register maintained under section 189 of the Act
- (iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
- (v) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vi) (a) As per the records of the Company and according to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues, to the extent applicable to it.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, Goods and service tax, duty of customs and duty of excise duty, value added tax as at March 31, 2020 which have not been deposited on account of any dispute.
- (vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government and has not issued any debentures.
- (viii) To the best of our knowledge and as per information and explanations given by the management, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year under review.
- (ix) According to the information and explanations given to us and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (x) According to the records of the Company and as per the information and explanations given to us, the transactions of the Company with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013, where applicable, and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.

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

(Manish Pansari)
Partner

Place: Mumbai
Date: July 14, 2020

Membership No. : 137974

ANNEXURE “B” REFERRED TO IN PARAGRAPH 2 (F) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FINEOTEX CHEMICAL LIMITED FOR THE YEAR ENDED 31ST MARCH 2020.

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

We have audited the internal financial controls with reference to the financial statements of Fineotex Chemical Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the

financial statements, whether due to fraud or error.

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

Meaning of Internal financial controls with reference to the financial statements

A company’s internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

Opinion

In Our opinion, to the best of our information and according to the explanations given to us, and matter described in “Emphasis of Matter” paragraph above, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

(Manish Pansari)
Partner

Place: Mumbai
Date: July 14, 2020

Membership No. : 137974

FINEOTEX CHEMICAL LIMITED

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
<u>Non - Current Assets</u>			
Property, Plant & Equipment	3	2,927.76	2,468.76
Capital Work in Progress	3	48.35	-
Investment Property	3	378.57	378.57
Financial Assets			
Investments	4	5,331.32	5,259.92
Others	5	292.41	329.98
Deferred Tax Assets (Net)	6	55.46	-
Current Tax Assets (Net)	7	-	79.65
Other Non - Current Assets	8	420.10	392.03
Total Non - Current Assets		9,453.97	8,908.90
<u>Current Assets</u>			
Inventories	9	1,293.14	1,380.82
Financial Assets			
Investments	10	849.57	494.18
Trade Receivables	11	3,908.27	3,451.47
Cash & Cash Equivalents	12	200.02	199.18
Bank Balance other than above	13	55.01	41.32
Other Financial Assets	14	1.69	1.94
Other Current Assets	15	661.32	736.16
		6,969.01	6,305.08
Asset Classified as Held for Sale	16	720.69	720.69
Total Current Assets		7,689.71	7,025.77
TOTAL ASSETS		17,143.68	15,934.67
EQUITY AND LIABILITIES			
<u>EQUITY</u>			
Equity Share Capital	17	2,226.00	2,226.00
Other Equity	18	12,526.30	11,616.59
TOTAL EQUITY		14,752.30	13,842.59
<u>LIABILITIES</u>			
<u>Non - Current Liabilities</u>			
Financial Liabilities			
Borrowings	19	-	10.22
Other Financial Liabilities	20	49.64	45.20
Provisions	21	5.50	4.51
Deferred Tax Liability (Net)	6	-	18.41
Total Non - Current Liabilities		55.14	78.33
<u>Current Liabilities</u>			
Financial Liabilities			
Borrowings	22	284.48	197.59
Trade Payables	23	-	-
Dues to Micro and Small Enterprises		-	-
Dues to Others		1,788.62	1,496.76
Other Financial Liabilities	24	17.11	18.86
Other Current Liabilities	25	224.53	288.76
Provisions	26	13.38	11.79
Current Tax Liabilities (Net)	27	8.12	-
Total Current Liabilities		2,336.24	2,013.75
TOTAL LIABILITIES		2,391.38	2,092.08
TOTAL EQUITY AND LIABILITIES		17,143.68	15,934.67
CORPORATE INFORMATION	1		
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NOTES ON ACCOUNTS	3 to 48		

As per our report of even date attached

For and on behalf of the Board of Directors

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

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

(Manish Pansari)
Partner
Membership No. 137974

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Hemant Auti
Company Secretary
M.No. ACS:A51703

Mumbai, 14 July 2020

Mumbai, 14 July 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. In Lakhs)

Particulars	Note. No.	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from Operations	28	12,885.41	11,263.63
Other Income	29	325.62	97.06
Total Income		13,211.03	11,360.69
Expenses			
Cost of Material Consumed	30	7,660.41	6,691.67
Changes in Inventories of Finished Goods / Stock in Trade	31	(86.66)	(73.05)
Employee Benefit Expenses	32	692.35	594.13
Finance Cost	33	28.98	57.10
Depreciation and Amortization	3	111.11	94.25
Other Expenses	34	1,839.47	1,520.48
Total Expenses		10,245.66	8,884.57
Profit Before Exceptional Item		2,965.37	2,476.12
Exceptional Item - Income\Expense)	35	(1,262.25)	16.54
Profit Before Tax		1,703.12	2,492.65
Tax Expenses			
Current Tax		724.40	732.00
Deferred Tax		(73.54)	34.79
(Excess) / Short Provision of Earlier Years		(25.38)	(6.43)
Total Tax Expense		625.48	760.36
Profit After Tax		1,077.64	1,732.29
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Defined Benefit Plans		(1.31)	(0.59)
Income Tax related to above		0.33	0.17
Total Other Comprehensive Income for the year		(0.98)	(0.42)
Total Comprehensive Income for the year		1,076.66	1,731.87
Earnings Per Share - Basic & Diluted (₹)		0.97	1.56
CORPORATE INFORMATION	1		
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As per our report of even date attached

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

(Manish Pansari)
Partner
Membership No. 137974

Mumbai, 14 July 2020

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Mumbai, 14 July 2020

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Company Secretary
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FINEOTEX CHEMICAL LIMITED

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit / (Loss) Before Tax	1,703.12	2,492.65
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Depreciation & Amortization	111.11	94.25
Finance Cost	28.98	57.10
Interest Income	(33.24)	(26.11)
Dividend Income	(181.61)	(9.45)
(Gain) / Loss on Fair Valuation of Investments	1,262.25	(69.98)
Actuarial Valuation of Gratuity	(1.31)	(0.59)
Unrealized Foreign Exchange Loss / (Gain)	(5.82)	4.36
Operating Profit Before Changes in Working Capital	2,883.48	2,542.23
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	(456.80)	(1,232.97)
(Increase) / Decrease in Inventories	87.68	(192.58)
(Increase) / Decrease in Other Current Financial Assets	0.24	0.45
(Increase) / Decrease in Other Current Assets	74.84	(475.35)
(Increase) / Decrease in Other Non - Current Financial Assets	37.57	(29.93)
(Increase) / Decrease in Other Non - Current Assets	(28.07)	0.41
Increase / (Decrease) in Trade Payables	291.86	361.32
Increase / (Decrease) in Other Current Financial Liabilities	(1.74)	(27.20)
Increase / (Decrease) in Other Current Liabilities	(64.22)	166.26
Increase / (Decrease) in Provisions	1.59	2.06
Increase / (Decrease) in Provisions- Non Current	0.99	0.25
Increase / (Decrease) in Other Non - Financial Liabilities	4.44	7.19
	(51.63)	(1,420.09)
Cash Generated from Operations	2,831.85	1,122.13
Less: Taxes Paid (Net of refund received)	(611.26)	(777.75)
NET CASH FLOW FROM OPERATING ACTIVITY (A)	2,220.60	344.39
B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Property, Plant & Equipment & Intangible Assets	(618.47)	(765.29)
Investments (purchased) / sold (net) in securities	(1,333.65)	1,067.40
Movement in other bank balance	(13.68)	29.02
Interest Received	33.24	26.11
Dividend Received	181.61	9.45
NET CASH FLOW FROM INVESTING ACTIVITY (B)	(1,750.95)	366.69

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
C.	<u>CASH FLOW FROM FINANCING ACTIVITY</u>		
	Increase / (Decrease) in Long Term Borrowings	(10.22)	(11.45)
	Finance Cost	(28.98)	(57.10)
	Corporate Dividend paid	(166.95)	-
	NET CASH FLOW FROM FINANCING ACTIVITY (C)	(206.14)	(68.55)
D.	<u>NET CASH FLOW FOR THE YEAR (A + B + C)</u>	263.50	642.52
	Add: Opening Balance of Cash & Cash Equivalents	495.77	(142.39)
	Add: Effects of exchange loss/(gain) on cash and cash equivalents	5.82	(4.36)
	CLOSING BALANCE OF CASH & CASH EQUIVALENTS	765.10	495.77

Note :

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

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH AND CASH EQUIVALENT COMPRISES AS UNDER:		
Balance with banks in current accounts	188.29	185.45
Cash on Hand	11.73	13.73
CASH AND CASH EQUIVALENT (REFER NOTE 12)	200.02	199.18
Add : Investment in liquid mutual funds (Refer Note 10)	849.57	494.18
Working Capital Facility from Bank (Refer Note 22)	(284.48)	(197.59)
CASH AND CASH EQUIVALENT IN CASH FLOW STATEMENT	765.10	495.77

As per our report of even date attached

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

(Manish Pansari)
Partner
Membership No. 137974

Mumbai, 14 July 2020

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14 July 2020

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Hemant Auti
Company Secretary
M.No. ACS:A51703

FINEOTEX CHEMICAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity Share Capital

(Rs. In Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting year	11,13,00,000	2,226.00	11,13,00,000	2,226.00
Add: Changes in Equity Capital during the year	-	-	-	-
Balance at the end of the reporting year	11,13,00,000	2,226.00	11,13,00,000	2,226.00

B. Other Equity

(Rs. In Lakhs)

	Reserves & Surplus				
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Total
Balance as at March 31, 2018 (A)	10.85	19.96	927.56	8,926.34	9,884.72
Additions during the year:					
Profit for the year	-	-	-	1,732.29	1,732.29
Items of OCI for the year, net of tax:					
Remeasurement of the defined benefit plans	-	-	-	(0.42)	(0.42)
Total Comprehensive Income for the year 2018-2019 (B)	-	-	-	1,731.87	1,731.87
Balance as at March 31, 2019 (C)=(A+B)	10.85	19.96	927.56	10,658.22	11,616.59
Additions during the year:					
Profit for the year	-	-	-	1,077.64	1,077.64
Items of OCI for the year, net of tax:					
Remeasurement of the defined benefit plans	-	-	-	(0.98)	(0.98)
Total Comprehensive Income for the year 2019-2020 (D)	-	-	-	1,076.66	1,076.66
Reductions during the year:					
Transactions with Owners in their capacity as Owners:					
Final Dividend for the year ended 31st March 2019	-	-	-	(111.30)	(111.30)
Interim Dividend for the year ended 31st March 2020	-	-	-	(55.65)	(55.65)
Total (E)	-	-	-	(166.95)	(166.95)
Balance as at March 31, 2020 (C+D+E)	10.85	19.96	927.56	11,567.93	12,526.30

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As per our report of even date attached

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Chartered Accountants
Firm Reg. No. 101921W

(Manish Pansari)
Partner
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Mumbai, 14 July 2020

For and on behalf of the Board of Directors

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Mumbai, 14 July 2020

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Hemant Auti
Company Secretary
M.No. ACS:A51703

SIGNIFICANT ACCOUNTING POLICIES

1 BACKGROUND

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

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

2 STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS FOR PREPARATION OF ACCOUNTS

a) Statement of compliance with Ind AS

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

b) The Standalone financial statements are approved for issue by the Audit Committee and by the Board of Directors on 14th July, 2020.

c) Current versus Non-Current classification

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

d) Historical Cost Convention

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

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

2.2 USE OF ESTIMATES

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

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

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

2.3 REVENUE RECOGNITION

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

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

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

a) Sale of Goods

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

b) Export Incentives

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

c) Dividend

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

d) Insurance Claims

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

2.4 FOREIGN CURRENCY TRANSACTIONS

a) Functional and Presentation Currency

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

b) Initial Recognition

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

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

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

2.5 PROPERTY, PLANT AND EQUIPMENTS

a) Property, plant and equipment (PPE)

i) Recognition and measurement

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

ii) Subsequent expenditure

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

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

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

c) Investment Property

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

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

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

d) Intangible assets

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

2.6 IMPAIRMENT OF NON- FINANCIAL ASSETS

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

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

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

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

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

2.7 DEPRECIATION AND AMORTISATION

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

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

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

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

The Company, based on technical assessment made by technical expert and management estimate, depreciates items certain of property plant and equipment (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 (Schedule III). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

2.8 NON-DERIVATIVE FINANCIAL INSTRUMENTS

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I. Financial assets

a) Initial recognition and measurement

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

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

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

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

- ii) All investments in equity instruments classified under financial assets are initially measured at fair value. Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

In case of Investments in Equity instruments, at initial recognition, the Company, makes an irrevocable election, to subsequently measure, investments in equity instruments at FVTOCI or FVTPL (Refer Note 4 & 40 for further details).

The Company makes such election on an instrument by instrument basis.

- iii) Trade receivable are carried at original invoice price as the sales arrangements do not contain any significant financial component. Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

b) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer note 40 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

Further, Investments in Equity instruments, neither held for trading nor are contingent consideration under a business combination, are recognized, at initial recognition, through irrevocably election, to be subsequently measured at FVTOCI (Refer Note 4 & 40 for further details).

Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI.

However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies (Refer note 40 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

c) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's balance sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in 2.8 (I) (b) (ii) above for financial assets measured at FVTOCI) the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

d) Reclassification

Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

e) Investments in Subsidiaries, Associates and Joint Ventures:

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses if any in accordance with option available in Ind AS 27 - Separate Financial Statements. Details of Such Investments are given in Note no 4.

Where an indication of impairment exists, the carrying amount of the investment is assessed and the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

f) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised Cost e.g., loan, debt security, deposits, and bank balance.
- Trade Receivables

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application simplified approach does not require the company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

II. Financial Liabilities and equity instruments

Debt and equity instruments issued by an entity are classified as either financial liability or as equity in accordance with substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

a) Equity instruments:

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

b) Financial liabilities :- Classification

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

c) Initial recognition and measurement:

All financial liability are recognised initially at fair value and for those instruments that are not Subsequently measured at FVTPL, plus/minus transaction cost that are attributable to issue of these instruments.

d) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

e) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.

2.9 INVENTORIES

i) Raw Material and Packing Material

Raw Materials and packing material are carried at lower of cost and net realizable value.

However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

The comparison of cost and net realizable value is made on an item-by item basis.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

In determining the cost of raw materials and packing materials First in First Out Method (FIFO) is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

ii) Work in Progress

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

iii) Finished Goods

Finished goods are valued at the lower of net realisable value and cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition), computed on estimated cost.

2.10 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets or disposal groups are classified only when both the conditions are satisfied:

- i. The sale is highly probable, and
- ii. The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Noncurrent assets or disposal group are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Upon Classification Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

2.11 BORROWING COSTS

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing cost is suspended and charged to statement when active development is interrupted Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii. Borrowing costs are being incurred; and

iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

2.12 EMPLOYEE BENEFITS

Short term employee benefit obligations

Liabilities for wages, salaries, compensated absences including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as Gratuity; and
- B. Defined contribution plan such as Provident Fund

Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

2.13 ACCOUNTING FOR TAXES ON INCOME

Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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

Deferred Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

- i) has legally enforceable right to set off the recognized amounts; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingent Liability

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

provision due to the passage of time is recognised as interest expense.

Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

2.14 LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

i) Company as a Lessee

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

In respect of Leasehold Land, the Management does not expect any impairment hence no depreciation have been charged in respect the same.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to note 2.6 above for accounting policies on impairment of nonfinancial assets.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

c) Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces and certain equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

ii) Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as Finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.15 EARNING PER SHARE

a) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

b) Diluted Earnings Per Share

Diluted Earnings Per Share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.16 CASH AND CASH EQUIVALENTS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

2.17 DIVIDEND

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.18 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees, unless otherwise stated.

2.19 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.20 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act

2.21 SEGMENT REPORTING

As the Company has only one primary business activity, Segment reporting is not applicable.

2.22 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April, 2020.

FINEOTEX CHEMICAL LIMITED

NOTE 3: PROPERTY, PLANT & EQUIPMENTS AND INVESTMENT PROPERTY

(Rs. In Lakhs)

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

- Office Premises includes fully paid unquoted shares in respect of ownership of Office Premises in 2 Co-operative Society (31 March 2019: 2 Co-operative Society); 10 shares (31 March 2019: 10 shares) of Rs.50/- each.
- Investment Property includes fully paid unquoted shares in respect of ownership of Office Premises in 1 Co-operative Housing Society (31 March 2019: 1 Co-operative Housing Society); 10 shares (31 March 2019: 10 shares) of Rs.50/- each.
- Motor Vehicles of Original Cost Rs. 108.48 Lakhs as at 31st March 2020 (Previous Year as at 31st March 2019 Rs. 108.48 Lakhs) are in the name of the directors of the company.
- Motor Vehicle of Original Cost to Rs. 53.89 Lakhs (Previous Year as at 31st March 2019 Rs. 53.89 Lakhs) has been provided as security against the term loan taken from Bank by the Company. (Also Refer Note No. 19 & 24).
- The amount of Contractual Commitments for the acquisition/construction of Property, Plant & Equipments is disclosed in Note No.36
- The fair market value of investment property as determined in accordance with Level III input provided by Management is approximately Rs.225.24 Lakhs (Previous Year Rs.225.24 Lakhs).
- The Company has no restrictions on the realisability of its investment property. There are no contractual obligations to purchase, construct or develop investment property as at the year end.
- Investment property is leased out to tenant under operating leases. Disclosure on future rent receivable is included in note 43.
- Amount recognised in Profit & Loss for Investment Properties:

(Rs. In Lakhs)

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

NOTE 3: PROPERTY, PLANT & EQUIPMENTS AND INVESTMENT PROPERTY

(Rs. In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT (AT COST)				ACCUMULATED DEPRECIATION / AMORTIZATION				NET CARRYING AMOUNT As At March 31, 2019
	As At April 01, 2018	Additions / Transfers	Deductions / Adjustments	As At March 31, 2019	As At April 01, 2018	Additions / Transfers	Deductions / Adjustments	As At March 31, 2019	
(A) TANGIBLE ASSETS									
Land - Freehold	296.22	52.55	-	348.77	-	-	-	-	348.77
Land - Leashold	550.66	312.77	-	863.43	-	-	-	-	863.43
Factory Buildings	137.84	222.69	-	360.53	4.90	10.81	-	15.71	344.82
Office Premises (a)	336.81	-	-	336.81	32.85	17.45	-	50.30	286.51
Capex on Leasehold Premises	34.83	-	-	34.83	5.36	2.68	-	8.05	26.78
Plant & Machinery	355.13	144.84	-	499.97	35.48	29.17	-	64.65	435.32
Electrical Installation & Equipments	20.01	-	-	20.01	3.39	3.36	-	6.75	13.26
Furniture & Fixtures	24.07	3.12	-	27.19	6.82	3.37	-	10.19	17.00
Vehicles (b)	139.87	19.50	-	159.37	22.68	20.20	-	42.88	116.50
Office Equipments	11.34	6.08	-	17.42	4.02	3.14	-	7.16	10.26
Computers	10.22	3.73	-	13.95	3.75	4.08	-	7.83	6.13
Total - Tangible Assets	1,916.98	765.29	-	2,682.27	119.26	94.25	-	213.51	2,468.76
(B) INVESTMENT PROPERTY (a,d,e,f & g)	378.57	-	-	378.57	-	-	-	-	378.57
TOTAL(A)+(B)	2,295.55	765.29	-	3,060.84	119.26	94.25	-	213.51	2,847.32

- a. Office Premises includes fully paid unquoted shares in respect of ownership of Office Premises in 2 Co-operative Society (31 March 2018: 2 Co-operative Society); 10 shares (31 March 2018: 10 shares) of Rs.50/- each.
- Investment Property includes fully paid unquoted shares in respect of ownership of Office Premises in 1 Co-operative Housing Society (31 March 2018: 1 Co-operative Housing Society); 10 shares (31 March 2018: 10 shares) of Rs.50/- each.
- b. Motor Vehicles of Original Cost Rs. 108.48 Lakhs as at 31st March 2019 (Previous Year as at 31st March 2018 Rs. 108.48 Lakhs) are in the name of the directors of the company.
- Motor Vehicle Original Cost Rs. 53.89 Lakhs (Previous Year as at 31st March 2018 Rs. 53.89 Lakhs) has been provided as security against the term loan taken from Bank by the Company. (Also Refer Note No. 19 & 24).
- c. The amount of Contractual Commitments for the acquisition/construction of Property, Plant & Equipments is disclosed in Note No.36
- d. The fair market value of investment property as determined in accordance with Level III input provided by Management is approximately Rs.225.24 Lakhs (Previous Year Rs.225.24 Lakhs).
- e. The Company has no restrictions on the realisability of its investment property. There are no contractual obligations to purchase, construct or develop investment property as at the year end.
- f. Investment property is leased out to tenant under operating leases. Disclosure on future rent receivable is included in note 43.
- g. Amount recognised in Profit & Loss for Investment Properties:

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Rental income	9.86	5.10
Direct operating expenses from property that generated rental income	(0.98)	(0.50)
Direct operating expenses from property that did not generate rental income	-	(0.36)
Impact of IND AS on Lease Rentals	0.31	-
Profit from investment properties before depreciation	9.19	4.25
Depreciation	-	-
Profit from investment property	9.19	4.25

FINEOTEX CHEMICAL LIMITED

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

(Rs. In Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Units	Amount	No. of Units	Amount
A. Investment in Subsidiaries (Also Refer Note (a))				
In Equity Instruments (Unquoted and fully paid up)				
Carried at Cost less provision for other than temporary impairment				
Fineotex Malaysia Limited of US \$ 1.00 each	18,90,218	838.69	18,90,218	838.69
Fineotex Specialities FZE of US \$ 1.00 each	40,822	26.58	40,822	26.58
Manya Steel Private Limited of Rs.10 each	10,000	72.94	10,000	72.94
TOTAL (A)		938.21		938.21
B. Other Investments				
Carried at fair value through profit or loss				
In Equity Instruments (Quoted and fully paid up)	13,51,086	683.15	11,71,080	967.74
In Mutual Funds (Quoted and fully paid up) (Also Refer Note (b) & 47)	1,09,84,132	3,709.95	72,09,064	3,353.97
TOTAL (B)		4,393.10		4,321.70
TOTAL (A+B)		5,331.32		5,259.92
Aggregate Amount of Quoted Investment - At Cost		5,285.97		3,995.27
Aggregate Amount of Quoted Investment - At market value		4,393.10		4,321.70
Aggregate amount of Unquoted Investments - At Cost		938.21		938.21
Aggregate amount of impairment in value of Investments (In Subsidiaries)		-		-

Note :

a. Information about Subsidiaries

Name of the Company	Country of Incorporation	% of Equity Interest	
		As at March 31, 2020	As at March 31, 2019
Fineotex Malaysia Limited	Malaysia	100	100
Fineotex Specialities FZE	UAE	100	100
Manya Steel Private Limited	India	100	100

b. Other Investments carried at fair value through profit or loss includes , Investment under lien against working capital loan facility availed by the company (Also Refer Note No 22)

(Rs. In Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
Investment in Mutual Fund (Quoted & Fully Paid Up)	10,40,152	500.00	556.27	10,40,152	500.00	545.64

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

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits (Refer Note i. Below)	278.69	317.46
Fixed Deposits maturing after 12 months (Refer Note ii. Below)	13.72	12.52
Total	292.41	329.98

Note :

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

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Dues from Subsidiaries	101.79	116.85
Dues from Directors	60.97	-
Dues from relative of Directors	104.53	195.00

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

NOTE 6: INCOME TAX

A. COMPONENTS OF INCOME TAX EXPENSES

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
I. Income Tax recognised in statement of profit & loss		
Current Tax		
Current year	724.40	732.00
(Excess) / Short Provision of Earlier Years	(25.38)	(6.43)
Sub-Total	699.02	725.57
Deferred tax charge/ (credit)		
Origination and reversal of temporary difference	(73.54)	34.79
Sub-Total	(73.54)	34.79
Income Tax Expense recognised in Statement of Profit & Loss	625.48	760.36
II. Income Tax Expense recognised in OCI		
Deferred tax charge/ (credit)		
Remeasurement of the Defined Benefit Plans	(0.33)	(0.17)
Total	(0.33)	(0.17)

B. RECONCILIATION OF EFFECTIVE TAX RATES

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Profit/(loss) before tax	1,703.12	2,492.65
Enacted Income Tax Rate in India	25.17%	29.12%
Income Tax expense calculated at enacted corporate tax rate	428.64	725.86
Effect of income that is exempt from tax	(6.96)	(8.49)
Effect of expenses that are not deductible in determining taxable profit	5.66	7.28
Expenditure allowable at lower rate	6.39	6.84
Effect of income which is taxed at special rates	190.87	(1.24)
Excess Provision created for the previous year	(25.38)	(6.43)
Others	26.24	36.53
Total	625.47	760.36
Effective tax rate for the year	36.73%	30.50%

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C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

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

D. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particulars	Net deferred tax asset / (liabilities) as on 1st April, 2018	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2019
Property, Plant and Equipment	(58.34)	(15.16)	-	(73.50)
Investments	(25.16)	25.67	-	0.51
Investment Property	14.70	3.67	-	18.37
Employee benefits	2.83	1.57	0.17	4.57
Other Current Assets	82.18	(50.54)	-	31.64
Deferred tax assets/ (liabilities)	16.21	(34.79)	0.17	(18.41)

E. DEFERRED TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		
Employee Benefits	0.07	4.57
Investment Property	19.45	18.37
Investment	95.71	0.51
Other Current Assets	27.15	31.64
Total	142.38	55.09
Deferred Tax Liabilities		
Property, Plant and Equipment	86.92	73.50
Total	86.92	73.50
NET DEFERRED TAX ASSETS / (LIABILITIES)	55.46	(18.41)

NOTE 7: CURRENT TAX ASSETS (NET)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance payment of Income Tax (Net of Provision)	-	79.65
Total	-	79.65

NOTE 8: OTHER NON-CURRENT ASSETS

(Unsecured Considered Good unless stated otherwise)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances (Refer Note No 36)	407.84	379.60
Advances Other than Capital Advances		
Balances with Government Authorities	12.26	12.43
Total	420.10	392.03

NOTE 9: INVENTORIES (At Lower of Cost and Net Realisable Value)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(As taken, valued and certified by the management)		
Raw Materials	783.68	996.26
Packing Materials	84.78	46.54
Work in Progress	424.68	303.40
Finished Goods	-	34.63
Total	1,293.14	1,380.82

Note:

For Method of Valuation of Inventories refer Note No. 2.9

NOTE 10: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Units	Amount	No. of Units	Amount
Investment carried at fair value through profit or loss				
Investment in Liquid Mutual Funds (Quoted and fully paid up)	36,25,522	849.57	22,02,058	494.18
Total		849.57		494.18
Aggregate Amount of Quoted Investment - At Cost		833.33		488.00
Aggregate amount of Quoted Investments - At market value		849.57		494.18

NOTE 11: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
Unsecured - Considered Good	3,908.27	3,451.47
Total	3,908.27	3,451.47

Note:

i. Trade receivable includes (Also Refer Note No 44):

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Dues from Subsidiaries	137.73	41.13
Dues from Private Companies in which any Director is a director or member	31.27	-

ii. Refer Note - 41 for information about Credit Risk and Market Risk of Trade Receivables.

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NOTE 12: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks in Current Accounts	188.29	185.45
Cash on Hand	11.73	13.73
Total	200.02	199.18

NOTE 13: FINANCIAL ASSETS - OTHER BANK BALANCES

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid Dividend Account (Refer Note i. Below)	2.36	2.03
Fixed Deposits maturing between 3 to 12 months (Refer Note ii. Below)	52.65	39.30
Total	55.01	41.32

Note:

- i. The Current Account balance includes unpaid dividend of Rs. 2.36 Lakhs as at 31st March 2020 (Previous Year as at 31st March 2019 Rs. 2.03 Lakhs) which have been kept in separate earmarked accounts and no transactions except for stated purpose are done through such accounts.
- ii. **Fixed Deposits maturing between 3 to 12 months includes Receipts Pledged/Lien with Banks:**

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Towards Bank Guarantee (Also refer Note no 36)	11.25	0.27
Towards Overdraft facility availed	41.37	39.03

NOTE 14: FINANCIAL ASSETS - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on FDR (Also Refer Note No 13)	1.69	1.73
Other Deposits	-	0.20
Total	1.69	1.94

NOTE 15: OTHER CURRENT ASSETS (Unsecured Considered Good unless stated otherwise)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances Other than capital advances		
Advances to Suppliers (Refer Note Below)	124.78	222.23
Advance to Employees	1.12	1.69
Prepaid Expenses	64.08	18.84
Balances with Government Authorities	18.63	-
Other Receivables		
Export Incentives Receivable	86.52	50.44
Insurance Claim Receivable	71.70	429.40
Receivable for Sale of Mutual Fund	294.48	-
Others	-	13.56
Total	661.32	736.16

Note :

Advance to Supplier includes Rs.55.98 Lakhs as at 31st March 2020 (Previous year Rs.111.99 Lakhs) due from Subsidiary Company (Also Refer Note No 44).

NOTE 16: ASSETS CLASSIFIED AS HELD FOR SALE

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Other Investment (At Cost)		
Immovable Property (Also Refer Note No 25)	720.69	720.69
Total	720.69	720.69

Note :

- i. The Management intends to sell the immovable property acquired during the year ended 31st March 2018. An active program to locate the buyer and to complete the sale has already been initiated, the sale is expected to be completed in the next 12 months. Accordingly, the above assets have been classified as assets held for sale.

The Company pursuant to its intention, have received Advance for Sale of Property classified as held for Sale. The Company is in the process of completing the transfer of title and is expected to be completed in the financial year 2020-2021.

- ii. Further the fair value of these asset is higher than its carrying value as on 31st March 2020 and hence no impairment loss has been recognised.

