



August 30, 2019

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 - 2018-19 of the 16th 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 2018-19 of 16th 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

16TH

ANNUAL REPORT

2018-2019

WHERE DEPENDABILITY COUNTS

BOARD OF DIRECTORS



Surendrakumar Tibrewala

Chairman & Managing Director



Sanjay Tibrewala

Executive Director & CFO



Aarti Jhunjunwala

Executive Director
(Since 14-08-2018)



Navin Mittal

Independent Director



Manmohan Mehta

Independent Director



Alok Dhanuka

Independent Director

COMPANY SECRETARY AUDITORS & BANKERS

BANKERS

Indian Bank
Oriental Bank of Commerce
Kotak Mahindra Bank
Yes Bank

AUDITORS

UKG & Associates
Chartered Accountants

COMPANY SECRETARY

Pooja Kothari (Since 04 -04-2018)

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



Forty years is a long-time. Looking back at our ground breaking journey, Fineotex has crafted a solid reputation in business excellence and will uphold the same standard to be proud of. Today we are working in over 60 countries and growing into the company we are - with unlimited potential. As trusted partners, you are key to our overall success. We take this opportunity to thank all our valued customers, partners, employees and share holders who have helped us reach this Milestone and have been a part of this wonderful journey.

This year, more than ever, we are celebrating our accomplishments, legacy and momentum, looking towards a bright future.

2019 finds us ready for the opportunities ahead and committed to continuous growth.

FCL

FINEOTEX
CHEMICAL LIMITED

6



We are now **EXPORTING** to
60 COUNTRIES Across the World

FCL

FINEOTEX
CHEMICAL LIMITED

ACHIEVEMENTS

**DALAL STREET
INVESTMENT JOURNAL**



SURENDRA KUMAR TIBREWALA
(CHAIRMAN & MANAGING DIRECTOR)

Ranked amongst India's
TOP 1000 Companies by
The National Stock Exchange



The CEO Magazine

25 FASTEST GROWING
CHEMICAL
COMPANIES IN INDIA

JUNE 2018

**2nd
IPE**
Industrial Excellence
Awards 2017



AARTI JHUNJHUNWALA
(EXECUTIVE DIRECTOR)

1 MOST ADMIRED
CHEMICAL
MANUFACTURING
COMPANIES IN 2018



SANJAY TIBREWALA
(EXECUTIVE DIRECTOR & CFO)

FCL

FINEOTEX
CHEMICAL LIMITED

ISO 9001 : 2015

ISO 14001 : 2015

ISO 45001 : 2018

GOTS COMPLIANCE

PUBLIC LISTED COMPANY

STAR EXPORT HOUSE

EXPORTS TO 60 COUNTRIES

PLANTS IN INDIA & MALAYSIA

RANKED AMONGST
INDIA'S TOP
1000 COMPANIES BY NSE



FCL

Where Dependability Counts...

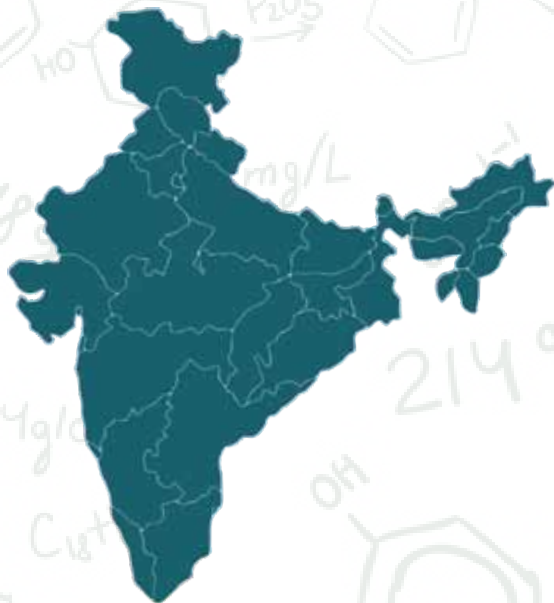
**MANUFACTURERS OF
SPECIALTY CHEMICALS IN INDIA**

info@fineotex.com | www.fineotex.com



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

MANUFACTURING FACILITIES



**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.



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FINEOTEX
CHEMICAL LIMITED

BIOTEX NELA

Time , Water & Energy Saving.

Excellent whiteness with better absorbency.

Very Low COD & BOD Level.

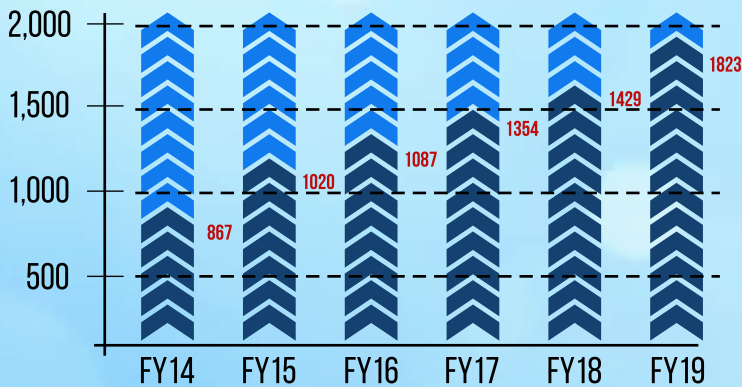
Eco friendly and Biodegradable.

All in one Multi-Functional product.

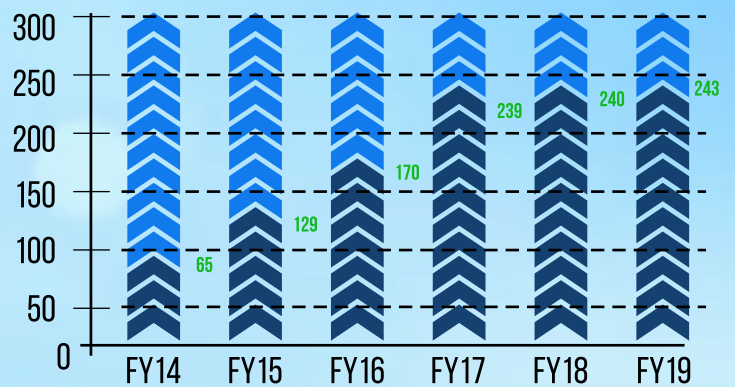
info@fineotex.com | www.fineotex.com

CONSOLIDATED FINANCIAL PERFORMANCE

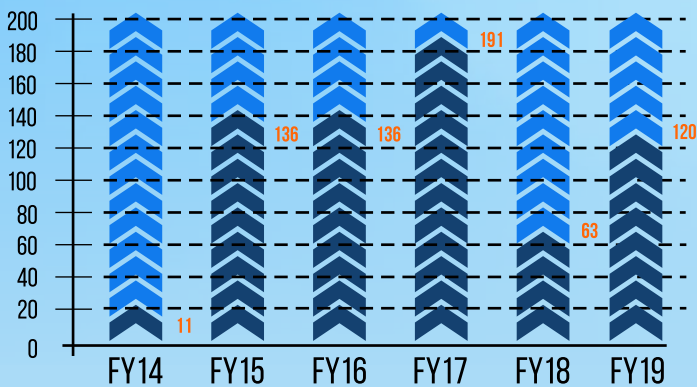
REVENUE (INR Mn)



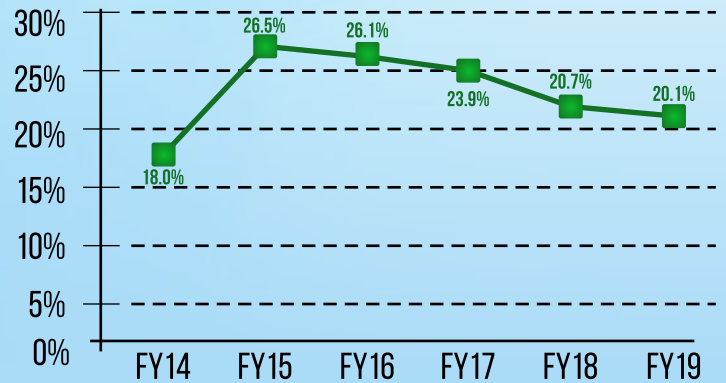
NET PROFIT (INR Mn)