NOTE 17: EQUITY SHARE CAPITAL

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
14,00,00,000 (Previous year as at 31st March 2019 11,50,00,000) Equity Shares of Rs. 2/- each.	2,800.00	2,300.00
TOTAL AUTHORIZED SHARE CAPITAL	2,800.00	2,300.00
Issued, Subscribed & Paid Up		
11,13,00,000 (Previous year as at 31st March 2019 11,13,00,000) Equity Shares of Rs. 2/- each fully paid up.	2,226.00	2,226.00
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	2,226.00	2,226.00

a) Reconciliation of the number of shares outstanding :

(Rs. In Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	11,13,00,000	2,226.00	11,13,00,000	2,226.00
Add: Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares at the end	11,13,00,000	2,226.00	11,13,00,000	2,226.00

b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a face value Rs. 2/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders will be entitled to receive any of the remaining asset of the company in proportion to the number of equity shares held by the shareholders, after distribution of all the preferential amounts. However no such preferential amount exist currently.

c) Shareholders holding more than 5% shares each :

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	%	No. of Shares	%
Mr. Surrender Tibrewala (Refer Note No i. Below)	6,90,01,330	62.00%	6,90,01,330	62.00%

Note:

i. Shareholders holding more than 5% shares each includes shares held by Karta of HUF as under:

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	%	No. of Shares	%
Mr. Surrender Tibrewala - as a Karta of HUF	3,45,500	0.31%	3,45,500	0.31%

d) Other details of Equity Shares for a period of five years immediately preceding March 31, 2020

- i. Pursuant to approval of the Board of Directors of Company vide resolution dated 14th November, 2016 the Company has bought back 9,98,110 equity shares of Rs.2/- each from the open market at an average price of Rs. 29.69 . The Company has paid a total amount of Rs. 292.65 Lakhs for the said buyback of shares.
- ii. Pursuant to shareholders approval dated 28th May,2015, the Equity Shares of Rs.10/- each of the Company were sub-divided into 5 Equity Shares of Rs.2/- per share w.e.f. 12th June,2015.
- iii. The Company had allotted 1,12,29,811 fully paid up equity shares of face value Rs. 10/- each during the year ended 31st March, 2015 pursuant to the bonus issue approved by the shareholders through postal ballot by capitalisation of Securities Premium. Bonus equity shares were issued in proportion of 1:1 i.e. (one) equity share of Rs. 10/- each fully paid up for every one share held.

NOTE 18: OTHER EQUITY

(Rs. In Lakhs)

	Reserves & Surplus				
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Total
Balance as at March 31, 2018 (A)	10.85	19.96	927.56	8,926.34	9,884.72
Additions during the year:					
Profit for the year	-	-	-	1,732.29	1,732.29
Items of OCI for the year, net of tax:					
Remeasurement of the defined benefit plans	-	-	-	(0.42)	(0.42)
Total Comprehensive Income for the year 2018-2019 (B)	-	-	-	1,731.87	1,731.87
Balance as at March 31, 2019 (C)=(A+B)	10.85	19.96	927.56	10,658.22	11,616.59
Additions during the year:					
Profit for the year	-	-	-	1,077.64	1,077.64
Items of OCI for the year, net of tax:					
Remeasurement of the defined benefit plans	-	-	-	(0.98)	(0.98)
Total Comprehensive Income for the year 2019-2020 (D)	-	-	-	1,076.66	1,076.66
Reductions during the year:					
Transactions with Owners in their capacity as Owners:					
Final Dividend for the year ended 31st March 2019	-	-	-	(111.30)	(111.30)
Interim Dividend for the year ended 31st March 2020	-	-	-	(55.65)	(55.65)
Total (E)	-	-	-	(166.95)	(166.95)
Balance as at March 31, 2020 (C+D+E)	10.85	19.96	927.56	11,567.93	12,526.30

a. Description of Nature and Purpose of the Reserves

Capital Reserve

Capital Reserve was created on acquisition of Proprietorship concern "Fineotex Chemical Industries" in FY 2007-08 in Slump Sale.

Capital Redemption Reserve

The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve.

Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the provisions of the Act.

Retained Earnings

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

Items of Other Comprehensive Income

Remeasurements of Net Defined Benefit Plans:

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

b. Dividends Paid during the year

(Rs. In Lakhs)

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

NOTE 19: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED :		
Term Loan		
Bank	-	10.22
Total	-	10.22

Notes :

Loan from Axis Bank is @8.40% p.a. and secured against hypothecation of Motor Vehicles. These loans are repayable in 37 equal monthly installment of Rs. 1.06 Lakhs commencing from 01st Feb, 2018.

NOTE 20: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits from Customers	49.64	45.20
Total	49.64	45.20

NOTE 21: PROVISIONS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Gratuity Payable	5.50	4.51
TOTAL	5.50	4.51

NOTE 22: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED :		
Loans repayable on demand		
From Banks (Also Refer note below)	284.48	197.59
Total	284.48	197.59

Note:

The above bank credit facility is secured against Fixed Deposits and pledged/lien on securities held by the Company (Also Refer Note No 4).

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NOTE 23: FINANCIAL LIABILITIES - TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small and Medium Enterprises (Refer Note Below)	-	-
Due to Others	1,788.62	1,496.76
Total	1,788.62	1,496.76

Note:

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the “Suppliers” regarding their status under the Act.

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal and interest amount remaining unpaid	-	-
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
Total	-	-

NOTE 24: FINANCIAL LIABILITIES - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term Debts (Refer Note 19)	10.22	11.45
Interest on Trade Deposit	4.54	5.23
Interest accrued but not due	-	0.15
Unclaimed Dividend (Also Refer Note Below)	2.36	2.03
Total	17.11	18.86

Note:

There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March 2020.

NOTE 25: OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from Customer	36.27	52.15
Advance received for Asset held for Sale (Also Refer Note No 16)	107.00	107.00
Payable to Employees (Also Refer Note No 44)	21.10	33.88
Other Payables	7.51	76.13
Statutory Liabilities	52.65	19.61
Total	224.53	288.76

NOTE 26: PROVISIONS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Leave Encashment	3.81	3.55
Bonus	9.57	8.24
Total	13.38	11.79

NOTE 27: CURRENT TAX LIABILITIES (NET)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Tax Payable	8.12	-
Total	8.12	-

NOTE 28A: REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products	12,755.91	11,154.74
Other Operating Income:		
Export Incentives & Entitlements	129.49	108.90
Total	12,885.41	11,263.63

NOTE 28B: REVENUE FROM CONTRACTS WITH CUSTOMERS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers disaggregated based on geography		
Domestic Market	9,693.81	8,667.81
Exports	3,062.10	2,486.93
Total	12,755.91	11,154.74

Note:

- The amounts of receivable from customers become due after expiry of credit period which on an average is less than 90 days. There is no significant financing component in any transaction with the customers
- The company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

NOTE 29: OTHER INCOME

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income from Financial Asset Carried at Amortised Cost	33.24	26.11
Dividend Income		
Received from Subsidiary (Also Refer Note No 44)	172.01	-
Received from Quoted Investments measured at FVTPL	9.60	9.45
Other Non - Operating Income		
Gains on Foreign Currency transactions	88.11	46.54
Other Income	22.67	14.96
Total	325.62	97.06

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NOTE 30: COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw Material Consumed	7,033.31	5,925.02
Packing Material Consumed	627.10	766.65
TOTAL	7,660.41	6,691.67

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

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock :		
Work in Progress	303.40	201.64
Finished Goods	34.63	63.33
Less : Closing Stock :		
Work in Progress	424.68	303.40
Finished Goods	-	34.63
NET CHANGE IN INVENTORIES	(86.66)	(73.05)

NOTE 32: EMPLOYEE BENEFIT EXPENSES (Also Refer Note No 44)

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Bonus	663.04	563.22
Contribution to P.F & Other Funds		
Employer's Contribution to P. F.	20.12	15.91
Employer's Contribution to ESIC	1.74	2.67
Gratuity (Refer Note 42)	5.19	5.01
Staff Welfare Expenses	2.24	7.32
Total	692.35	594.13

NOTE 33: FINANCE COST

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses on Financial Liabilities carried at amortised Cost		
On Borrowing	13.14	42.69
Others (Including Interest on delay / deferred payment)	0.03	0.01
Bank and Other Financial Charges	15.81	14.40
Total	28.98	57.10

NOTE 34: OTHER EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Toll Conversion Charges	329.59	256.46
Power, Fuel and Utilities	38.28	33.26
Lease Rent / Hire Charges	92.78	51.09
Repairs & Maintenance on :		
Building	10.01	26.76
Plant and Machinery	36.32	24.14

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Other Repairs	10.14	8.06
Insurance	51.78	17.59
Rates and Taxes	9.73	4.14
Legal and Professional Fees	259.59	165.39
Payment to Auditors :		
Audit Fees	4.00	4.00
Transfer Pricing Audit Fees	0.25	0.23
Taxation and Other Advisory Matters	1.42	1.42
Certification Charges and Others	-	0.08
Other Services	1.95	1.80
Travelling and Conveyance	121.75	106.35
Commission	611.09	523.74
Advertisement, Publicity & Business Promotion	21.45	28.31
Outward Freight Charges	78.01	88.43
Expenditure towards Corporate Social Responsibility (Also Refer Note No 37)	49.00	47.00
Donations	1.81	1.00
Miscellaneous expenses	110.52	131.22
Total	1,839.47	1,520.48

NOTE 35: EXCEPTIONAL ITEMS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loss due to Fire (Also refer Note i. Below)	-	53.44
Net (Gain)/Loss on measurement of Financial Assets at FVTPL (Also refer Note ii. Below)	1,262.25	(69.98)
Total	1,262.25	(16.54)

Note:

i Loss due to Fire

The exceptional loss for the year includes loss on account of fire on April 25, 2018 at occurred due to fire at Plot No. A- 687, TTC Industrial Area, Mahape, Thane Belapur Road, District Thane 400710.

The Company has all Risk Insurance Policy (including loss of Profit Policy) and is fully covered for insurance claim. Management has submitted the requisite information for the claim of the same to the Insurance surveyor. Against the insurance claim receivable of Rs 482.85 Lakhs the management estimates insurance claim to be realised in future of Rs 429.40 Lakhs and charged the differential amount of Rs 53.44 Lakhs to the Statement of Profit and Loss Account.

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

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

Consequently during the year ended 31st March 2020, due to adverse movement in the market value of aforementioned instruments held by the company resulting in huge erosion in its value, it has accounted for Loss on subsequent measurement of such Investments of Rs.1211.47 Lakhs (Previous Year - Net Gain - Rs. (69.98 Lakhs)).

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

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

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

FINEOTEX CHEMICAL LIMITED

NOTE 36: CONTINGENT LIABILITIES AND COMMITMENTS

1 Bank Guarantee (Refer Note no 5 & 13)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding Bank Guarantees issued by Bankers	19.89	10.67
Total	19.89	10.67

2 Commitments (Refer Note No 8)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated Amount of Capital Commitments remaining to be executed on account of	598.36	-
Less: Advances Paid	402.10	-
Net Capital Commitments	196.26	-

NOTE 37: CORPORATE SOCIAL RESPONSIBILITY (Refer Note No 34)

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amount required to be spent as per Section 135 of the Companies Act, 2013	49.25	45.54
Amount Spent during the year		
Construction / Acquisition of any Asset	-	-
On purposes other than above	49.00	47.00
Total amount spent	49.00	47.00

NOTE 38: EARNINGS PER SHARE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit after tax available for equity shareholders as per Statement of Profit & Loss	1,077.64	1,732.29
Weighted Average No. of Equity Shares for of Face Value Rs. 2/- each	11,13,00,000	11,13,00,000
Earnings Per Share - Basic & Diluted ₹	0.97	1.56

NOTE 39: CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximize shareholder value and support the growth of the Company and to optimize capital structure to reduce the cost of capital. The Company determines the capital requirement based on long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity and operating cash flows generated. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

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

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Total interest bearing financial liabilities	344.34	264.46
Less : Cash and Cash Equivalents	200.02	199.18
Adjusted Net Debt	144.32	65.27
Total Equity	14,752.30	13,842.59
Adjusted Equity		
Net Debts to Equity Ratio	0.01	0.00

NOTE 40: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets		
Fair Value through Profit & Loss		
Investments (Other than in Subsidiary)	5,242.67	4,815.89
Amortised Cost		
Trade Receivables	3,908.27	3,451.47
Cash & Cash Equivalents	200.02	199.18
Other Bank Balances	55.01	41.32
Other Financial Assets	294.10	331.92
Total	9,700.06	8,839.78
Financial Liabilities		
Amortised Cost		
Borrowings	284.48	207.81
Trade Payables	1,788.62	1,496.76
Other Financial Liabilities	66.75	64.05
Total	2,139.85	1,768.62

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets		
Level 1		
Investments in quoted equity shares	683.15	967.74
Investments in quoted mutual fund units	4,559.52	3,848.15
Level 2		
Security Deposit Given	272.76	311.85
Total	5,515.43	5,127.74
Financial Liabilities		
Level 2		
Security Deposit Accepted	-	2.85
Total	-	2.85

Measurement of Fair Values :

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of investment in shares is the share price quoted on recognised stock exchange as on the reporting date of balance sheet
- The fair values of investment in mutual fund is the N.A.V as on the reporting date of balance sheet
- The fair values of interest free security deposit given / accepted is estimated by discounting cash flows using rates currently available for instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value

NOTE 41: FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk. In order to minimize any adverse effects on the financial performance of the Company

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade Receivables and other financial assets	Ageing analysis	Diversification of bank deposits, credit limit and letter of credit
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Rupees	Very limited Exposure	Company manages through natural Hedge
Market risk - Security prices risk	Investment in Shares and mutual funds	Sensitivity analysis	Portfolio diversification

The Company risk management is carried out by policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas. There is no change in objectives, polices and process for managing the risk and methods used to measure the risk as compared to previous year.

(a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

(a) (i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with fixed and floating interest rates. However the companies exposure to floating rate borrowings are very limited to its size of operation.

The company is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits.

Exposure to interest rate risk

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed-rate instruments		
Financial Liabilities - Borrowings	344.34	264.46
Total	344.34	264.46

Sensitivity analysis to interest rate risk

The company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(a) (ii) Market Risk - Price Risk(Securities)

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

Exposure to Price Risk

Other price risk arises from financial assets such as investments in equity instruments and mutual funds disclosed below. The Company does make deposit with the banks as margin money against the borrowing facility provided by the banks. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in Quoted Equity Shares	683.15	967.74
Investments in Quoted Mutual Funds	4,559.52	3,848.15
Total	5,242.67	4,815.89

Sensitivity analysis to Market Risk - Price Risk (Securities)

The company is mainly exposed to price risk arising mainly from investments in equity instruments and mutual funds recognised at FVTPL. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below. A sensitivity of 10% represents management's assessment of reasonably possible change in equity prices

(Rs. In Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Equity Shares	68.31	(68.31)	96.77	(96.77)
Mutual Funds	455.95	(455.95)	384.81	(384.81)
Total	524.27	(524.27)	481.59	(481.59)

(a) (iii) Market Risk - Currency Risk

The company is having import and exports as well. Accordingly the company is exposed to currency risk on account of its trade payables and trade receivables in foreign currency. The functional currency of the company is Indian Rupees. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. The exposed Foreign currency is not substantial to the operation of company.

Exposure to Currency risk

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company are as follows:

(In Lakhs)

Particulars	Foreign Currency	As at March 31, 2020	As at March 31, 2019
Financial Assets			
Trade and other receivables	USD	7.19	6.09
Cash & Cash Equivalent	USD	1.30	1.82
Cash & Cash Equivalent	EURO	0.04	0.01
Financial Liabilities			
Trade and other payables	USD	0.54	0.31

Sensitivity analysis to currency risk

(In Lakhs)

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	18.07	(18.07)	15.82	(15.82)
Total	18.07	(18.07)	15.82	(15.82)

(b) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of Financial Assets represents the maximum credit exposure.

Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof. Accordingly based on the provision matrix there is no expected credit loss to the company and accordingly there is no provision for doubtful debts

Other Financial Assets

The company maintains exposure in Cash and Cash equivalents and Bank deposits with banks, Equity Shares and Investments in Mutual Funds. The Company has diversified portfolio of investment with various number of counterparties which has goods credit ratings, goods reputation and hence the risk is reduced. Individual risk limits set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Company's maximum exposure to credit risk as at 31st March, 2020 and 31st March, 2019 is the carrying value of each class of financial assets.

(c) Liquidity Risk

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

Exposure to Liquidity Risk

The responsibility of liquidity risk management rest with board of directors which are appropriate risk management framework for short , medium and long term liquidity measures with adequate cash flows and banking facilities.

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

(Rs. In Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	10.22	-	11.45	10.22
Working Capital Loans from Banks	284.48	-	197.59	-
Trade Payables	1,788.62	-	1,496.76	-
Other Financial Liabilities	6.89	49.64	7.41	45.20
Total	2,090.21	49.64	1,713.21	55.41

(d) Collateral

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 19, 22 & 24 for the detailed terms and conditions of the collaterals pledged.

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

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

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

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

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

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

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

NOTE 42: EMPLOYEE BENEFITS

(a) Retirement Benefits

As per Ind AS 19 the Company has recognized "Employees Benefits", in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2020

(A) Defined benefit plans

i Retiring Gratuity

I Components of Employer Expenses

(Rs. In Lakhs)

Particulars	31st March 2020	31st March 2019
Current Service Cost	5.06	4.89
Past Service Cost vested	-	-
Interest Cost	1.86	1.43
Expected Return on Plan Assets	(1.72)	(1.32)
Actuarial (Gain) / Loss	1.31	0.59
Total Expenses/(Gain) recognized in the Profit & Loss Account	6.50	5.60

II Net Asset/ (Liability) recognized in Balance Sheet

(Rs. In Lakhs)

Particulars	31st March 2020	31st March 2019
Present value of Funded Obligation	31.42	25.16
Fair Value of Plan Assets	25.92	20.65
Assets/(Liability) recognized in the Balance Sheet	5.50	4.51

III Change in Defined Benefit Obligations (DBO)

(Rs. In Lakhs)

Particulars	31st March 2020	31st March 2019
Opening Balance of Present Value of Obligation	25.16	21.39
Interest Cost	1.86	1.43
Current Service Cost	5.06	4.89
Past Service Cost - Vested Benefits	-	-
Actuarial (Gain)/Loss	0.79	0.99
Benefit Paid	(1.44)	(3.55)
Closing Balance of Present Value of Obligation	31.42	25.16

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IV Changes in the Fair Value of Plan Assets

(Rs. In Lakhs)

Particulars	31st March 2020	31st March 2019
Opening Balance of Present Value of Obligation	20.65	17.14
Expected Return on Plan Assets	(0.52)	0.39
Interest Income	1.72	1.32
Contribution by Employer	5.51	5.35
Benefit Paid	(1.44)	(3.55)
Fair Value of Plan Assets as at 31st March	25.92	20.65

V Actuarial Assumption

Particulars	31st March 2020	31st March 2019
Discount Rate (Per Annum)	6.80%	7.60%
Annual Increase in Salary Costs Per Annum	4.00%	4.00%
Attrition Rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

(Rs. In Lakhs)

Particulars	31st March 2020	31st March 2019
Government of India Securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Insurance Company	100.00%	100.00%

VII Movement in net liability recognized in Balance Sheet

(Rs. In Lakhs)

Particulars	31st March 2020	31st March 2019
Net Opening Liability	4.51	4.25
P & L Charges	5.19	5.01
Contribution paid	(5.51)	(5.35)
Other Comprehensive Income (OCI)	1.31	0.59
Closing Net Liability	5.50	4.51

VIII Gratuity - Sensitivity Analysis

(Rs. In Lakhs)

Particulars	31st March 2020		31st March 2019	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	34.08	29.17	27.04	23.56
Discount Rate (1% movement)	28.45	34.97	22.94	27.79

(B) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - Rs.21.89 Lakhs (Previous year Rs.18.59 Lakhs)

NOTE 43: LEASES

The Company has entered into Operating Leases on Immovable Properties.

Assets Taken on Lease

Future minimum rentals payable under cancellable operating leases as at are, as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	In respect of operating lease on Immovable properties payments recognized in Statement of Profit and Loss.	69.21	31.17
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	69.21	60.28
	For the period later than one year and not later than five years	153.84	15.00

Assets Given on Lease

Future minimum rentals receivable under cancellable operating leases as at are, as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	2.27	14.71
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	-	5.86
	For the period later than one year and not later than five years	-	-

NOTE 44: RELATED PARTY

List of related parties and Relationship

A Enterprises where control exists :-

Subsidiaries (Extent of Holding)

1	Manya Steel Private Limited	100.00%
2	Fineotex Malaysia Limited	100.00%
3	Fineotex Specialities FZE	100.00%
4	Rovatex SDN BHD	74.76%
5	BT Biotex SDN BHD	72.38%
6	BT Chemicals SDN BHD	71.92%

B Enterprise in which Key Managerial Personnel and their relatives have significant Influence :

- 1 Proton Biochem Private Limited
- 2 Sanjay Exports

C Key Managerial Personnel :

a. Executive Directors :

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

b. Company Secretary

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

c. Non - Executive Directors : Independent Directors

- 1 Navin Mittal
- 2 Manmohan Mehta
- 3 Alok Dhanuka

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d. Relatives of Key Managerial Personnel :

1 Kanaklata Tibrewala

D Transaction with Related Parties

i. Transaction during the year

(Rs. In Lakhs)

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
SALE OF GOODS (Net of Returns)								
BT Chemicals SDN BHD	211.19	129.69	-	-	-	-	211.19	129.69
BT Biotex SDN BHD	35.68	-	-	-	-	-	35.68	-
Rovatex SDN BHD	41.95	-	-	-	-	-	41.95	-
Proton Biochem Private Limited	-	-	-	-	32.31	-	32.31	-
Total	288.83	129.69	-	-	32.31	-	321.14	129.69
RECEIVING OF SERVICES								
Proton Biochem Private Limited	-	-	-	-	240.00	247.02	240.00	247.02
Total	-	-	-	-	240.00	247.02	240.00	247.02
PURCHASE OF GOODS								
BT Chemicals SDN BHD	1,197.55	945.18	-	-	-	-	1,197.55	945.18
Total	1,197.55	945.18	-	-	-	-	1,197.55	945.18
DIVIDEND INCOME								
Fineotex Malaysia Limited	172.01	-	-	-	-	-	172.01	-
Total	172.01	-	-	-	-	-	172.01	-
RENT INCOME								
Proton Biochem Private Limited	-	-	-	-	-	4.55	-	4.55
Total	-	-	-	-	-	4.55	-	4.55
RENT EXPENSE								
Manya Steel Private Limited	9.60	2.73	-	-	-	-	9.60	2.73
Surendra Tibrewala	-	-	9.00	8.82	-	-	9.00	8.82
Kanaklata Tibrewala	-	-	-	-	13.80	8.28	13.80	8.28
Sanjay Tibrewala	-	-	19.20	9.07	-	-	19.20	9.07
Total	9.60	2.73	28.20	17.89	13.80	8.28	51.60	28.89
COMMISSION PAID								
BT Chemicals SDN BHD	5.15	-	-	-	-	-	5.15	-
BT Biotex SDN BHD	0.66	-	-	-	-	-	0.66	-
Rovatex SDN BHD	1.07	-	-	-	-	-	1.07	-
Total	6.87	-	-	-	-	-	6.87	-
INTEREST RECEIVED								
Manya Steel Private Limited	-	0.68	-	-	-	-	-	0.68
Sanjay Tibrewala	-	-	-	1.76	-	-	-	1.76
Total	-	0.68	-	1.76	-	-	-	2.44
REMUNERATION TO DIRECTORS*								
Surendra Tibrewala	-	-	83.40	71.40	-	-	83.40	71.40
Sanjay Tibrewala	-	-	83.40	71.40	-	-	83.40	71.40
Aarti Jhunjhunwala	-	-	29.40	14.63	-	-	29.40	14.63
DIRECTORS FEES/SITTING FEES								
Navin Mittal	-	-	0.30	-	-	-	0.30	-
Manmohan Mehta	-	-	0.30	-	-	-	0.30	-
Alok Dhanuka	-	-	0.30	-	-	-	0.30	-

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
REMUNERATION TO COMPANY SECRETARY *								
Hemant Auti	-	-	3.01	-	-	-	3.01	-
Pooja Kothari	-	-	0.89	3.69	-	-	0.89	3.69
EMPLOYERS CONTRIBUTION TO PF								
Surendra Tibrewala	-	-	5.83	5.04	-	-	5.83	5.04
Sanjay Tibrewala	-	-	5.83	5.04	-	-	5.83	5.04
Aarti Jhunjhunwala	-	-	2.70	1.08	-	-	2.70	1.08
Total	-	-	215.36	172.27	-	-	215.36	172.27
REIMBURSEMENT OF EXPENSES								
Manya Steel Private Limited	0.02	0.04	-	-	-	-	0.02	0.04
Aarti Jhunjhunwala	-	-	-	2.00	-	-	-	2.00
Total	0.02	0.04	-	2.00	-	-	0.02	2.04
ADVANCE GIVEN TO SUPPLIER								
BT Chemicals SDN BHD	55.98	111.99	-	-	-	-	55.98	111.99
Total	55.98	111.99	-	-	-	-	55.98	111.99

ii. Outstanding balances as on reporting date

(Rs. In Lakhs)

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
OUTSTANDING BALANCES INVESTMENTS								
Fineotex Malaysia Limited	838.69	838.69	-	-	-	-	838.69	838.69
Manya Steel Private Limited	72.94	72.94	-	-	-	-	72.94	72.94
Fineotex Specialities FZE	26.58	26.58	-	-	-	-	26.58	26.58
Total	938.21	938.21	-	-	-	-	938.21	938.21
RECEIVABLES								
BT Chemicals SDN BHD	72.46	41.13	-	-	-	-	72.46	41.13
BT Biotex SDN BHD	22.04	-	-	-	-	-	22.04	-
Rovatex SDN BHD	43.23	-	-	-	-	-	43.23	-
Proton Biochem Private Limited	-	-	-	-	31.27	-	31.27	-
Total	137.73	41.13	-	-	31.27	-	169.01	41.13
TRADE ADVANCE								
BT Chemicals SDN BHD	55.98	111.99	-	-	-	-	55.98	111.99
Total	55.98	111.99	-	-	-	-	55.98	111.99
SECURITY DEPOSIT GIVEN (Excluding effect of IND AS 113)								
Manya Steel Private Limited	116.85	116.85	-	-	-	-	116.85	116.85
Sanjay Tibrewala	-	-	10.00	-	-	-	10.00	-
Surendra Tibrewala	-	-	60.00	-	-	-	60.00	-
Kanaklata Tibrewala	-	-	-	-	120.00	195.00	120.00	195.00
Total	116.85	116.85	70.00	-	120.00	195.00	306.85	311.85
PAYABLES								
Proton Biochem Private Limited	-	-	-	-	7.89	25.53	7.89	25.53
Surendra Tibrewala - Rent	-	-	0.68	0.66	-	-	0.68	0.66

FINEOTEX CHEMICAL LIMITED

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Kanaklata Tibrewala - Rent	-	-	-	-	1.04	-	1.04	-
Manya Steel Private Limited	0.72	0.72	-	-	-	-	0.72	0.72
Sanjay Tibrewala	-	-	1.44	0.04	-	-	1.44	0.04
Total	0.72	0.72	2.12	0.70	8.92	25.53	11.76	26.95
REMUNERATION PAYABLE								
Surendra Tibrewala	-	-	4.64	2.88	-	-	4.64	2.88
Sanjay Tibrewala	-	-	5.02	2.87	-	-	5.02	2.87
Aarti Jhunjhunwala	-	-	1.92	1.23	-	-	1.92	1.23
DIRECTORS SITTING FEES PAYABLE								
Navin Mittal	-	-	0.05	-	-	-	0.05	-
Manmohan Mehta	-	-	0.05	-	-	-	0.05	-
Alok Dhanuka	-	-	0.05	-	-	-	0.05	-
Total	-	-	11.71	6.98	-	-	11.71	6.98
REIMBURSEMENT OF EXPENSES PAYABLE								
Aarti Jhunjhunwala	-	-	-	2.00	-	-	-	2.00
Total	-	-	-	2.00	-	-	-	2.00

Note:

Related parties are identified by the Company and relied upon by the Auditors

* Provision for contribution to gratuity fund which are made based on actuarial valuation on overall company basis are not included in remuneration to Key Management Personnel.

45 SEGMENT REPORTING

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

- 46 a) Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.
b) Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation

47 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

a. Investment In Mutual Funds (Quoted and fully paid up) (Refer Note No 4)

Investment In Mutual Funds (Quoted and fully paid up) includes investment in "Frankling India Short Term Income Plan Growth Direct" as under:

(Rs. In Lakhs)

Particulars	31st March 2020			31st March 2019		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
Frankling India Short Term Income Plan Growth Direct	7,830.37	300.00	317.31	7,830.37	300.00	328.54

The Mutual Fund Institution on April 23, 2020 voluntarily decided to wind up its Six yield oriented fixed income funds including "Franklin India Short Term Income Plan.

Consequent to the winding up, the units can no longer be subscribed or redeemed by the Unitholders post cut off time ie April 23, 2020.

As per the communication received from the Mutual Fund Institution, the amount subscribed by the Unitholders would be paid as per the regulatory process in due course of time.

Based on the above assurances and regular communication on the development of the same by Mutual Fund Institution, the management estimates to recover the entire amount subscribed in due course of time. The Management is closely monitoring the developments in the said matter and is continuously reviewing and assessing the impact if any, on its financial statements.

b. Dividend Proposed to be distributed:

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Corporate Dividend for Equity Shareholders Proposed for the year		
Final Dividend Proposed	-	111.30
Dividend Proposed Per Fully Paid Up Share	-	0.10

48 Figures in brackets indicate previous year's figures. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform with this year's classification.