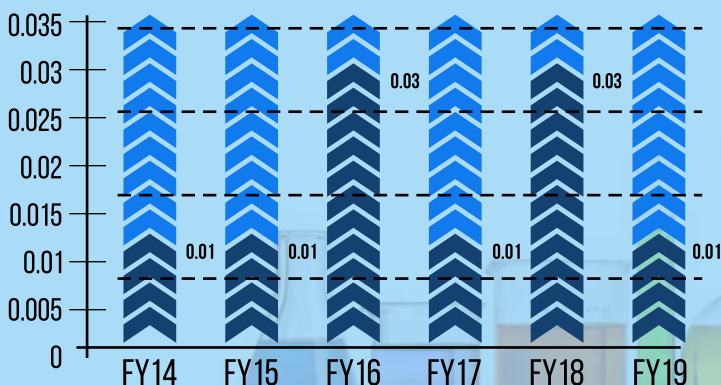
CASH FLOW FROM OPERATIONS (INR Mn)



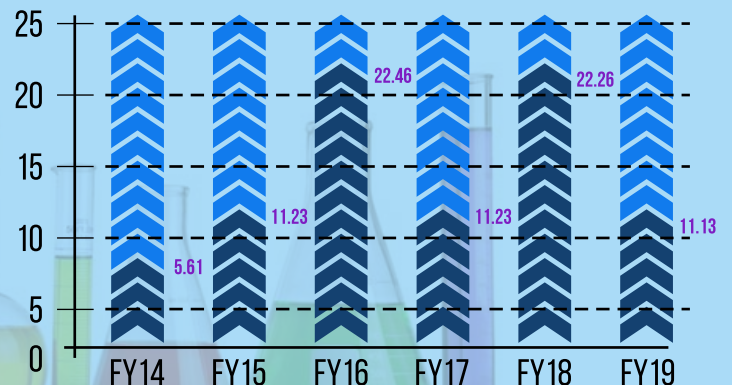
ROCE

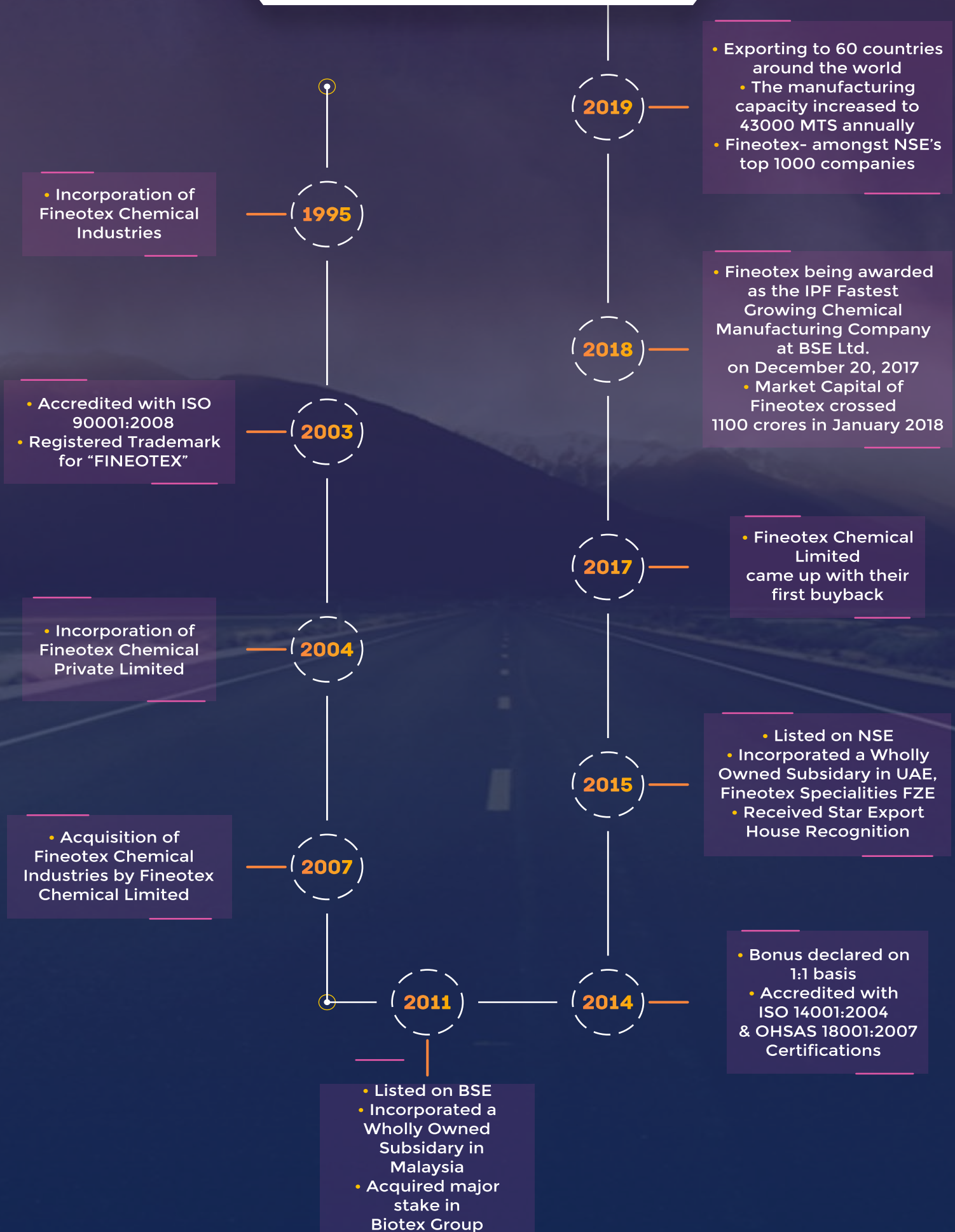


DEBT/EQUITY



DIVIDEND (INR Mn)





TEXTILE INDUSTRY CLIENTS



OTHER INDUSTRY CLIENTS



CHAIRMAN SPEECH



Dear Shareholder,

This being the 150th birth anniversary of Mahatma Gandhi the Father of our nation. I would like to quote Gandhiji,

A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so.

– Mahatma Gandhi

He was not only an important figure in the freedom struggle but a visionary for social justice as well as commercial acumen. The above quote hits the bull's eye with regard to the management of business. At Fineotex this has been our vision over the years. Due to technology the customer does not have to physically visit our offices but we have to be connected to him with the same warmth. The buzz words are 'be connected'. With same philosophy we remain connected with our customers, suppliers and all stake holders and

generate a sense of confidence about us. This gives them an assurance of dependence in their relations with Fineotex.

On this path of time, it gives me great pleasure to present your Company's 16th Annual Report for the financial year April 2018 – March 2019. I would proudly mention that 2018-19 has been an excellent year with addition of new products, exporting to 60 countries, ranked amongst Top 1000 Companies listed on the National Stock Exchange of India Limited based on Market Capitalization as on March, 2019 etc. This year the Company has achieved a quantum jump in volumes achieved from 10,094 MT in 2017-18 to 13,005 MT in 2018-19. This will be translated into profit with the growth in economy – both domestic and exports.

I am also pleased to announce that we are celebrating 40 years of excellence and passion in the business of Textile chemicals. Forty years is a long-time. Looking back at our ground breaking journey, Fineotex has crafted a solid reputation in business excellence and will uphold the same standard to be proud of today we are working in over 60 countries and growing into the company we are - with unlimited potential. As trusted partners, you are key to our overall success.