As per our report of even date attached

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

(Manish Pansari)
Partner
Membership No. 137974

Mumbai, 14 July 2020

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14 July 2020

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Hemant Auti
Company Secretary
M.No. ACS:A51703

FINEOTEX CHEMICAL LIMITED

FORMAOC -1

(Pursuant to first proviso to sub-section (3) of the section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associates / joint ventures

Part “A” - Subsidiaries

1	Name of subsidiary	Manya Steels Private Ltd	BT Chemicals SDN. BHD	BT Biotex SDN. BHD	Rovatex SDN BHD	Fineotex Malaysia Limited	Fineotex Specialities FZE
2	Reporting year / period ended	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
3	Date of becoming subsidiary	11-Nov-13	28-Jun-11	28-Jun-11	28-Jun-11	28-Jun-11	25-Jan-15
4	Reporting Currency	Rupees	Malysian Ringets	Malysian Ringets	Malysian Ringets	USD	USD
5	Exchange rate as on the last date of the relevant Financial Year in Rs.	1	17.03	17.03	17.03	71.05	71.05
					Amounts in Rupees		
		Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
6	Share Capital	1,00,000	1,41,94,505	9,01,262	90,923	13,42,99,989	29,00,403
7	Reserves & Surplus	10,01,891	7,97,08,217	6,81,67,275	21,51,485	12,79,86,699	1,65,60,902
8	Total Assets	1,12,54,845	18,55,47,266	8,75,31,884	67,37,051	28,84,91,633	1,94,61,306
9	Total Liabilities	1,01,52,954	9,16,44,544	1,84,63,347	44,94,643	2,62,04,945	-
10	Investments	-	-	-	-	-	-
11	Turnover	17,69,905	70,64,43,194	30,81,74,182	60,23,783	21,71,42,182	25,28,598
12	Profit before Taxation	9,31,966	4,97,81,330	78,89,454	(2,87,960)	7,36,78,016	(1,63,131)
13	Provision for Taxation	2,34,576	1,19,40,499	15,71,614	834	4,88,584	-
14	Profit after Taxation	6,97,390	3,78,40,830	63,17,840	(2,87,126)	7,31,89,432	(1,63,131)
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	100.00	71.92	72.38	74.76	100.00	100.00

BT Chemicals Sdn Bhd, BT Biotex Sdn Bhd, and Rovatx SdnBhd are subsidiaries of Fineotex Malaysia Limited

Part “B” : Associates & Joint Ventures Nil

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director)
DIN: 00218525

Place: Mumbai

Date: 27th July, 2020

Independent Auditor's Report To the Members of Fineotex Chemical Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of FINEOTEX CHEMICAL LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditors on separate financial statements and other financial information of the subsidiaries as referred to in "Other Matters" paragraph below in this audit report, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group as at March 31, 2020, and their consolidated Profit (consolidated financial performance including other comprehensive income), their consolidated changes in equity and their consolidated Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to "Other Matters" paragraph below in this audit report, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note No. 42 (a) (iv) of the consolidated financial statements which explains the impact of COVID-19 pandemic on the Group's operations and financial statements. The actual Impact is

dependent on future developments, which are highly uncertain.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements, the standalone financial statements and our auditors report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information compare with the financial statement of the subsidiaries audited by other auditors, to the extent it relates to these entities and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information in so far it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

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

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

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and

prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of

the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors and management of the companies included in the Group are responsible for assessing the ability of their respective companies, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/management of the companies included in the Group are also responsible for overseeing the financial reporting process of the respective companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group's to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in "Other Matters" paragraph below in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements, of which we are independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,

in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (i) We did not audit the financial statements of five (5) subsidiaries included in the consolidated financial statements/financial information, whose financial statements/financial information reflects (before eliminating intercompany transactions) total assets of ₹ 5,645.99 Lakhs as at 31 March 2020, total revenues of ₹ 11,197.65 Lakhs, total net profit/(loss) after tax of ₹ 831.65 Lakhs, and net cash inflows of ₹ 289.20 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors and whose audit reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far it relates to the aforesaid subsidiaries, is based solely on the audit reports of the other auditors.

Further, of these subsidiaries, four (4) subsidiaries are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted these financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, and matters identified and disclosed under key audit matters paragraph above, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

- (ii) We did not audit financial statements of one (1) subsidiary included in the consolidated financial statements/financial information, whose financial statements/financial information reflects (before eliminating intercompany transactions) total assets of ₹ 206.44 Lakhs as at 31 March 2020, total revenues of ₹ 25.26 Lakhs, total net profit/(loss) after tax of ₹ (1.63) Lakhs, and net cash inflows of ₹ 15.32 Lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statements/financial information is unaudited and have been furnished to us and certified by the management, and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters paragraph above,

and our report in terms of subsection (3) of Section 143 of the Act, in so far it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements/financial information. In our opinion, and according to the information and explanations given to us by the management, this financial statements/financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with

respect to our reliance on the financial statements/financial information furnished to us certified by management.

- (iii) Due to lock down since 24th March 2020 imposed by the Government, year-end inventory could not be physically verified by the Holding Company. The management of the Holding Company was able to perform year end physical verification of inventories, subsequent to the year end.

Also we were not able to physically observe the verification of inventory that was carried out by the Management of the Holding Company. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion on these Statement.

Our Opinion is not modified in respect of this matter.

- (iv) The Consolidated Ind AS financial statements of the Company for the year ended March 31, 2019, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 14, 2019.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on consideration of reports of other auditors on separate financial statements and other financial information of subsidiaries as was audited by other auditors, referred to in "Other Matters" paragraph above, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors;
- The Consolidated financial statements dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken

on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31st March, 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 with reference to the financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, where applicable, refer to our separate Report in “Annexure A” to this report;
- (g). With respect to the matter to be included in the Auditors Report under Section 197(16), in our opinion and based on the reports of the other statutory auditors of the subsidiary incorporated in India and according to the information and explanation given to us, the remuneration paid by the Holding Company and its subsidiary company incorporated in India, where applicable, to their directors during the current year is in accordance with the provisions of and not in excess of limits laid down under Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us;
- (h). With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit

and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries as referred to in the “Other Matters” paragraph above:

- i. the Group does not have any pending litigations which would impact consolidated financial position of the Group.
- ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31st March, 2020.

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

(Manish Pansari)
Partner
Membership No. : 137974

Place: Mumbai
Date: July 14, 2020

Annexure “A” referred to in paragraph 1 (f) under the heading “Report on Other Legal and Regulatory Requirements” of the Independent Auditors’ report of even date on the Consolidated Financial Statements of Fineotex Chemical Limited for the Year Ended 31st March 2020.

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

We have audited the internal financial controls with reference to the financial statements of Fineotex Chemical Limited (“the Company” or “the Holding Company”) and its subsidiary company incorporated in India, as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary company incorporated in India, where such reporting under Section 143(3) of the Companies Act, 2013 is applicable, based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk

that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary company incorporated in India, in terms of their reports referred to in “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the financial statements of the Holding Company and its subsidiary company incorporated in India, where such reporting under Section 143(3) of the Companies Act, 2013 is applicable.

Meaning of Internal financial controls with reference to the Consolidated Financial Statements

A company’s internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal financial controls with reference to these Consolidated Financial Statements

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

Opinion

In Our opinion, to the best of our information and according to the explanations given to us, and matter described in “Emphasis of Matter” paragraph above, and based on the consideration of other auditors referred to in “Other Matters” paragraph below, the Holding Company and its subsidiary company incorporated in India, where such reporting under Section 143(3) of the Companies Act, 2013 is applicable, have, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial

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

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one (1) subsidiary company, incorporated in India and where such reporting under Section 143(3) of the Companies Act, 2013 is applicable, is based solely on the

corresponding reports of the auditors of such company incorporated in India. Our opinion is not modified in respect of the above matters.

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

(Manish Pansari)
Partner
Membership No. : 137974

Place: Mumbai
Date: July 14, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	3	3,068.00	2,605.45
Capital Work - In - Progress	3	62.65	14.30
Investment Property	3	378.57	378.57
Goodwill on Consolidation		613.85	613.85
Financial Assets			
Investments	4	4,397.92	4,321.70
Others	5	190.63	213.13
Deferred Tax Assets (Net)	6	53.79	-
Non - Current Tax Assets	7	60.48	105.42
Other Non - Current Assets	8	420.10	392.03
Total Non - Current Assets		9,245.98	8,644.44
Current Assets			
Inventories	9	2,108.59	2,508.51
Financial Assets			
Investments	10	849.57	494.18
Trade Receivables	11	5,384.65	4,913.16
Cash & Cash Equivalents	12	1,738.04	1,421.31
Bank Balance other than above	13	55.01	52.65
Other Financial Assets	14	2.26	2.46
Other Current Assets	15	680.17	717.00
		10,818.28	10,109.28
Asset classified as Held for Sale	16	720.69	720.69
Total Current Assets		11,538.97	10,829.97
TOTAL ASSETS		20,784.95	19,474.41
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	2,226.00	2,226.00
Other Equity	18	14,743.44	13,654.53
Equity attributable to owners of the parent		16,969.44	15,880.53
Non-controlling Interest		628.69	568.34
Total Equity		17,598.13	16,448.87
Liabilities			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	19	-	10.22
Other Financial Liabilities	20	49.64	45.20
Provisions	21	5.50	4.51
Deferred Tax Liabilities (Net)	6	-	18.12
Total Non - Current Liabilities		55.14	78.04
Current Liabilities			
Financial Liabilities			
Borrowings	22	284.48	197.59
Trade Payables	23	2,337.72	2,090.16
Other Financial Liabilities	24	89.93	254.34
Other Current Liabilities	25	395.56	377.01
Provisions	26	13.38	11.79
Current Tax Liabilities (Net)	27	10.61	16.60
Total Current Liabilities		3,131.68	2,947.49
TOTAL LIABILITIES		3,186.82	3,025.53
TOTAL EQUITY AND LIABILITIES		20,784.95	19,474.41
CORPORATE INFORMATION	1		
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NOTES ON ACCOUNTS	3 to 50		

As per our report of even date attached

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

(Manish Pansari)
Partner
Membership No. 137974

Mumbai, 14 July 2020

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14 July 2020

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Hemant Auti
Company Secretary
M.No. ACS:A51703

FINEOTEX CHEMICAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. In Lakhs)

Particulars	Note. No.	YEAR ENDED MARCH 31, 2020	YEAR ENDED MARCH 31, 2019
Income			
Revenue from Operations	28	19,633.58	18,232.73
Other Income	29	160.86	85.15
Total Income		19,794.44	18,317.88
Expenses			
Cost of Material Consumed	30	9,276.50	8,415.84
Purchase of Stock In Trade	31	2,837.79	3,652.50
Changes in Inventories of Finished Goods / Stock in Trade	32	199.90	(309.02)
Employee Benefit Expenses	33	873.19	752.96
Finance Cost	34	63.02	83.30
Depreciation and Amortisation	3	116.91	100.20
Other Expenses	35	2,967.59	2,275.57
Total Expenses		16,334.89	14,971.35
Profit Before Tax and Exception item		3,459.55	3,346.53
Exceptional Item - Income/(Expense)	36	(1,263.44)	16.54
Profit Before Tax		2,196.11	3,363.07
Tax Expenses			
Current Tax		864.05	901.51
Deferred Tax		(73.54)	34.61
(Excess) / Short Provision of Earlier Years		(25.38)	(6.30)
Total Tax Expense		765.13	929.82
Profit After Tax		1,430.98	2,433.25
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Defined Benefit Obligation / Asset		(1.31)	(0.59)
Income Tax related to above		0.33	0.17
Total Other Comprehensive Income for the year		(0.98)	(0.42)
Total Comprehensive Income for the year		1,430.00	2,432.83
Profit Attributable to:			
Owners of the Company		1,307.61	2,252.43
Non Controlling Interest		123.38	180.83
		1,430.98	2,433.25
Other Comprehensive Income Attributable to:			
Owners of the Company		(0.98)	(0.42)
Non Controlling Interest		-	-
		(0.98)	(0.42)
Total Other Comprehensive Income Attributable to:			
Owners of the Company		1,306.63	2,252.00
Non Controlling Interest		123.38	180.83
		1,430.00	2,432.83
Earnings Per Share - Basic & Diluted (₹)	39	1.17	2.02
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3 to 50		

As per our report of even date attached

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

(Manish Pansari)
Partner
Membership No. 137974

Mumbai, 14 July 2020

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14 July 2020

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Hemant Auti
Company Secretary
M.No. ACS:A51703

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

(Rs. In Lakhs)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
A.	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Net Profit / (Loss) Before Tax	2,196.11	3,363.07
	Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
	Depreciation & Amortisation	116.91	100.20
	Finance Cost	63.02	83.30
	Interest Income	(59.26)	(25.18)
	Dividend Income	(9.60)	(9.45)
	Net gains / (losses) on fair value changes	1,263.44	(69.98)
	Actuarial Valuation of Gratuity	(1.31)	-
		1,373.19	78.89
	Operating Profit Before Changes in Working Capital	3,569.31	3,441.96
	Adjustment for Changes in Working Capital		
	(Increase) / Decrease in Trade Receivables	(471.49)	(2,121.24)
	(Increase) / Decrease in Inventories	399.93	(398.96)
	(Increase) / Decrease in Other Current Financial Assets	0.20	8.92
	(Increase) / Decrease in Other Current Assets	36.84	(88.78)
	(Increase) / Decrease in Other Non - Current Financial Assets	22.50	(15.82)
	(Increase) / Decrease in Other Non - Current Assets	(28.07)	0.41
	Increase / (Decrease) in Trade Payables	247.56	1,003.89
	Increase / (Decrease) in Other Current Financial Liabilities	(164.40)	208.28
	Increase / (Decrease) in Other Current Liabilities	18.54	118.13
	Increase / (Decrease) in Provisions	2.58	1.72
		64.19	(1,283.44)
	Cash Generated from Operations	3,633.49	2,158.52
	Less: Taxes Paid (Net of refund received)	(797.77)	(956.90)
	NET CASH FLOW FROM OPERATING ACTIVITY (A)	2,835.72	1,201.62
B	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Purchase of Property, Plant & Equipment & Intangible Assets	(627.03)	(784.94)
	FCTR on PPE	(0.77)	(0.82)
	Investments during the year	(1,339.65)	1,067.40
	Interest Received	59.26	25.18
	Dividend Received	9.60	9.45
	Movement in Other Bank balances	(2.36)	101.96
	NET CASH FLOW FROM INVESTING ACTIVITY (B)	(1,900.96)	418.23
C	<u>CASH FLOW FROM FINANCING ACTIVITY</u>		
	Receipt / (Repayment) of Long Term Borrowings	(10.22)	(11.45)
	Deposits and Margin Money	4.44	7.19
	Finance Cost	(63.02)	(83.30)
	Corporate Dividend paid (incl. Dividend Distribution Tax)	(319.00)	(256.25)
	NET CASH FLOW FROM FINANCING ACTIVITY (C)	(387.79)	(343.81)

FINEOTEX CHEMICAL LIMITED

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
D	<u>EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS (D)</u>	38.25	82.15
E	<u>NET CASH FLOW FOR THE YEAR (A + B + C+D)</u>	585.23	1,358.18
	Add: Opening Balance of Cash & Cash Equivalents	1,717.90	359.72
	CLOSING BALANCE OF CASH & CASH EQUIVALENTS	2,303.13	1,717.90

Note :

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

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH AND CASH EQUIVALENT COMPRISES AS UNDER:		
Balance with banks in current accounts	1,725.09	1,406.07
Cash on Hand	12.95	15.24
CASH AND CASH EQUIVALENT	1,738.04	1,421.31
Add : Investment in liquid mutual funds (Refer Note 10)	849.57	494.18
Working Capital Facility from Bank (Refer Note 22)	(284.48)	(197.59)
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	2,303.13	1,717.90

As per our report of even date attached

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

(Manish Pansari)
Partner
Membership No. 137974

Mumbai, 14 July 2020

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14 July 2020

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Hemant Auti
Company Secretary
M.No. ACS:A51703

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity Share Capital

(Rs. In Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting period	11,13,00,000	2,226.00	11,13,00,000	2,226.00
Add: Changes in Equity Capital during the year	-	-	-	-
Balance at the end of the reporting period	11,13,00,000	2,226.00	11,13,00,000	2,226.00

B. Other Equity

(Rs. In Lakhs)

Particulars	Attributable to Owners					Total Other Equity	Non controlling Interest
	Reserves & Surplus				Other Reserves		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Foreign Currency Translation		
Balance as at March 31, 2018 (A)	10.85	19.96	988.45	10,293.58	32.71	11,345.55	618.59
Additions during the year:							
Profit for the period	-	-	-	2,252.43	-	2,252.43	180.83
Currency Translation Reserve	-	-	-	-	56.98	56.98	25.17
Items of OCI for the year, net of tax:							
Remeasurement of the defined benefit plans	-	-	-	(0.42)	-	(0.42)	-
Total Comprehensive Income for the year 2018-2019 (B)	-	-	-	2,252.01	56.98	2,308.98	206.00
Reductions during the year:							
Transactions with Owners in their capacity as Owners:							
Interim Dividend for the year ended 31st March 2019	-	-	-	-	-	-	(256.25)
Total (C)	-	-	-	-	-	-	(256.25)
Balance as at March 31, 2019 (D)=(A+B+C)	10.85	19.96	988.45	12,545.58	89.68	13,654.53	568.34
Additions during the year:							
Profit for the period	-	-	-	1,307.61	-	1,307.61	123.38
Currency Translation Reserve	-	-	-	-	(50.77)	(50.77)	89.02
Items of OCI for the year, net of tax:							
Remeasurement of the defined benefit plans	-	-	-	(0.98)	-	(0.98)	-
Total Comprehensive Income for the year 2018-2019 (E)	-	-	-	1,306.63	(50.77)	1,255.86	212.40
Reductions during the year:							
Transactions with Owners in their capacity as Owners:							
Final Dividend for the year ended 31st March 2019	-	-	-	(111.30)	-	(111.30)	-
Interim Dividend for the year ended 31st March 2020	-	-	-	(55.65)	-	(55.65)	(152.05)
Total (F)	-	-	-	(166.95)	-	(166.95)	(152.05)
Balance as at March 31, 2020 (D+E+F)	10.85	19.96	988.45	13,685.26	38.92	14,743.44	628.69

C CORPORATE INFORMATION

1

SIGNIFICANT ACCOUNTING POLICIES

2

NOTES ON ACCOUNTS

3 to 50

As per our report of even date attached

For and on behalf of the Board of Directors

For ASL & CO

Chartered Accountants

Firm Reg. No. 101921W

(Manish Pansari)

Partner

Membership No. 137974

Mumbai, 14 July 2020

Surendrakumar Tibrewala

Chairman & Managing Director

DIN : 00218394

Sanjay Tibrewala

Executive Director & CFO

DIN : 00218525

Mumbai, 14 July 2020

Alok Dhanuka

Chairman - Audit Committee

DIN : 06491610

Hemant Auti

Company Secretary

M.No. ACS:A51703

SIGNIFICANT ACCOUNTING POLICIES

1 BACKGROUND

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

The Group is engaged in the business of manufacturing of Textile chemicals, auxiliaries and specialty chemicals. Fineotex Chemical Limited along with its Subsidiaries is collectively referred to as “the Group”

2 STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS FOR PREPARATION OF ACCOUNTS

a) Statement of compliance with Ind AS

The Standalone Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements

b) The Consolidated financial statements are approved for issue by the Audit Committee and by the Board of Directors on 14th July, 2020.

c) Current versus Non-Current classification

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

d) Historical Cost Convention

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

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

e) Principles of Consolidation

The Consolidated financial statement of the Group represents consolidation of financial statements with Subsidiary companies. The proportion of ownership interest in each Subsidiary is as follows:

Name of the subsidiaries	Country of Domicile	Proportion of Ownership Interest	
		As at March 31, 2020	As at March 31, 2019
Fineotex Malaysia Limited	Malaysia	100.00%	100.00%
BT Chemicals SDN BHD	Malaysia	71.92%	67.16%
BT Biotex SDN BHD	Malaysia	72.38%	67.62%
Rovatex SDN BHD	Malaysia	74.76%	70.00%
Fineotex Specialties FZE	UAE	100.00%	100.00%
Manya Steels Private Limited	India	100.00%	100.00%

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the Financial Statements of the parent and its Subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of Subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Changes in Ownership Interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified in the Statement of Profit and Loss.

2.2 FOREIGN CURRENCY TRANSACTIONS

a) Functional and Presentation Currency

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency.

For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

b) Initial Recognition

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency at the exchange rate prevailing on the dates of the transactions.

Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of profit and loss of the year.

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

At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Gains or losses arising from these translations are recognised in the Consolidated Statement of Profit and Loss.

d) For Consolidation

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the end of Reporting Date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions.

For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions.

The exchange differences arising on translation for consolidation are recognised in Foreign Currency Translation Reserve.

Any goodwill arising in the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of Reporting Date

2.3 ACCOUNTING FOR TAXES ON INCOME

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

2.4 OTHER SIGNIFICANT ACCOUNTING POLICIES

Other significant accounting policies followed by the Group are exactly similar to the significant accounting policies limited of the parent, Fineotex Chemical Limited.; and hence have not been reproduced here.

Refer note 2 of standalone financial statements of Fineotex Chemical Limited For the year ended 31 March 2020 for details with regards to other significant accounting policies.

NOTE 3: PROPERTY, PLANT & EQUIPMENTS AND INVESTMENT PROPERTY

(Rs. In Lakhs)

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

- a. - Office Premises includes fully paid unquoted shares in respect of ownership of Office Premises in 2 Co-operative Society (31 March 2018: 2 Co-operative Society); 10 shares (31 March 2018: 10 shares) of Rs.50/- each.
- Investment Property includes fully paid unquoted shares in respect of ownership of Office Premises in 1 Co-operative Housing Society (31 March 2018: 1 Co-operative Housing Society); 10 shares (31 March 2018: 10 shares) of Rs.50/- each.
- b. - Motor Vehicles of Original Cost Rs. 108.48 Lakhs as at 31st March 2020 (Previous Year as at 31st March 2019 Rs. 108.48 Lakhs) are in the name of the directors of the company.
- Motor Vehicle Original Cost Rs. 53.89 Lakhs (Previous Year as at 31st March 2019 Rs. 53.89 Lakhs) has been provided as security against the term loan taken from Bank by the Company. (Also Refer Note No. 19 & 24).
- c. The amount of Contractual Commitments for the acquisition/construction of Property , Plant & Equipments is disclosed in Note No.36
- d. The fair market value of investment property as determined in accordance with Level III input provided by Management is approximately Rs.225.24 Lakhs (Previous Year Rs.225.24 Lakhs).
- e. The Company has no restrictions on the realisability of its investment property. There are no contractual obligations to purchase, construct or develop investment property as at the year end.
- f. Investment property is leased out to tenant under operating leases. Disclosure on future rent receivable is included in note 43.
- g. Amount recognised in Profit & Loss for Investment Properties:

(Rs. In Lakhs)

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

FINEOTEX CHEMICAL LIMITED

NOTE 3: PROPERTY, PLANT & EQUIPMENTS AND INVESTMENT PROPERTY

(Rs. In Lakhs)

DESCRIPTION	GROSS CARRYING AMOUNT (AT COST)				ACCUMULATED DEPRECIATION / AMORTIZATION				NET CARRYING AMOUNT As At March 31, 2019	
	As At April 01, 2018	Additions / Transfers	Exchange Differences	Deductions	As At March 31, 2019	As At April 01, 2018	For The Year	On Deductions		As At March 31, 2019
(A) TANGIBLE ASSETS										
Land - Freehold	385.26	56.94	-	-	442.20	-	-	-	-	442.20
Land - Leashold	550.66	312.77	-	-	863.43	-	-	-	-	863.43
Factory Buildings	137.84	222.69	-	-	360.53	4.90	10.81	-	15.71	344.82
Office Premises (a)	336.81	-	-	-	336.81	32.85	17.45	-	50.30	286.51
Plant & Machinery	415.24	150.97	0.52	-	566.73	49.29	39.53	-	88.82	477.92
Furniture & Fixture	25.59	3.23	0.02	-	28.84	7.31	3.62	-	10.92	17.91
Vehicles (b)	147.47	32.21	0.26	-	179.94	23.55	21.80	-	45.35	134.59
Computers	11.37	4.07	0.02	-	15.46	4.00	4.31	-	8.32	7.15
Capex on Leasehold Premises	39.86	-	-	-	39.86	6.26	2.68	-	8.94	30.92
Total - Tangible Assets	2,050.09	782.89	0.82	-	2,833.80	128.15	100.20	-	228.35	2,605.45
(B) Capital Work in Progress (c)	12.25	2.05	-	-	14.30	-	-	-	-	14.30
(C) INVESTMENT PROPERTY (a,d,e,f & g)	378.57	-	-	-	378.57	-	-	-	-	378.57
TOTAL(A)+(B)+(C)	2,440.90	784.94	0.82	-	3,226.67	128.15	100.20	-	228.35	2,998.31

- a. - Office Premises includes fully paid unquoted shares in respect of ownership of Office Premises in 2 Co-operative Society (31 March 2018: 2 Co-operative Society); 10 shares (31 March 2018: 10 shares) of Rs.50/- each.
- Investment Property includes fully paid unquoted shares in respect of ownership of Office Premises in 1 Co-operative Housing Society (31 March 2018: 1 Co-operative Housing Society); 10 shares (31 March 2018: 10 shares) of Rs.50/- each.
- b. - Motor Vehicles of Original Cost Rs. 108.48 Lakhs as at 31st March 2019 (Previous Year as at 31st March 2018 Rs. 108.48 Lakhs) are in the name of the directors of the company.
- Motor Vehicle Original Cost Rs. 53.89 Lakhs (Previous Year as at 31st March 2018 Rs. 53.89 Lakhs) has been provided as security against the term loan taken from Bank by the Company. (Also Refer Note No. 19 & 24).
- c. The amount of Contractual Commitments for the acquisition/construction of Property , Plant & Equipments is disclosed in Note No.36
- d. The fair market value of investment property as determined in accordance with Level III input provided by Management is approximately Rs.225.24 Lakhs (Previous Year Rs.225.24 Lakhs).
- e. The Company has no restrictions on the realisability of its investment property. There are no contractual obligations to purchase, construct or develop investment property as at the year end.
- f. Investment property is leased out to tenant under operating leases. Disclosure on future rent receivable is included in note 43.
- g. Amount recognised in Profit & Loss for Investment Properties:

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Rental income	9.86	5.10
Direct operating expenses from property that generated rental income	(0.98)	(0.50)
Direct operating expenses from property that did not generate rental income	-	(0.36)
Impact of IND AS on Lease Rentals	0.31	-
Profit from investment properties before depreciation	9.19	4.25
Depreciation	-	-
Profit from investment property	9.19	4.25

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

(Rs. In Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Units	Amount	No. of Units	Amount
A. Other Investments				
Carried at fair value through profit or loss				
In Equity Instruments (Quoted and fully paid up)	13,51,086	683.15	11,71,080	967.74
In Mutual Funds (Quoted and fully paid up) (Also Refer Note (a) & 49)	1,09,98,730	3,714.77	72,09,064	3,353.97
TOTAL		4,397.92		4,321.70
Aggregate Amount of Quoted Investment - At Cost		5,291.97		3,995.27
Aggregate Amount of Quoted Investment - At market value		4,397.92		4,321.70

Note :

a. Other Investments carried at fair value through profit or loss includes , Investment under lien against working capital loan facility availed by the company (Also Refer Note No 22)

(Rs. In Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
Investment in Mutual Fund (Quoted & Fully Paid Up)	10,40,152	500.00	556.27	10,40,152	500.00	545.64

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

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits (Refer Note i. Below)	176.90	200.61
Fixed Deposits maturing after 12 months (Refer Note ii. Below)	13.72	12.52
Total	190.63	213.13

Note :

i. Security and Other deposits includes dues for Leasing of Premises from Directors and its relatives as under: (Also Refer Note No 45).

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Dues from Directors	60.97	-
Dues from relative of Directors	104.53	195.00

ii. Receipts Pledged/Lien with Bank towards Bank Guarantee (Also refer Note No 37).

NOTE 6: INCOME TAX

A. COMPONENTS OF INCOME TAX EXPENSES

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
I. Tax expense recognised in statement of profit & loss		
Current Tax		
Current year	864.05	901.51
(Excess) / Short Provision of Earlier Years	(25.38)	(6.30)
Sub-Total	838.67	895.21
Deferred tax charge/ (credit)		
Origination and reversal of temporary difference	(73.54)	34.61
Sub-Total	(73.54)	34.61
Total	765.13	929.82
II. Tax on other comprehensive income		
Items that will not be reclassified to Profit and Loss		
Remeasurement of the Defined Benefit Plans	(0.33)	(0.17)
Total	(0.33)	(0.17)

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B. RECONCILIATION OF EFFECTIVE TAX RATES

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Profit/(loss) before tax	2,196.11	3,363.07
Enacted Income Tax Rate in India	25.17%	29.12%
Income Tax expense calculated at enacted corporate tax rate	552.76	979.33
Effect of income that is exempt from tax	(6.96)	(8.49)
Effect of expenses that are not deductible in determining taxable profit	5.66	7.28
Expenditure allowable at lower rate	6.39	6.84
Effect of income which is taxed at special rates	190.87	(1.24)
Effect of difference between India and foreign tax rates and non taxable subsidiaries	(1.64)	(84.14)
Excess Provision created for the previous year	(25.38)	(6.30)
Others	43.42	36.53
Total	765.14	929.82
Effective tax rate for the year	34.84%	27.65%

C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particulars	Net deferred tax asset / (liabilities) as on 1st April, 2019	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2020
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(74.89)	(13.69)	-	(88.59)
Investments	0.51	95.20	-	95.71
Investment Property	18.37	1.08	-	19.45
Inventories	1.67	-	-	-
Employee benefits	4.57	(4.83)	0.33	0.07
Other Current Assets	31.64	(4.50)	-	27.15
Deferred tax assets/ (liabilities)	(18.12)	73.26	0.33	53.79

MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particulars	Net deferred tax asset / (liabilities) as on 1st April, 2018	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2019
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(60.32)	(14.58)	-	(74.89)
Investments	(25.16)	25.67	-	0.51
Investment Property	14.70	3.67	-	18.37
Inventories and other related items	2.07	(0.40)	-	1.67
Employee benefits	2.83	1.57	0.17	4.57
Other Current Assets	82.18	(50.54)	-	31.64
Deferred tax assets/ (liabilities)	16.31	(34.61)	0.17	(18.12)

D. DEFERRED TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		
Inventories and other related items	-	1.67
Investments	95.71	0.51
Employee Benefits	0.07	4.57
Investment Property	19.45	18.37
Other Current Assets	27.15	31.64
Total	142.38	56.77
Deferred Tax Liabilities		
Property, Plant and Equipment	88.59	74.89
Total	88.59	74.89
NET DEFERRED TAX ASSETS / (LIABILITIES)	53.79	(18.12)

NOTE 7: NON - CURRENT TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance payment of Income Tax (Net of Provision)	60.48	105.42
Total	60.48	105.42

NOTE 8: OTHER NON-CURRENT ASSETS

(Unsecured Considered Good unless stated otherwise)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances (Refer Note No 37)	407.84	379.60
Advances Other than Capital Advances		
Balances with Government Authorities	12.26	12.43
Total	420.10	392.03

NOTE 9: INVENTORIES

(At Lower of Cost and Net Realisable Value)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(As taken , valued and certified by the management)		
Raw Materials	1,278.76	1,584.85
Work in Progress	424.68	303.40
Finished Goods (including in Transit)	320.36	573.73
Others (Packing Material)	84.78	46.54
Total	2,108.59	2,508.51

NOTE 10: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Units	Amount	No. of Units	Amount
Investment in Liquid Mutual Funds (At Fair value through Profit & Loss)	36,25,522	849.57	22,02,058	494.18
Investment in Liquid Mutual Funds (Quoted and fully paid up)				
Total		849.57		494.18
Aggregate Amount of Quoted Investment - At Cost		833.33		488.00
Aggregate amount of Quoted Investments - At market value		849.57		494.18

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NOTE 11: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
Unsecured - Considered Good	5,384.65	4,913.16
Total	5,384.65	4,913.16

Note:

- i. Trade receivable includes (Also Refer Note No 45):
 - Dues from Private Companies in which any Director is a director or member - Rs. 31.27 Lakhs as at 31st March 2020 (Previous Year Rs. NIL.)
- ii. Refer Note - 42 for information about Credit Risk and Market Risk of Trade Receivables.