Our managers & employees could build in the internal improvements of the last few years, and take advantage of a positive trading environment. There were some significant challenges, but your Company managed them well. These are briefly described in the report of your Directors. Our Subsidiary has started contributing and growing. The improvements of the last few years, paid off in our improved performance

Steady market strength for chemicals

Indian chemical companies support a sizable and highly diversified industry that includes commodities, specialties, polymers, agrochemicals and a range of other groups. Total chemical sales are expected to grow from US\$139 billion in 2014 to US\$214 billion by 2019.5 By 2025, the Indian chemical industry is projected to reach US\$403 billion. At Fineotex we have the capacity to go for greater share of the market.

Doing business in India is getting much easier

Since 2014, the government administration headed by Prime Minister Narendra Modi has supported a number of reforms designed to encourage business growth by eliminating unnecessary laws and regulations, simplifying bureaucratic processes and making the government more transparent, responsive and accountable.

These reforms and other initiatives have supported a dramatic, even historic, rise in India's ranking on the World Bank's Ease of Doing Business (EoDB) Index — a jump of 30 places into the top 100 countries. In fact, India is the first large country ever to record such an increase in ratings over a single year.

I extend my sincere thanks to the Board of Directors, for their continued support and guidance towards taking the company ahead. I would also like to place on record our appreciation towards our bankers, suppliers and customers for their continued trust in us, and building an enriching association.

Fineotex Chemicals is an Indian Multinational with manufacturing facilities in India and Malaysia, serving customers in india and across the world. We are keenly promoting the 'Make in india' philosophy with our enriched product portfolio. We are determined to continue to grow in the 'next phase' of our corporate journey and emerge as an even stronger and customer-focused company, delivering performance that matters to all stakeholders.

A handwritten signature in blue ink that reads "S. Tibrewala". The signature is written in a cursive style and is positioned above a horizontal line.

Surendrakumar Tibrewala
(Chairman & Managing Director)

ANNUAL REPORT 2018-19

16th Annual Report

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of Fineotex Chemical Limited will be held on Friday, the 27th day of September, 2019 at 5.00 p.m. at Rajpuria Baugh/Hall, Navinbhai Thakkar Marg, Vile Parle (East), Mumbai- 400057, 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, 2019, together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a director in place of Mrs. Aarti Jhunjunwala who retires by rotation at the conclusion of this meeting and being eligible offers herself for reappointment.
3. To declare dividend for the financial year ended 31st March, 2019.
4. To appoint M/s. ASL & Co, Chartered Accountants (Firm Registration No. 101921W), as the Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. A S L & Co, Chartered Accountants, (Firm Registration No. 101921W) be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring auditors UKG & Associates, Chartered Accountants, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Twenty First Annual General Meeting of the Company to be held in the calendar year 2024, at 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.”

SPECIAL BUSINESS

5. 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, 2020.

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.”

6. Re-Appointment of Mr. Manmohan Mehta 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. Manmohan Mehta (DIN 00391964), Independent Director, whose period of office expires on 22nd September 2019, 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 21st September 2019 to 20th September 2024.

7. Re-Appointment of Mr. Alok Dhanuka 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. Alok Dhanuka (DIN 06491610), Independent Director, whose period of office expires on 22nd September 2019, 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 21st September 2019 to 20th September 2024.

8. Re-appointment and Revision in the Remuneration payable to Mr. Surendrakumar Tibrewala, Managing Director of the Company with effect from October 1, 2019

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

RESOLVED THAT in accordance with the provisions of sections 196, 197, 198, 199, 202 and 203 read with Schedule V, Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the members be and hereby accorded for re-appointment of Mr. Surendrakumar Tibrewala, as a Managing Director of the Company for a period of three years with effect from October 1, 2019 on a remuneration not exceeding Rs. 5 crores by way of salary, perquisites and commission which the Company is entitled to pay as per the provisions of section I of the Part II of the Schedule V of the Companies Act, 2013 or any re-enactment thereof.

RESOLVED FURTHER THAT the remuneration aforesaid pertaining to salary and perquisites shall not exceed a sum of Rs. 10,00,000/- p.m. or such higher sum which the Company is / would be entitled to pay as maximum remuneration as per section II of Part II of Schedule V in the event of loss or inadequate profits during the tenure of his appointment as approved by the Nomination and Remuneration Committee computed in accordance with the provisions of the said Schedule other applicable laws and subject to the approvals, if any.

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

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

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

9. Re-appointment and Revision in the Remuneration payable to Mr. Sanjay Tibrewala, Executive Director of the Company with effect from October 1, 2019

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

RESOLVED THAT in accordance with the provisions of sections 196, 197, 198, 199, 202 and 203 read with Schedule V, Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the members be and hereby accorded for re-appointment of Mr. Sanjay Tibrewala,

Whole Time Director & Chief Financial Officer of the Company for a period of three years with effect from October 1, 2019 on a remuneration not exceeding Rs. 5 crores by way of salary, perquisites and commission which the Company is entitled to pay as per the provisions of section I of the Part II of the Schedule V of the Companies Act, 2013 or any re-enactment thereof.

RESOLVED FURTHER THAT the remuneration aforesaid pertaining to salary and perquisites shall not exceed a sum of Rs. 10,00,000/- p.m. or such higher sum which the Company is / would be entitled to pay as maximum remuneration as per section II of Part II of Schedule V in the event of loss or inadequate profits during the tenure of his appointment as approved by the Nomination and Remuneration Committee computed in accordance with the provisions of the said Schedule, other applicable laws and subject to the approvals, if any.

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

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

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

10. Revision in the remuneration payable to Mrs. Aarti Jhunjhunwala, Executive Director of the Company with effect from October 1, 2019.

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

“RESOLVED THAT further to the special resolution passed by the members of the Company at their 15th Annual General Meeting held on September 29, 2018 according their consent for the appointment and remuneration of Mrs. Aarti Jhunjhunwala (DIN: 07759722) as Executive Director for 3 years with effect from August 14, 2018 and in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, amendments, enactment or re-enactment thereof for the time being in force), and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the members of the Company be and hereby accorded for Revision in the remuneration Mrs. Aarti Jhunjhunwala, Executive Director of the

Company with effect from October 1, 2019 on the remuneration not exceeding Rs. 5 crores by way of salary, perquisites and commission which the Company is entitled to pay as per the provisions of section I of the Part II of the Schedule V of the Companies Act, 2013 or any re-enactment thereof as reproduced in the Explanatory Statement, to Mrs. Aarti Jhunjhunwala (DIN: 07759722), Executive Director.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and is hereby severally authorized to take such steps as may be necessary for obtaining necessary approvals, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution.”

11. Raising of Funds through Issue of Securities

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

“RESOLVED that pursuant to Section 23, 42, 62 and other applicable provisions of the Companies Act, 2013, and the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) Rules, 2014 and such others rules and regulations made there under (including any amendments, statutory modification(s) and / or reenactment thereof for the time being in force) (the “Companies Act”) and in accordance with the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any amendments, statutory modification(s) and / or reenactment thereof for the time being in force) (the “ICDR Regulations”), and subject to all applicable statutory and regulatory requirements, (including inter alia the relevant date on the basis of which price of the Securities or the resultant shares are determined being in compliance with applicable statutory and/or regulatory parameters), the relevant provisions of the Memorandum and Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the extent applicable, the provisions of the Foreign Exchange Management Act, 1999, (including any amendments, statutory modification(s) and / or reenactment thereof for the time being in force) (‘the FEMA’), the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident outside India) Regulations, 2017, (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force) and all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by the Government of India (‘GOI’), the Ministry of Corporate Affairs (‘MCA’), the Reserve Bank of India (‘RBI’), the Securities and Exchange Board of India (‘SEBI’), BSE Limited and National Stock Exchange of India Limited (‘the Stock Exchanges’), and / or any other regulatory / statutory authorities, the necessary approval and/or consent of

any statutory and/or regulatory authorities, and the conditions as may be prescribed by any of them while granting any such approval and/or consent, as may be agreed to by the Board of Directors of the Company, (hereinafter referred to as “Board”, which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard), the consent of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot at an appropriate time (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more domestic with or without green shoe options, to eligible investors (whether or not such investors are members of the Company, or whether or not such investors are Indian or foreign, including, without limitation, financial institutions, commercial banks, mutual funds, foreign institutional investors, multilateral and bilateral development financial institutions, venture capital funds, foreign venture capital investors, insurance companies and other qualified institutional buyers as permitted by applicable statutes and regulations from time to time), whether by way of a public offering or by way of a Qualified Institutions Placement (‘QIP’) or any other method and whether by way of circulation of an offering circular or registration statement or prospectus or placement document or private placement offer letter and/or other letter or circular (‘Offering Document/Disclosure Document / Information Memorandum’) or otherwise, securities including inter alia equity shares (‘the Equity Shares’) and/or instruments or securities convertible into equity shares of the Company and/or convertible preference shares and/or convertible debentures or bonds (compulsorily and/or optionally, fully and/or partly), and/or non-convertible debentures with warrants and/or securities with or without detachable/non-detachable warrants and/or warrants with a right exercisable by the warrant holder to subscribe for equity shares, or by any one or more or a combination of the above or otherwise, up to an amount of Rs.100 crore, (hereinafter referred to as “Securities”), with or without premium, to be denominated in Indian rupees or foreign currency, as the case may be and such issue and allotment to be made in one or more tranche or tranches, for cash, at such price or prices, in terms of the applicable regulations and as permitted under the applicable laws, in consultation with the Merchant Banker(s) and/or other Advisor(s) or otherwise and on such other terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

- (a) **RESOLVED FURTHER THAT**, if the Company proposes to allot any securities pursuant to a qualified institutional placement (“QIP”),
- i. the allotment of Securities shall be completed within 12 months from the date of passing of the Special Resolution or such other time as may be allowed under the ICDR Regulations from time to time
 - ii. of equity shares, then, the relevant date shall be the date on which the Board decides to open the said issue, and/or, of convertible securities, then, the relevant date shall be the date on which the relevant allottees of

the said convertible securities are eligible to apply for equity shares of the Company.

- iii. the QIP shall be made at such price not less than the price determined in accordance with the pricing formula provided under the ICDR Regulations ('QIP Floor Price') and the price determined for a QIP shall be subject to appropriate adjustments as per the provisions of Regulation 85(4) of the ICDR Regulations, as may be applicable and the Board may, at its absolute discretion, may offer a discount of not more than 5% (five per cent) or such other percentage as may be permitted under applicable law on the QIP Floor Price.
- (b) **RESOLVED FURTHER THAT**, the Equity Shares as may be required to be issued and allotted in accordance with the terms of the offer shall rank pari passu inter-se and with the then existing Equity Shares of the Company in all respects
- (c) **RESOLVED FURTHER THAT**, without prejudice to the generality of the above, the Board be and is hereby authorized to do such acts, deeds and things as the Board in its absolute discretion deems necessary or desirable in connection with offering, issuing and allotting the Securities, and to give effect to these resolutions, including, without limitation, the following:
 - (i) offer, issue and allot the Securities or any/all of them, subject to such terms and conditions, as the Board may deem fit and proper in its absolute discretion, including inter alia, (a) terms for issue of additional Securities and for disposal of Securities which are not subscribed to by issuing them to banks/financial institutions/ mutual funds or otherwise, (b) terms as are provided in domestic offerings of this nature, and (c) terms and conditions in connection with payment of interest, dividend, voting rights, premium and redemption or early redemption, conversion into equity shares, pricing, variation of the price or period of conversion, and/or finalizing the objects of the issue and the monitoring of the same;
 - (ii) approve, finalize and execute any offer document, {(including inter alia any draft offer document, offering circular, registration statement, prospectus or placement document or private placement offer letter and/or other letter or circular ('Offering Document/ Disclosure Document / Information Memorandum')}, and to approve and finalize any term sheets in this regard;
 - (iii) approve, finalize and execute any number of powers of attorney,
 - (iv) taking decision to open the issue and in this regard to decide the opening and closing date;
 - (v) approve, finalize and execute agreements and documents, including lock-up letters, agreements in connection with the creation of any security and agreements in connection with the appointment of any intermediaries and/or advisors, (including for underwriting, marketing, listing, trading, appointment of lead manager(s)/ merchant banker(s), legal counsel, depository(ies), banker(s), advisor(s), registrar(s), trustee(s) and other intermediaries as required) and to pay any fees, commission, costs, charges and other outgoings in connection therewith;
 - (vi) to provide such declarations, affidavits, certificates, consents and/ or authorities as required from time to time, to amend or modify any of the above agreements, powers or documents as required;
 - (vii) seek any consents and approvals, including inter alia, the consent from the Company's lenders, parties with whom the Company has entered into agreements with and from concerned statutory and regulatory authorities;
 - (viii) file requisite documents with the SEBI, Stock Exchanges, the Government of India, the Reserve Bank of India and any other statutory and/or regulatory authorities and any amendments, supplements or additional documents in relation thereto as may be required;
 - (ix) seeking the listing of the Securities on any Stock Exchange/s, submitting the listing application to such stock exchange/s and taking all actions that may be necessary in connection with obtaining such listing approvals, (both in principle and final listing and trading approvals);
 - (x) open one or more bank accounts in the name of the Company in Indian currency or foreign currency(ies) as required subject to requisite approvals from Reserve Bank of India, if any and the director/s and/ or officer/s of the Company as authorized by the Board who shall be authorized to sign and execute the application form and other documents required for opening the said account/s to operate the said account/s and to give such instructions including closure thereof as may be required and deemed appropriate by the said signatories and that the said bank/s be and is/ are hereby authorized to honor all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid signatories on behalf of the Company;
 - (xi) affix the Common Seal of the Company, as required, on any agreement, undertaking, deed or other document in the presence of anyone or more of the directors of the Company or anyone or more of the officers of the Company as may be authorized by the Board in accordance with the Articles of Association of the Company;
 - (xii) do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or arise in regard to or in

connection with any such offer, issue or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board or any duly authorized committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects;

- (xiii) settle any issues, questions, difficulties or doubts that may arise;
- (xiv) approving the issue price, finalize the basis of allotment of the Securities on the basis of the bids/ applications and over- subscription thereof as received where applicable;
- (xv) acceptance and appropriation of the proceeds of the issue of the Securities; and
- (xvi) further authorize any committee and/or director/s and/ or officer/s of the Company to seek the aforementioned consents and approvals, and/or to execute and/or file the above documents and/ or to carry out any/all of the aforesaid actions.

12. Increasing the Authorized Share Capital of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing 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.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and is hereby severally authorized to file, sign verify and execute all such e-forms, papers or documents, as may be required and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution.”

13. Alteration in the Capital Clause of Memorandum of Association

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

“**RESOLVED THAT** pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the members of the Company be and is hereby accorded for substituting Clause V (a) of the Memorandum of Association of the Company with the following clause:

- V (a) The Authorized Share Capital of the Company is Rs. 28,00,00,000/- (Rupees Twenty Eight Crores only) divided into 14,00,00,000 (Fourteen Crore) Equity Shares of Rs. 2/- (Rupees Two only) each.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and is hereby severally authorized to file, sign verify and execute all such e-forms, papers or documents, as may be required and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution.”

14. Amendment of Articles of Association

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

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other relevant provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the existing Articles of Association of the Company be and is hereby replaced, altered, modified and revised as per the new set of Articles of Association, a copy of which is placed before the meeting and that the Regulations contained in the new set of Articles be and are hereby approved and adopted as the Articles of Association of the Company and they be the Regulations of the Company in place, in substitution and to the entire exclusion of the existing Articles of Association.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such fillings and registrations as may be required in relation to the aforesaid amendment to Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution.”