NOTE 12: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks in Current Accounts	678.34	694.21
Cash on Hand	12.95	15.24
Fixed Deposits maturing within 3 months	1,046.75	711.86
Total	1,738.04	1,421.31

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

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid Dividend Account (Refer Note i. Below)	2.36	2.03
Fixed Deposits maturing between 3 to 12 months (Refer Note ii. Below)	52.65	50.62
Total	55.01	52.65

Note:

- i. The Current Account balance includes unpaid dividend of Rs. 2.36 Lakhs as at 31st March 2020 (Previous Year as at 31st March 2019 Rs. 2.03 Lakhs) which have been kept in separate earmarked accounts and no transactions except for stated purpose are done through such accounts.
- ii. **Fixed Deposits maturing between 3 to 12 months includes Receipts Pledged/Lien with Banks:**
 - Rs.11.26 Lakhs as at 31st March 2020 (Previous Year Rs 0.26 Lakhs) - Towards Bank Guarantee ; (Also Refer Note no 37).
 - Rs. 41.37 Lakhs as at 31st March 2020 (Previous Year Rs.39.03 Lakhs) - towards Overdraft Facility availed.

NOTE 14: FINANCIAL ASSETS - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on FDR (Also Refer Note No 13)	2.26	2.26
Other Deposits	-	0.20
Total	2.26	2.46

NOTE 15: OTHER CURRENT ASSETS

(Unsecured Considered Good unless stated otherwise)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances Other than capital advances		
Advance to Employees	1.12	1.69
Advances to Suppliers	77.23	110.82
Other Receivables		
Export Incentive Receivable	86.52	50.44
Insurance Claim Receivable	71.70	429.40
Prepaid Expenses	79.07	47.97
Balances with Government Authorities	47.90	57.08
Receivable for Sale of Mutual Fund	294.48	-
Other Loans and Advances	22.15	19.60
Total	680.17	717.00

NOTE 16: ASSETS CLASSIFIED AS HELD FOR SALE

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Other Investment (At Cost)		
Immovable Property (Also Refer Note No 25)	720.69	720.69
Total	720.69	720.69

Note :

- i. The Management intends to sell the immovable property acquired during the year ended 31st March 2018. An active program to locate the buyer and to complete the sale has already been initiated, the sale is expected to be completed in the next 12 months. Accordingly, the above assets have been classified as assets held for sale.

The Company pursuant to its intention, have received Advance for Sale of Property classified as held for Sale. The Company is in the process of completing the transfer of title and is expected to be completed in the financial year 2020-2021.

- ii. Further the fair value of these asset is higher than its carrying value as on 31st March 2020 and hence no impairment loss has been recognised.

NOTE 17: EQUITY SHARE CAPITAL

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
14,00,00,000 (Previous year as at 31st March 2019 11,50,00,000) Equity Shares of Rs. 2/- each	2,800.00	2,300.00
TOTAL AUTHORIZED SHARE CAPITAL	2,800.00	2,300.00
Issued, Subscribed & Paid Up		
11,13,00,000 (Previous year as at 31st March 2019 11,13,00,000) Equity Shares of Rs. 2/- each fully paid up	2,226.00	2,226.00
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	2,226.00	2,226.00

a) Reconciliation of the number of shares outstanding :

(Rs. In Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	11,13,00,000	2,226.00	11,13,00,000	2,226.00
Add: Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares at the end	11,13,00,000	2,226.00	11,13,00,000	2,226.00

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b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a face value Rs. 2/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders will be entitled to receive any of the remaining asset of the company in proportion to the number of equity shares held by the shareholders, after distribution of all the preferential amounts. However no such preferential amount exist currently.

c) Shareholders holding more than 5% shares each :

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	%	No. of Shares	%
Mr. Surender Tibrewala (Refer Note No i. Below)	6,90,01,330	62.00%	6,90,01,330	62.00%

Note:

i. Shareholders holding more than 5% shares each includes shares held by Karta of HUF as under:

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	%	No. of Shares	%
Mr. Surrender Tibrewala - as a Karta of HUF	3,45,500	0.31%	3,45,500	0.31%

d) Other details of Equity Shares for a period of five years immediately preceding March 31, 2020

- i. Pursuant to approval of the Board of Directors of Company vide resolution dated 14th November, 2016 the Company has bought back 9,98,110 equity shares of Rs.2/- each from the open market at an average price of Rs. 29.69. The Company has paid a total amount of Rs. 292.65 Lakhs for the said buyback of shares.
- ii. Pursuant to shareholders approval dated 28th May,2015, the Equity Shares of Rs.10/- each of the Company were sub-divided into 5 Equity Shares of Rs.2/- per share w.e.f. 12th June,2015.
- iii. The Company had allotted 1,12,29,811 fully paid up equity shares of face value Rs. 10/- each during the year ended 31st March, 2015 pursuant to the bonus issue approved by the shareholders through postal ballot by capitalisation of Securities Premium. Bonus equity shares were issued in proportion of 1:1 i.e. (one) equity share of Rs. 10/- each fully paid up for every one share held.

NOTE 18: Other Equity

(Rs. In Lakhs)

Particulars	Reserves & Surplus				Other Reserves	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Foreign Currency Translation	
Balance as at March 31, 2018 (A)	10.85	19.96	988.45	10,293.58	32.71	11,345.55
Additions during the year:						
Profit for the period	-	-	-	2,252.43	-	2,252.43
Currency Translation Reserve	-	-	-	-	56.98	56.98
Items of OCI for the year, net of tax:						
Remeasurement of the defined benefit plans	-	-	-	(0.42)	-	(0.42)
Total Comprehensive Income for the year 2018-2019 (B)	-	-	-	2,252.00	56.98	2,308.98
Reductions during the year:						
Transactions with Owners in their capacity as Owners:						
Interim Dividend for the year ended 31st March 2019	-	-	-	-	-	-
Total (C)	-	-	-	-	-	-
Balance as at March 31, 2019 (D)=(A+B+C)	10.85	19.96	988.45	12,545.58	89.68	13,654.53
Additions during the year:						
Profit for the period	-	-	-	1,307.61	-	1,307.61
Currency Translation Reserve	-	-	-	-	(50.77)	(50.77)
Items of OCI for the year, net of tax:						
Remeasurement of the defined benefit plans	-	-	-	(0.98)	-	(0.98)
Total Comprehensive Income for the year 2018-2019 (E)	-	-	-	1,306.63	(50.77)	1,255.86
Reductions during the year:						
Transactions with Owners in their capacity as Owners:						
Final Dividend for the year ended 31st March 2019	-	-	-	(111.30)	-	(111.30)
Interim Dividend for the year ended 31st March 2020	-	-	-	(55.65)	-	(55.65)
Total (F)	-	-	-	(166.95)	-	(166.95)
Balance as at March 31, 2020 (D+E+F)	10.85	19.96	988.45	13,685.26	38.92	14,743.44

a. Description of Nature and Purpose of the Reserves

Capital Reserve

Capital Reserve was created on acquisition of Proprietorship concern “Fineotex Chemical Industries” in FY 2007-08 in Slump Sale.

Capital Redemption Reserve

The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve.

Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the provisions of the Act.

Retained Earnings

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

Items of Other Comprehensive Income

Remeasurements of Net Defined Benefit Plans:

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

b. Dividends Paid during the year

(Rs. In Lakhs)

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

NOTE 19: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED :		
Term Loan		
Bank	-	10.22
Total	-	10.22

Notes :

Loan from Axis Bank is @8.40% p.a. and secured against hypothecation of Motor Vehicles. These loans are repayable in 37 equal monthly installment of Rs. 1.07 Lakhs commencing from 01st Feb, 2018.

NOTE 20: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposit Received from Customers	49.64	45.20
Total	49.64	45.20

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NOTE 21: PROVISIONS (NON-CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity Payable	5.50	4.51
TOTAL	5.50	4.51

NOTE 22: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED :		
Loans repayable on demand		
From Banks (Refer note below)	284.48	197.59
Total	284.48	197.59

Note:

The above bank credit facility is secured against Fixed Deposits and pledged/lien on securities held by the Company (Also Refer Note No 4).

NOTE 23: FINANCIAL LIABILITIES - TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small and Medium Enterprises (Refer Note Below)	-	-
Due to Others	2,337.72	2,090.16
Total	2,337.72	2,090.16

Note:

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal and interest amount remaining unpaid	-	-
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
Total	-	-

NOTE 24: FINANCIAL LIABILITIES - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term Debts (Refer Note 19)	19.19	11.45
Interest on Trade Deposit	4.54	5.23
Unclaimed / Unpaid Dividend	66.21	192.37
Other Payables	-	45.28
Total	89.93	254.34

Note:

There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March 2020.

NOTE 25: OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from Customer	36.27	52.15
Advance received for Asset held for Sale (Also Refer Note No 16)	107.00	107.00
Payable to Employees (Also Refer Note No 45)	21.10	33.88
Statutory Payments	52.65	19.61
Other Payables	25.61	124.62
Accrual	152.92	39.76
Total	395.56	377.01

NOTE 26: PROVISIONS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Provision for Leave Encashment	3.81	3.55
Provision for Bonus	9.57	8.24
Total	13.38	11.79

NOTE 27: CURRENT TAX LIABILITIES (NET)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Tax Payable	10.61	16.60
Total	10.61	16.60

NOTE 28A: REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products	19,480.22	18,094.49
Other Operating Income:		
Technical Fees	23.87	29.34
Export Incentives & Entitlements	129.49	108.90
Total	19,633.58	18,232.73

NOTE 28B: REVENUE FROM CONTRACTS WITH CUSTOMERS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers disaggregated based on geography		
Domestic Market	9,693.81	8,667.81
Exports	9,786.40	9,426.68
Total	19,480.22	18,094.49

Note:

- The amounts of receivable from customers become due after expiry of credit period which on an average is less than 90 days. There is no significant financing component in any transaction with the customers
- The company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

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NOTE 29: OTHER INCOME

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income from Financial Asset Carried at Amortised Cost	59.26	25.18
Dividend Income		
Received from Quoted Investments measured at FVTPL	9.60	9.45
Other Non - Operating Income		
Foreign Exchange Fluctuation	49.54	12.07
Miscellaneous Income	42.46	38.44
Total	160.86	85.15

NOTE 30: COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw Material Consumed	8,581.69	7,579.09
Packing Material Consumed	694.81	836.75
TOTAL	9,276.50	8,415.84

NOTE 31: PURCHASE OF STOCK IN TRADE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Stock in Trade	2,837.79	3,652.50
Total	2,837.79	3,652.50

NOTE 32: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock :		
Finished Goods (including goods in transit)	526.46	419.72
Work in Progress	303.40	201.64
Stock In Trade	591.79	544.99
Less : Closing Stocks :		
Finished Goods	314.12	578.30
Work in Progress	424.68	303.40
Stock In Trade	482.95	593.67
NET CHANGE IN INVENTORIES	199.90	(309.02)

NOTE 33: EMPLOYEE BENEFIT EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Bonus	807.31	695.75
Contribution to Provident and Other Funds	37.58	33.04
Gratuity (Refer Note No 43)	5.19	5.01
Staff Welfare Expenses	23.11	19.16
Total	873.19	752.96

NOTE 34: FINANCE COST

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses on Financial Liabilities carried at amortised Cost		
On Borrowing	13.14	37.27
Others (Including Interest on delay / deferred payment)	0.03	0.01
Bank and Other Financial Charges	49.85	46.02
Total	63.02	83.30

NOTE 35: OTHER EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of Stores and Spares	23.73	20.69
Toll Conversion Charges	329.59	256.46
Power, Fuel and Utilities	51.05	47.19
Lease Rent / Hire Charges	157.45	105.27
Outward Freight Charges	356.15	217.15
Repairs & Maintenance on :		
Building	10.01	26.76
Plant and Machinery	36.32	24.14
Other Repairs	10.14	8.06
Insurance	71.59	36.25
Rates and Taxes	9.73	7.33
Legal and Professional Fees	672.73	400.84
Payment to Auditors :		
Audit Fees	9.52	8.39
Transfer Pricing Audit Fees	0.25	0.23
Taxation and Other Advisory Matters	2.73	2.13
Certification Charges and Others	-	0.08
Other Services	1.95	1.80
Travelling and Conveyance	168.34	146.09
Commission	604.22	523.74
Advertisement, Publicity & Sales Promotion	21.57	28.31
Expenditure towards Corporate Social Responsibility (Refer Note 38)	49.00	47.00
Donations	1.96	1.24
Miscellaneous Expenses	379.55	366.43
Total	2,967.59	2,275.57

NOTE 36: EXCEPTIONAL ITEMS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loss due to Fire (Also refer Note i. Below)	-	53.44
Net (Gain)\Loss on measurement of Financial Assets at FVTPL (Also refer Note ii. Below)	1,263.44	(69.98)
Total	1,263.44	(16.54)

Note:

i Loss due to Fire

The exceptional loss for the year includes loss on account of fire on April 25, 2018 at occurred due to fire at Plot No. A- 687, TTC Industrial Area, Mahape, Thane Belapur Road, District Thane 400710.

The Company has all Risk Insurance Policy (including loss of Profit Policy) and is fully covered for insurance claim. Management has submitted the requisite information for the claim of the same to the Insurance surveyor. Against the insurance claim receivable of Rs 482.85 Lakhs the management estimates insurance claim to be realised in future of Rs 429.40 Lakhs and charged the differential amount of Rs 53.44 Lakhs to the Statement of Profit and Loss Account.

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

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

Consequently during the year ended 31st March 2020, due to adverse movement in the market value of aforementioned instruments held by the company , it has accounted for Loss on subsequent measurement of such Investments of Rs.1211.48 Lakhs (Previous Year - Net Gain - Rs. (69.98 Lakhs)).