15. 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** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) (Including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the Audit Committee and the Board of Directors to authorize the management of the Company to enter into agreement(s) and/or transaction(s), as may be appropriate, with the following Related Parties as defined under Section 2(76) of the Act and Clause 23 of the LODR Regulation, 2015 for sell, purchase, transfer or receipt

of products, goods, materials, services or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and any of the Related Parties, for the amount in aggregate not exceeding as mentioned against the name of each of the following Related Party during the period mentioned against the name of each Related Party:

Sr. No.	Related Parties with whom Transactions are Estimated	Nature of the Transaction	Approval sought for transactions from 1st April 2019 to 31st March 2024	Relationship
1	Fineotex Malaysia Limited	Investments/ Loans, and Sale / Purchase of goods and services of all kinds	Rs.10 (Ten) Crores per annum	Wholly owned subsidiary
2	BT Chemicals SDN BHD	Investments/Loans, Sale/ Purchase of goods and services of all kinds	Rs.10 (Ten) Crores per annum	2nd Tier Subsidiary
3	BT Biotex SDN BHD	Investments/Loans, Sale/ Purchase of goods and services of all kinds.	Rs.10 (Ten) Crores per annum	2nd Tier Subsidiary
4	Rovotex SDN BHD	Investments/Loans, Sale/ Purchase of goods and services of all kinds	Rs.10 (Ten) Crores per annum	2nd Tier Subsidiary
5	Fineotex Specialities FZE	Investments/Loans, Sale/ Purchase of goods and services of all kinds	Rs.10 (Ten) Crores per annum	Wholly owned Subsidiary
6	Manya Steels P Ltd.	Investments/Loans/ advances deposits etc Sale/ Purchase of goods and services of all kinds including renting and also dispose of the Company's investment partly or fully and also acquisition of the Company	Rs.10 (Ten) Crores per annum. Rent upto Rs. 5 Lakhs pm	Wholly owned subsidiary
7	Kanaklata Tibrewala	Lease of Factory premises at A-700, TTC MIDC, Navi Mumbai 400705. (3000 square feet)	Monthly rent not exceeding Rs. 40,000 per month. Interest free deposit of Rs. 75,00,000	Wife of Managing Director and mother of Executive Director & CFO and Lady Director
8	Kamal Chemical Pvt. Ltd.	Sale/Purchase of goods & Services of all kinds, Giving Loans & advances for business purpose including acquisition of the Company	Rs.10 (Ten) Crores per annum	Mr. Surendrakumar Tibrewala is a director and shareholding by his relatives

9	Kanaklata Tibrewala	Lease of Office Premises, 42, Manorama Chambers, SV Road Bandra (W), Mumbai 400050 (970 square feet)	Interest free deposit of Rs. 60 Lakhs and Monthly rent not exceeding Rs. 75,000 per month	Wife of Managing Director and mother of Executive Director & CFO and Lady Director
10	Proton Biochem Private Limited	Sale/Purchase of goods and services of all kinds giving loans & advances for business purpose including acquisition of the Company	Rs.60 (Sixty) Crores per annum	Mr. Sanjay Tibrewala is a Director and shareholding by his relatives
11	Surendrakumar Tibrewala	Lease of Office Premises, 43, Manorama Chambers, SV Road Bandra (W), Mumbai - 400050 (970 square feet)	Monthly rent not exceeding Rs. 75,000 per month. Interest free deposit upto Rs. 60 Lakhs	Chairman & Managing Director
12	Sanjay Tibrewala	Office premises at Mittal Estate, Andheri Kurla Road, Andheri (East), Mumbai- 400059 (Area 1100 sq ft withloft)	Monthly rent of Rs. 2,00,000 Interest free deposit upto Rs. 10,00,000	Executive Director & CFO

“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.”

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

Surendrakumar Tibrewala
Chairman & Managing Director
DIN: 00218394

Place: Mumbai
Date: 13.08.2019

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.**

AS PER PROVISIONS OF SECTION 105 OF THE COMPANIESACT, 2013, A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

A Proxy form, in order to be effective, must be deposited at the Registered Office of the Company, duly stamped, completed and signed not less than forty eight hours before the commencement of the aforesaid meeting i.e. before 6.00 p.m. on 25th September, 2019.

2. Corporate members intending to send their authorized representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business as set out at Item Nos. 4 to 10 of the AGM Notice, to be transacted at the Meeting is annexed hereto.
4. Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings with respect to Directors seeking appointment/re-appointment at this Annual General Meeting, forms integral part of the Notice and is given under the Explanatory Statement. The Directors have furnished the requisite declarations for their appointment.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 21st day of September, 2019 to Friday, the 27th day of September, 2019 (both days inclusive) for the purpose of Annual General Meeting and dividend, if any, declared by the shareholders at the 16th Annual General Meeting.
6. The dividend of Equity Shares, if declared at the Meeting, will be credited / dispatched, on or after 5th October, 2019 to those members whose names shall appear on the Company's Register of Members on 20th September, 2019; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
7. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. 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. Members are requested to check that the correct account number has been recorded with the depository.
8. 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.
9. Members are requested to :
 - a. Notify any change in their address to the Registrar and Share Transfer Agents, Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp.Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai -400059 or their Depository Participant.
 - b. Bring the attendance slips along with the copies of the Annual Report to the meeting.
10. In compliance with Sections 124 of the Companies Act, 2013, unpaid/unclaimed dividend will be transferred to the "Investor Education and Protection Fund" according to the statutory stipulations. Members are requested to contact the Company at its registered office, in respect of their outstanding dividends if any for the succeeding years. Unclaimed Dividend for FY 2011-12 will be transferred to IEPF in the month of February, 2020. Shareholders are requested to send the requisite details to the Company/ Bigshare Services Private Limited to claim the amount before the date. The list of Shareholders whose dividend is liable to be transferred if unclaimed by 4th February, 2020 is available on the Company's website.
11. The Ministry of Corporate Affairs, vide its circular No. 17/2012 dated July 23, 2012 have directed the companies to upload information regarding unpaid and unclaimed dividend on the company's website. In terms of the circular, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th September, 2018 (date of last Annual General Meeting) and the same can be viewed on the website of the Company – www.fineotex.com and also on the website of the Ministry of Corporate Affairs.
12. The notice of the 16th Annual General Meeting of the Company along with printed Attendance Slips is being dispatched to all Members. Electronic copy of the Annual Report for the year ended March 31, 2019 is being sent to all the members whose E-mail address is registered with the Company / Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their E-mail address, the Annual Report for the year ended March 31, 2019 is physically sent along with the Notice. Members who have not yet registered their E-mail address are encouraged to submit their request with their respective Depository Participant Bigshare Services Pvt. Ltd., the RTAs of the Company as the case may be. Members may also note that the Notice of the 16th Annual General Meeting and the Annual Report for the year ended March 31, 2019 will also be available on the Company's website – www.fineotex.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same to the Company before the meeting.
13. Statutory Registers and documents referred to in the notice and Explanatory Statement are open for inspection by the members at the registered office of the Company on all working days

(Monday to Saturday) between 10.00 a.m. to 12.00 noon, upto the date of the Annual General Meeting and will also be available for inspection at the Meeting during the meeting hours.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and also the Bank particulars by every participant in securities market Members holding shares in electronic form are, therefore, requested to submit their PAN and Bank particulars to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Bigshare.

15. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form is also available on the website of the Company.

16. Non-Resident Indian Members are requested to inform Bigshare, immediately of:

- (a) Change in their residential status on return to India for permanent settlement.
- (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

17. E-voting

a. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules made thereunder, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (“AGM”) by electronic means and the business may be transacted through E-voting services arranged by the Central Depository Services Limited (CDSL).

The instructions for members for voting electronically are as under:-

(i) The voting period begins on Tuesday, the 24th day of September 2019 at 9.00 a.m. IST and end on Thursday, the 26th day of September 2019 at 5.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, the 20th day of September 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Log on to the e-voting website www.evotingindia.com

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID;
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant 190826015 for FINEOTEX CHEMICAL LIMITED on which you choose to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on Tuesday, the 24th day of September 2019 at 9.00 a.m. IST and end on Thursday, the 26th day of September 2019 at 5.00 p.m. During this period shareholders’

of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, the 20th day of September 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- b. The Voting rights of shareholders shall be in proportion to their shares of the paid up capital of the Company as on the cutoff date of Friday, the 20th day of September 2019.
- c. Mr Hemant Shetye, Practicing Company Secretary (Membership No. ACS 2827/ C.P No.1483) has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d. Poll Process at Annual General Meeting (AGM)
- (i) The voting on the agenda items shall be done by e-voting as well as at the AGM. Those who do not exercise the option of e-voting shall be entitled to participate and vote at the AGM/Poll if required at the AGM. Ballot papers will be issued immediately after an announcement in this regard by the Chairman of the meeting and will continue till all the shareholders present and who want to vote have cast their votes. The number of votes will be equivalent to the number of shares held by them as on the Cut-off Date i.e., Friday, the 20th day of September 2019.
- (ii) Mr. Hemant Shetye, will also act as one of the Scrutinizers at the Poll to be conducted at the AGM in a fair and transparent manner
- e. The Scrutinizer shall within a period not exceeding 2 (two) working days from the conclusion of the E-Voting period unlock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The results declared along with the scrutinizers report shall be placed on the Company’s website www.fineotex.com and on the website of CDSL within 2 (two) days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the shares of the Company are listed.

18. Any person acquiring shares after dispatch of this notice and holds shares as on Friday, the 20th day of September 2019 can vote using their registration with CDSL. Those who are not registered may obtain the details by sending a request to www.evotingindia.co.in.

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

Place: Mumbai
Date: 13.08.2019

Surendrakumar Tibrewala
Chairman & Managing Director
DIN: 00218394

ANNEXURE TO THE NOTICE

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 15 of the accompanying Notice dated 13th August, 2019.

Item No. 4

Though not mandatory, this statement is provided for reference.

UKG & Associates, Chartered Accountants (Firm Registration No. 123393W) were appointed as statutory auditors of the company at the 11th Annual General Meeting held in the year 2014. In terms of their appointment made at the 11th AGM held on 23.09.2014, they are holding office of the auditors up to the conclusion of the 16th AGM and hence, would retire at the conclusion of the 16th AGM. As per second proviso to Section 139(2) of the Companies Act, 2013 (“the Act”) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term. Accordingly, as per the said requirements of the Act, M/s. ASL & Co., Chartered Accountants (Firm Registration No. 101921W) is proposed to be appointed as statutory auditors of the company, for a period of 5 years, commencing from the conclusion of 16th AGM till the conclusion of the 21st AGM at a remuneration for Statutory Audit of Standalone and Consolidated Financial statements 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.

M/s. ASL & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. The Company has also received their eligibility and consent to act as statutory auditors. They have also provided the Peer Review Certificate as required by SEBI Regulations.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the notice.

The Board recommends the Resolution at Item No. 4 to be passed as an ordinary resolution.

Item No. 5

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 4th June, 2019, 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 2018-19 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 as set out in Item No. 5 of the Notice 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. 6

The Members of the Company, at their 11th (Eleventh) Annual General Meeting (AGM) held on September 23, 2014, had appointed Mr. Manmohan Mehta [Director Identification Number (DIN): 00391964] 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. Manmohan Mehta as an “Independent Director” shall, thus, expire on September 22, 2019.

Mr. Manmohan 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. A brief resume of Mr. Manmohan Mehta also forms part of this Notice. He was appointed as a Director of our Company with effect from 31st December, 2007 and has been associated with the Company since then. Mr. Manmohan Mehta 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. Manmohan Mehta 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. Manmohan Mehta 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. Manmohan Mehta) is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

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

Item No. 7

The Members of the Company, at their 11th (Eleventh) Annual General Meeting (AGM) held on September 23, 2014, had appointed Mr. Alok Dhanuka [Director Identification Number (DIN): 06491610] 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. Alok Dhanuka as an “Independent Director” shall, thus, expire on September 22, 2019.

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. He was appointed as a Director of our Company with effect from 2nd November, 2013 and has been associated with the Company since then.

A brief resume of Mr. Alok Dhanuka also forms part of this Notice. Mr. Alok Dhanuka 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. Alok Dhanuka 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. Alok Dhanuka 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. Alok Dhanuka) 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. 7 for approval of the Members.

Item No. 8

Mr. Surendrakumar Tibrewala was re-appointed as Chairman and Managing Director on 20th September 2016 for a 3 year period from 1-October, 2016. The Company is listed with a much higher and diversified activities and turnover. This has increased the responsibilities of the Directors due to increasing activities and expansion programme of the Company. It is proposed to increase the remuneration in line with the present market conditions to commensurate with the present job profile within the limits prescribed under the Schedule V of the Companies Act, 2013.

Mr. Surendrakumar Tibrewala is a B.Com and LLB and has over 3 decades of experience in the business of Specialty and Auxiliary Chemicals as manufacturer and trader. The business of the Company has been nurtured since the last 33 years. He is also involved in other aspects of the business like marketing and administration.

The proposed remuneration is approved by the Nomination & Remuneration Committee of the Board of Directors and consists of Basic salary of Rs. 3,50,000/- p.m. other allowance of Rs. 2,45,000/- per month and other perquisites not exceeding a sum of Rs. 60,000/- p.a. in addition he will be entitled for a car and a telephone at residence for official work. He will also be entitled for retirement benefits as applicable to Senior Executives of the Company like Provident Fund, Superannuation Fund, Gratuity and Encashment of Leave. The retirement benefits would not be considered for the limit of Rs. 72,00,000 p.a. as mentioned above, This may be treated as an abstract of the draft agreement between the Company and Mr. Surendra Tibrewala for revision of the remuneration and term of appointment pursuant to Section 196 of the Companies Act, 2013.

The Boards recommends your consent for the resolution as a Special Resolution. Mr. Surendrakumar Tibrewala is interested in the resolution as it pertains to him. Mr. Sanjay Tibrewala is interested in the resolution as it pertains to his father.

Item No. 9

Mr. Sanjay Tibrewala was re-appointed as Executive Director on 20th September 2016 for a 3 year period from 1-October, 2016. The Company is listed with much higher and diversified activities and turnover. This has increased the responsibilities of the Directors due to increasing activities and expansion programme of the Company. It is proposed to increase the remuneration in line with the present market conditions to commensurate with the present job profile within the limits prescribed under the Schedule V of the Companies Act, 2013.

Mr. Sanjay Tibrewala is a B.Com and is a post graduate in Textile Processing and Chemicals. He is assisting the present Managing Director for the last 15 years adding the technical edge to the business. He is instrumental in developing new products and markets for the Company.

The proposed remuneration is approved by the Remuneration Committee of the Board of Directors and consists of Basic salary of Rs. 3,50,000 /- p.m. other allowance of Rs. 2,45,000/- per month and other perquisites not exceeding a sum of Rs. 60,000/- p.a. in addition he will be entitled for a car and a telephone at residence for official work. He will also be entitled for retirement benefits as applicable to Senior Executives of the Company like Provident Fund, Superannuation Fund, Gratuity and Encashment of Leave. The retirement benefits would not be considered for the limit of Rs. 72,00,000/- p.a. as mentioned above. This may be treated as an abstract of the draft agreement between the Company and Mr. Sanjay Tibrewala for revision of the remuneration and term of appointment pursuant to Section 196 of the Companies Act, 2013.

The Board recommends your consent for the resolution. Mr. Sanjay Tibrewala is interested in the resolution as it pertains to him. Mr. Surendrakumar Tibrewala is interested in the resolution as it pertains to his son.

Item No. 10

Mrs. Aarti Jhunjhunwala was appointed as an Executive Director on 28th September, 2018 for a 3 years period from 14th August, 2018. The Company is listed with much higher and diversified activities and turnover. This has increased the responsibilities of the Directors due to increasing activities and expansion programme of the Company. It is proposed to increase the remuneration in line with the present market conditions to commensurate with the present job profile within the limits prescribed under the Schedule V of the Companies Act, 2013.