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

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

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

NOTE 37: CONTINGENT LIABILITIES AND COMMITMENTS

1 Bank Guarantee (Refer Note no 5 & 13)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding Bank Guarantees issued by Bankers	19.89	10.67
Total	19.89	10.67

2 Commitments (Refer Note No 8)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated Amount of Capital Commitments remaining to be executed on account of	598.36	-
Less: Advances Paid	402.10	-
Net Capital Commitments	196.26	-

NOTE 38: CORPORATE SOCIAL RESPONSIBILITY

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Amount required to be spent as per Section 135 of the Companies Act, 2013	49.25	45.54
<u>Amount Spent during the year</u>		
Construction / Acquisition of any Asset	-	-
On purposes other than above	49.00	47.00
Total amount spent	49.00	47.00

NOTE 39: EARNINGS PER SHARE

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Profit attributable to the owners of the company	1,307.61	2,252.43
Weighted Average Number of Equity Shares Face Value of Rs. 2/- each	11,13,00,000	11,13,00,000
Earnings Per Share - Basic & Diluted ₹	1.17	2.02

NOTE 40: CAPITAL MANAGEMENT

The Group's objective for Capital Management is to maximize shareholder value and support the growth of the Group and to optimise capital structure to reduce the cost of capital. The Group determines the capital requirement based on long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity and operating cash flows generated. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

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

(Rs. In Lakhs)

Particulars	YEAR ENDED MARCH 31, 2020	YEAR ENDED MARCH 31, 2019
Total interest bearing financial liabilities	353.31	264.46
Less : Cash and Cash Equivalents	1,738.04	1,421.31
Adjusted Net Debt	(1,384.74)	(1,156.85)
Total Equity	16,969.44	15,880.53
Adjusted Equity		
Net Debts to Equity Ratio	(0.08)	(0.07)

NOTE 41: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets		
Fair Value through Profit & Loss		
Investments	5,247.48	4,815.89
Amortised Cost		
Trade Receivables	5,384.65	4,913.16
Cash & Cash Equivalents	1,738.04	1,421.31
Other Bank Balances	55.01	52.65
Other Financial Assets	192.88	215.59
Total	12,618.07	11,418.59
Financial Liabilities		
Amortised Cost		
Borrowings	284.48	207.81
Trade Payable	2,337.72	2,090.16
Other Financial Liabilities	139.57	299.54
Total	2,761.77	2,597.50

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets		
<u>Level 1</u>		
Investments in quoted equity shares	683.15	967.74
Investments in quoted mutual fund units	4,564.34	3,848.15
<u>Level 2</u>		
Security Deposit Given	170.98	195.00
Total	5,418.46	5,010.89
Financial Liabilities		
<u>Level 2</u>		
Security Deposit Accepted	-	2.85
Total	-	2.85

Measurement of Fair Values :

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of investment in shares is the share price quoted on recognised stock exchange as on the reporting date of balance sheet
- The fair values of investment in mutual fund is the N.A.V as on the reporting date of balance sheet
- The fair values of interest free security deposit given / accepted is estimated by discounting cash flows using rates currently available for instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

NOTE 42: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk. In order to minimize any adverse effects on the financial performance of the Company

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade Receivables and other financial assets	Ageing analysis	Diversification of bank deposits, credit limit and letter of credit
Market risk - foreign currency risk	Recognised financial assets and liabilities not denominated in Rupees	Very limited Exposure	Company manages through natural Hedge
Market risk - Security prices risk	Investment in Shares and mutual funds	Sensitivity analysis	Portfolio diversification

The Group's risk management is carried out by policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas. There is no change in objectives, policies and process for managing the risk and methods used to measure the risk as compared to previous year.

(a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs

(a) (i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates primarily to the Group's borrowings, both short term and long term obligations with fixed and floating interest rates. However the Group's exposure to floating rate borrowings are very limited to its size of operation.

The Group is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits.

Exposure to interest rate risk

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed-rate instruments		
Financial Liabilities - Borrowings	353.31	264.46
Total	353.31	264.46

Sensitivity analysis to interest rate risk

The Group doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(a) (ii) Market Risk - Price Risk(Securities)

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

Exposure to Price Risk

Other price risk arises from financial assets such as investments in equity instruments and mutual funds disclosed below. The Company does make deposit with the banks as margin money against the borrowing facility provided by the banks. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

(Rs. In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in Quoted Equity Shares	683.15	967.74
Investments in Quoted Mutual Funds	4,564.34	3,848.15
Total	5,247.48	4,815.89

Sensitivity analysis to Market Risk - Price Risk (Securities)

The Group is mainly exposed to price risk arising mainly from investments in equity instruments and mutual funds recognised at FVTPL. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below. A sensitivity of 10% represents management's assessment of reasonably possible change in equity prices.

(Rs. In Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Equity Shares	68.31	(68.31)	96.77	(96.77)
Mutual Funds	456.43	(456.43)	384.81	(384.81)
Total	524.75	(524.75)	481.59	(481.59)

(a) (iii) Market Risk - Currency Risk

The Group is having import and exports as well. Accordingly the group is exposed to currency risk on account of its trade payables and trade receivables in foreign currency. The functional currency of the group is Indian Rupees. The group follows a natural hedge driven currency risk mitigation policy to the extent possible. The exposed Foreign currency is not substantial to the operation of group.

Exposure to Currency risk

The summary quantitative data about the Group's exposure to currency risk are reported to management of the company are as follows:

(In Lakhs)

Particulars	Foreign Currency	As at March 31, 2020	As at March 31, 2019
Financial Assets			
Trade and other receivables	USD	22.36	26.44
Cash & Cash Equivalent	USD	1.30	1.82
Cash & Cash Equivalent	EURO	0.04	0.01
Financial Liabilities			
Trade and other payables	USD	0.82	12.66

Sensitivity analysis to currency risk

(In Lakhs)

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	51.63	(51.63)	32.40	(32.40)
Total	51.63	(51.63)	32.40	(32.40)

(b) Credit Risk

Credit Risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of Financial Assets represents the maximum credit exposure.

Trade Receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Group are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Group has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Group uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof. Accordingly based on the provision matrix there is no expected credit loss to the Group and accordingly there is no provision for doubtful debts

Other Financial Assets

The Group maintains exposure in Cash and Cash equivalents and Bank deposits with banks, Equity Shares and Investments in Mutual Funds. The Group has diversified portfolio of investment with various number of counterparties which has good credit ratings, good reputation and hence the risk is reduced. Individual risk limits set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Group

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Group's maximum exposure to credit risk as at 31st March, 2019 and 2018 is the carrying value of each class of financial assets.

(c) Liquidity Risk

Liquidity Risk is the risk that the Group will face in meeting its obligation associated with its financial liabilities that are settled by delivering

cash or another financial asset. The Group's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

Exposure to Liquidity Risk

The responsibility of liquidity risk management rest with board of directors which are appropriate risk management framework for short , medium and long term liquidity measures with adequate cash flows and banking facilities.

The following table shows the maturity analysis of the Group's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

(Rs. In Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	19.19	-	11.45	10.22
Working Capital Loans from Banks	284.48	-	197.59	-
Trade Payables	2,337.72	-	2,090.16	-
Other Financial Liabilities	70.75	49.64	242.89	45.20
Total	2,712.13	49.64	2,542.09	55.41

(d) Collateral

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 19, Refer Note No. 22 and Refer Note No. 24 for the detailed terms and conditions of the collaterals pledged.

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

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

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

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

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

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

NOTE 43: EMPLOYEE BENEFITS

(a) Retirement Benefits

As per Ind AS 19 the Company has recognized "Employees Benefits" ,in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2020

(A) Defined benefit plans

i Retiring Gratuity

I Components of Employer Expenses

(Rs. In Lakhs)

Particulars	March 31, 2020	March 31, 2019
Current Service Cost	5.06	4.89
Past Service Cost vested	-	-
Interest Cost	1.86	1.43
Expected Return on Plan Assets	(1.72)	(1.32)
Actuarial (Gain) / Loss	1.31	0.59
Total Expenses/(Gain) recognized in the Profit & Loss Account	6.50	5.60

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II Net Asset/ (Liability) recognized in Balance Sheet

(Rs. In Lakhs)

Particulars	March 31, 2020	March 31, 2019
Present value of Funded Obligation	31.42	25.16
Fair Value of Plan Assets	25.92	20.65
Assets/(Liability) recognized in the Balance Sheet	5.50	4.51

III Change in Defined Benefit Obligations (DBO)

(Rs. In Lakhs)

Particulars	March 31, 2020	March 31, 2019
Opening Balance of Present Value of Obligation	25.16	21.39
Interest Cost	1.86	1.43
Current Service Cost	5.06	4.89
Past Service Cost - Vested Benefits	-	-
Actuarial (Gain)/Loss	0.79	0.99
Benefit Paid	(1.44)	(3.55)
Closing Balance of Present Value of Obligation	31.42	25.16

IV Changes in the Fair Value of Plan Assets

(Rs. In Lakhs)

Particulars	March 31, 2020	March 31, 2019
Opening Balance of Present Value of Obligation	20.65	17.14
Expected Return on Plan Assets	(0.52)	0.39
Interest Income	1.72	1.32
Contribution by Employer	5.51	5.35
Benefit Paid	(1.44)	(3.55)
Fair Value of Plan Assets as at 31st March	25.92	20.65

V Actuarial Assumption

Particulars	March 31, 2020	March 31, 2019
Discount Rate (Per Annum)	6.80%	7.60%
Annual Increase in Salary Costs Per Annum	4.00%	4.00%
Attrition Rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

(Rs. In Lakhs)

Particulars	March 31, 2020	March 31, 2019
Government of India Securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Insurance Company	100.00%	100.00%

VII Movement in net liability recognized in Balance Sheet

(Rs. In Lakhs)

Particulars	March 31, 2020	March 31, 2019
Net Opening Liability	4.51	4.25
P & L Charges	5.19	5.01
Contribution paid	(5.51)	(5.35)
Other Comprehensive Income (OCI)	1.31	0.59
Closing Net Liability	5.50	4.51

VIII Gratuity - Sensitivity Analysis

(Rs. In Lakhs)

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	34.08	29.17	27.04	23.56
Discount Rate (1% movement)	28.45	34.97	22.94	27.79

(B) Defined Contribution Plans

Amount recognised as expenses on account of “Contribution / Provision to and for Provident and other Funds” of Statement of Profit and Loss - Rs.37.58 Lakhs(Previous year Rs.33.04 Lakhs)

NOTE 44: LEASES

The Company has entered into Operating Leases on Immovable Properties.

Assets Taken on Lease

Future minimum rentals payable under cancellable operating leases as at are, as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	In respect of operating lease on Immovable properties payments recognized in Statement of Profit and Loss.	69.21	31.17
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	59.61	60.28
	For the period later than one year and not later than five years	134.64	15.00

Assets Given on Lease

Future minimum rentals receivable under cancellable operating leases as at are, as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	2.27	14.71
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	-	5.86
	For the period later than one year and not later than five years	-	-

NOTE 45: RELATED PARTY

Consolidated Related Party Transactions are the same as Related Party Transactions of Standalone Fineotex Chemical Limited, except as disclosed hereinbelow:

List of related parties and Relationship

A Key Managerial Personnel :

Executive Directors :

- 1 Sonai Kedha Sankar
- 2 Raman Perumal

B Transaction with Related Parties

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i. Transaction during the year

(Rs. In Lakhs)

Particulars	Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
REMUNERATION TO DIRECTORS						
Sonai Kedha Sankar	23.38	31.16	-	-	23.38	31.16
Total	23.38	31.16	-	-	23.38	31.16

ii. Outstanding balances as on reporting date

(Rs. In Lakhs)

Particulars	Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
NIL						

Note:

Related parties are identified by the Company and relied upon by the Auditors.

* Provision for contribution to gratuity fund which are made based on actuarial valuation on overall company basis are not included in remuneration to Key Management Personnel

NOTE 46: ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS UNDER DIVISION II OF SCHEDULE III TO THE COMPANIES ACT, 2013.

(Rs. In Lakhs)

Name of the entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in Profit or loss		Share in other comprehensive Income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of total comprehensive income	Amount
Parent								
Fineotex Chemical Limited								
31-Mar-20	81.57%	14,752.30	82.41%	1,077.64	100.00%	(0.98)	82.40%	1,076.66
31-Mar-19	87.17%	13,842.59	76.91%	1,732.29	100.00%	(0.42)	76.90%	1,731.87
Subsidiaries								
Indian								
Manya Steel Private Limited								
31-Mar-20	0.06%	11.02	0.53%	6.97	0.00%	-	0.53%	6.97
31-Mar-19	0.03%	4.05	0.07%	1.54	0.00%	-	0.07%	1.54
Foreign								
Fineotex Specialities FZE								
31-Mar-20	1.22%	206.44	(0.12%)	(1.63)	0.00%	-	(0.12%)	(1.63)
31-Mar-19	1.16%	183.67	0.78%	17.47	0.00%	-	0.78%	17.47

Name of the entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in Profit or loss		Share in other comprehensive Income		Share in total comprehensive income		
	As % of Consolidated net assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of total comprehensive income	Amount	
Fineotex Malaysia Limited									
31-Mar-20	16.40%	2,782.25	29.55%	386.45	0.00%	-	29.58%	386.45	
31-Mar-19	14.78%	2,347.76	31.65%	712.85	0.00%	-	31.65%	712.85	
BT Chemicals SDN BHD									
31-Mar-20	6.43%	972.03	28.94%	378.40	0.00%	-	28.96%	378.40	
31-Mar-19	6.88%	1,091.85	22.59%	508.78	0.00%	-	22.59%	508.78	
BT Biotex SDN BHD									
31-Mar-20	3.68%	708.54	3.63%	63.18	0.00%	-	4.84%	63.18	
31-Mar-19	3.93%	624.53	2.11%	47.52	0.00%	-	2.11%	47.52	
Rovatex SDN BHD									
31-Mar-20	0.15%	23.00	(0.42%)	(2.88)	0.00%	-	(0.22%)	(2.88)	
31-Mar-19	0.16%	25.19	(0.24%)	(5.48)	0.00%	-	(0.24%)	(5.48)	
Non-Controlling interests in all subsidiaries									
31-Mar-20	(3.70%)	(628.69)	(9.44%)	(123.38)	0.00%	-	(9.44%)	(123.38)	
31-Mar-19	(3.58%)	(568.34)	(8.03%)	(180.83)	0.00%	-	(8.03%)	(180.83)	
Intercompany Elimination & Consolidation Adjustment									
31-Mar-20	(5.81%)	(985.73)	(35.09%)	(458.89)	0.00%	-	(36.52%)	(477.14)	
31-Mar-19	(10.52%)	(1,670.75)	(25.83%)	(581.71)	0.00%	-	(25.83%)	(581.71)	
Total									
31-Mar-20	100.00%	16,969.44	100.00%	1,307.61	100.00%	(0.98)	100.00%	1,306.63	
31-Mar-19	100.00%	15,880.53	100.00%	2,252.43	100.00%	(0.42)	100.00%	2,252.00	

47 SEGMENT REPORTING

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

- 48 a) Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.
- b) Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation.

49 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

a. Investment In Mutual Funds (Quoted and fully paid up) (Refer Note No 4)

Investment In Mutual Funds (Quoted and fully paid up) includes investment in "Frankling India Short Term Income Plan Growth Direct" as under:

(Rs. In Lakhs)

Particulars	March 31, 2020			March 31, 2019		
	No. of Units	At Cost	At MV	No. of Units	At Cost	At MV
Frankling India Short Term Income Plan Growth Direct	7,830.37	300.00	317.31	7,830.37	300.00	328.54

The Mutual Fund Institution on April 23, 2020 voluntarily decided to wind up its Six yield oriented fixed income funds including "Franklin India Short Term Income Plan".

Consequent to the winding up, the units can no longer be subscribed or redeemed by the Unitholders post cut off time i.e. April 23, 2020.

As per the communication received from the Mutual Fund Institution , the amount subscribed by the Unitholders would be paid as per the regulatory process in due course of time.

Based on the above assurances and regular communication on the development of the same by Mutual Fund Institution , the management estimates to recover the entire amount subscribed in due course of time. The Management is closely monitoring the developments in the said matter and is continuously reviewing and assessing the impact if any, on its financial statements.

b. Dividend Proposed to be distributed:

	(Rs. In Lakhs)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<u>Corporate Dividend for Equity Shareholders Proposed for the year</u>		
Final Dividend Proposed	-	111.30
Dividend Proposed Per Fully Paid Up Share	-	0.10

50 Figures in brackets indicate previous year's figures. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform with this year's classification.

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As per our report of even date attached

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

(Manish Pansari)
Partner
Membership No. 137974

Mumbai, 14 July 2020

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14 July 2020

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Hemant Auti
Company Secretary
M.No. ACS:A51703