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

The proposed remuneration is approved by the Remuneration Committee of the Board of Directors and consists of Basic salary of Rs. 1,50,000/- p.m. other allowance of Rs. 45,000/- per month and other

perquisites not exceeding a sum of Rs. 60,000/- p.a. in addition she will be entitled for a car and a telephone at residence for official work. She will also be entitled for retirement benefits as applicable to Senior Executives of the Company like Provident Fund, Superannuation Fund, Gratuity and Encashment of Leave. The retirement benefits would not be considered for the limit of Rs. 24,00,000/- p.a. as mentioned above, This may be treated as an abstract of the draft agreement between the Company and Mrs. Aarti Jhunjhunwala for revision of the remuneration and term of appointment pursuant to Section 196 of the Companies Act, 2013.

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

Item No. 11

Given the Company's future growth plans, the Board of Directors of the Company, ("Board") which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard), considers it necessary to augment the long term resources of the Company by way of issuing securities to eligible investors, subject to an aggregate maximum limit of up to an amount of Rs. 100 crores, and further subject to the prevailing market conditions and other relevant considerations.

The Board intends to deploy the net proceeds from the issue of the above mentioned securities for funding any one or more of the following: (i) capital expenditure, (ii) general corporate purpose, (iii) strategic acquisitions, (iv) reduction/restructuring of debt, (v) consolidation of the ownership of our subsidiaries, and/or, (vi) investment in joint venture companies, subsidiaries etc., as may be permitted by applicable statutory and regulatory parameters from time to time.

The proposed resolutions will authorize the Board to create, offer, issue and allot Securities (including equity shares) and/or instruments or securities convertible into equity shares of the Company and/or convertible preference shares and/or convertible debentures or bonds (compulsorily and/or optionally, fully and/or partly) and/or non-convertible debentures with warrants and/or securities with or without detachable/non detachable warrants and/or warrants with a right exercisable by the warrant holder to subscribe for equity shares, in any combination as the Board deems fit.

As the aforesaid issue may result in issue of Securities by the Company to investors who may or may not be the members of the Company, the consent of the members through a Special Resolution is required pursuant to the provisions of Section 23, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the ICDR Regulations') and other applicable laws for the time being in force. The detailed terms and conditions for the offer of Securities will be determined by the Board in consultation with the Advisors, Lead Managers and such other agency or agencies as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The pricing of the Securities that may be issued to Qualified Institutional Buyers pursuant to a QIP shall be determined subject to such price not being less than the price calculated in accordance with Chapter VIII of the ICDR Regulations. The Company may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the floor price determined pursuant to the ICDR Regulations or such other discount as may be permitted under applicable law. The relevant date for the purpose of pricing the Securities shall, subject to applicable laws, be the date of the meeting in which the Board / Committee decides to open the proposed issue or such other date as may be permitted under the ICDR Regulations.

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

None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the Special Resolution set out at Item No. 11 of the notice except to the extent of their shareholding in the Company.

Item No. 12

The Authorized Capital of the Company is Rs. 23,00,00,000/- (Rupees Twenty Three Crore only) and the paid up share capital of the Company is Rs. 22,26,00,000 (Rupees Twenty Two Crore Twenty Six Lakhs only). The Company proposes to increase its authorized share capital to Rs. 28,00,00,000/- (Rupees Twenty Eight Crore only) to facilitate any fund raising in future of equity shares of the company.

Pursuant to Sections 61 and 64 of the Companies Act, 2013, the consent of the shareholders of the Company is required to the proposed increase in the authorized share capital. Accordingly, the Board of Directors of the Company vide its resolution passed at the meeting held on 13th August, 2019 has proposed to increase the authorized share capital of the Company and seeks the approval of the members of the Company by way of passing an Ordinary Resolution for the same.

The Directors recommend the Resolution set out in the Notice for the approval of the Members.

No Director, Manager, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution.

Item No. 13

In order to reflect the increase authorized share capital of the Company and in order to conform to the requirements of the Companies Act, 2013, Clause V (a) of the Memorandum of Association of the Company must be amended.

A draft of the amended Memorandum of Association with the following Clause V (a) shall be tabled:

V (a) The Authorized Share Capital of the Company is Rs. 28,00,00,000/ (Rupees Twenty Eight Crores only) divided into 14,00,00,000 (Fourteen Crore) Equity Shares of Rs. 2/- (Rupees Two only) each.

As per Section 13 of the Companies Act, 2013, the alteration of the Memorandum of Association shareholders of the Company requires the approval of shareholders and accordingly the Board now seeks the approval of members for the same.

The Directors recommend the Resolution set out in the Notice for the approval of the Members.

No Director, Manager, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution.

Item No. 14

Pursuant to Section 14 of the Companies Act, 2013, read with the rules framed thereunder, amendment of Articles of Association requires the approval of shareholders by way of Special Resolution. Accordingly this matter has been placed before the shareholders for approval.

The Directors recommend the Resolution set out in the Notice for the approval of the Members.

No Director, Manager, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution.

Item No. 15

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. These are in line with the disclosures in the financial statements in previous years. In the earlier years these were approved by the Regional Directors as required prior to commencement of these provisions of the Companies Act, 2013. There are certain modifications in the amount of deposit and goods covered and hence your approval is sought.

The approval is also sought for acquisition of the related parties subject to the procedure laid down by the Companies Act, 2013, SEBI regulation and other laws as applicable.

As per the provisions of section 188 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. 15.

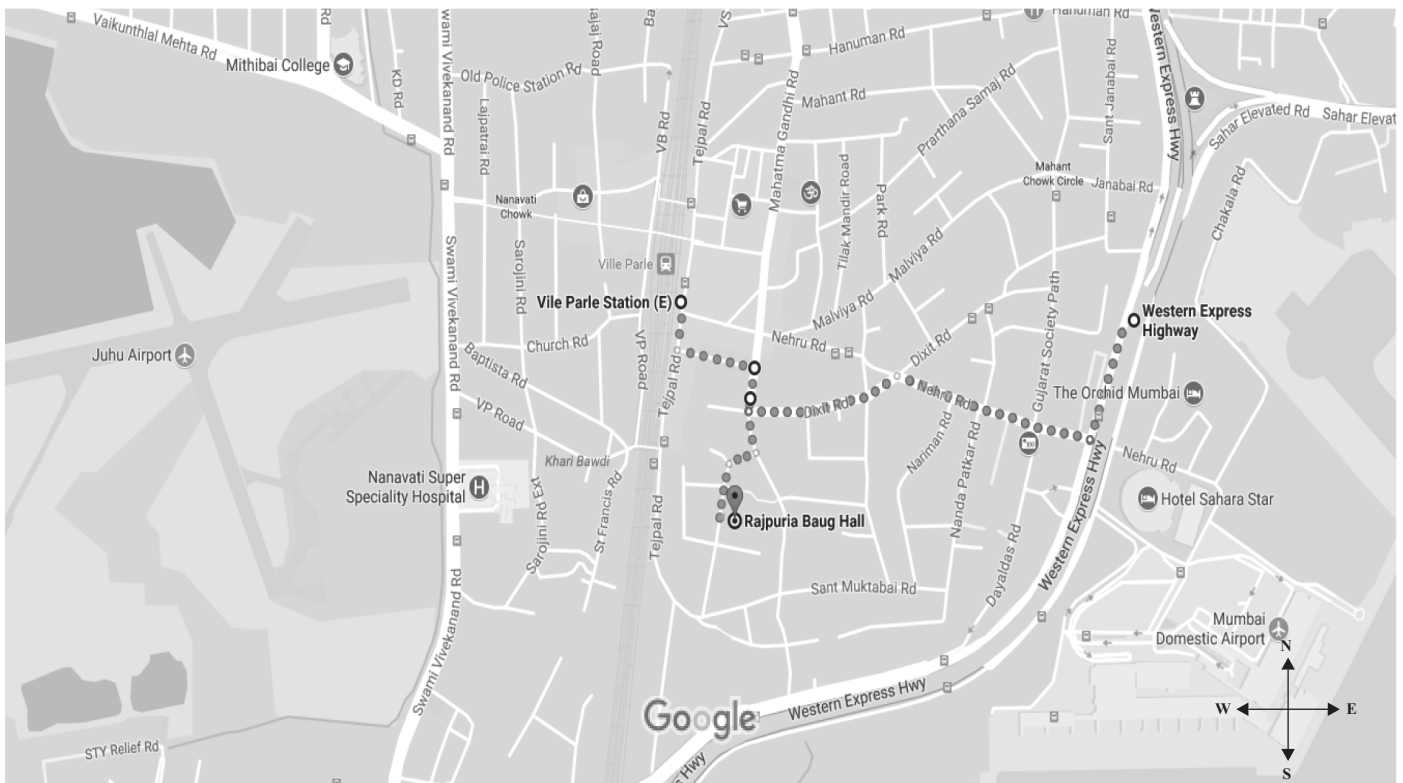
Your Directors commend passing of this resolution by way of a special resolution.

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

Surendrakumar Tibrewala
Chairman & Managing Director
DIN: 00218394

Place: Mumbai
Date: 13.08.2019

Google Map for AGM Venue



Profile of Director seeking re-appointment at the 16th Annual General Meeting pursuant to Secretarial Standards on General Meetings (SS-II) and Regulation 36(3) of the Listing Regulations.

Sr. No	Particulars	Reappointment of Mrs. Aarti Jhunjunwala as Director	Reappointment of Mr. Manmohan Mehta as Independent Director	Reappointment of Mr. Alok Dhanuka as Independent Director
1.	Name of Director	Aarti Jhunjunwala	Manmohan Mehta	Alok Dhanuka
2.	Director Identification Number (DIN)	07759722	00391964	06491610
3.	Date of Birth/ Age	24th January, 1983/36 years	28th August,1968/ 50 years	11th October,1984/34 years
4.	Date of First Appointment	14th August, 2018	31st December, 2007	11th February, 2013
5.	Expertise in General Specific Areas	Rich and varied experience in field of International Business	Textile Processing & Realty business	Exports & Finance
6.	Qualification	Masters in Accounts and Taxation.	Graduate	MBA Finance
7.	Shareholding in Company	50	Nil	Nil
8.	Relationship with other Director/KMP's	Daughter of Mr. Surendrakumar Tibrewala and Sister of Mr. Sanjay Tibrewala	NONE	None
9.	No. Of Board Meetings held during the tenure and attended by director during 2018-19	4/4	6/6	6/6
10.	List of outside Directorship held (Public Limited Companies)	None	Aceelene Suitings Limited	None
11.	Chairman/Member of the Committee of Board of Directors of the Company	None	None	None
12.	Chairman/Member of the Committee of Directors of other Public Limited Companies in which he/she is a director a) Audit Committee b) Stakeholder's Relationship Committee	None	None	None

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the Sixteenth Annual Report, together with the Audited Standalone Financial Statements of the company for the financial year ended 31st March 2019.

1. HIGHLIGHTS

The year under review witnessed stagnancy both within the country as well as globally. Your Company utilized the situation to increase the market share. This was done as a focused activity both locally and globally. Operating Income increased 22% on standalone basis and 27% on consolidated basis. With the improving world scenario the profitability is certain to be reflected in future.

2. FINANCIAL RESULTS

(Rs. in Lakhs)

	Standalone		Consolidated	
	Year ended 31-03-2019	Year ended 31-03-2018	Year ended 31-03-2019	Year ended 31-03-2018
Total Income	11431	9943	18388	14810
Less: Expenditure	8885	6929	14971	11418
Profits before Tax	2546	3014	3417	3392
Less: Income Tax Expense	760	886	930	995
Less Exceptional Items	53	-	53	-
Profit after Tax	1733	2128	2434	2397
Other Comprehensive Income (net of tax)	(1)	1	(1)	1
Total Comprehensive Income	1732	2129	2433	2398

The above data has been extracted from the 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 have recommended a final dividend of Rupee 0.10 per share which will be paid within the stipulated time after your approval at the ensuing Annual General Meeting.

3. OPERATIONS

The year under review was the first full year since the introduction of Goods and Services Tax (GST). The Company's motto was to expand the market reach and has successfully achieved a volume growth of over 30%. With the improved economic conditions the bottom line will be better in the coming years. The Company's efforts of consolidating its production and marketing infrastructure have shown positive results which are set to accelerate in coming quarters. The Company's exports have reached 60 countries against 40 last year and the trend continues. The reach to remote pocket is increasing even in domestic markets.

The Company's thrust continues to concentrate on new markets and pioneering new products to enhance the operational efficiency of the customers. The Company has strengthened

its human resources to tackle the needs of the customers with entrepreneurial zeal. This commitment is total and coupled with its focused drive to achieve growth through better management of both materials and overheads. The Company has recorded an increase in turnover of 22% on standalone basis while the consolidated turnover showed a moderate rise due to more efforts on development of products. This will show results in the coming quarters.

The exports contribute over 22% of its operations on a standalone basis. The Company has also reached an advance stage in production of products which would foray the Company's operations in to new sector thereby widening and diversifying its activities.

4. SHARE CAPITAL

The paid-up equity share capital of the Company as on 31st March, 2019 stood at Rs. 22,26,00,000 comprising of 11,13,00,000 equity shares of Rs. 2/- each. During the year under review, there was no change in the Share Capital of the Company.

5. DIVIDEND

The Board of Directors has recommended a final dividend for the current financial year and the Board recommends your approval.

6. SUBSIDIARIES

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

a. Foreign Subsidiaries:

Fineotex Malaysia Limited (FML), a Limited Company, was incorporated in Labuan Malaysia in 2011. FML in turn has controlling interest in 3 other companies in Malaysia that have established manufacturing and trading activities. 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. These investments will complete 8 years in June 2018.

Fineotex Specialities FZE was incorporated in the Region of UAE on 25th January 2015.

b. Indian Subsidiaries:

Manya Steels Private Limited is the only Indian subsidiary. It was acquired for diversification. The Company would 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 salient features of financial statements of subsidiary companies in Form AOC 1 is attached to the Accounts.

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

7. FINANCE

There have been no significant changes 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.

During the year under review and till the date of the Board Report, there are none material / significant orders passed by the regulators or appellate authorities that may affect the going concern status of the Company's future operations.

8. INTERNAL FINANCIAL CONTROLS

The Internal Control System is reviewed on a continuous basis in the light of changed circumstances and way of doing business due to the changing systems and procedures. 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 due to peculiar business environment of making tailor made products. 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 has also in place adequate accounting, administrative, logistics and system of internal check 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 the 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.

9. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company along with its subsidiaries – both foreign and Indian - for the year ended 31st March, 2019 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.

10. PUBLIC DEPOSITS, LOANS AND ADVANCES

The Company has not accepted any deposits from the public or the shareholders during the year or in the previous year. Security Deposits have been taken from the customers as a 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.

11. 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 2018-19 are provided in the standalone financial statements and the same are also given in **Annexure '1'** forming part of this report.

12. RELATED PARTY TRANSACTIONS / CONTRACTS

All Related Party Transactions entered into during the year were 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 the approval to these contracts and transactions at the 12th and 13th Annual General Meeting of the Company.

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>.

13. 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. Manmohan Mehta and Mr. Alok Dhanuka, Independent Directors were appointed as per Section 149 of the Companies Act, 2013, in 2014 for a period of five years. Their term expires in September 2019. The Board recommends for their re-appointment for the second term of 5 years. The Board has received their eligibility and consent for re-appointment. The other details are given in the notice to the Annual General Meeting.

14. BOARD MEETINGS

During the year under review there has been a change in the Board of Directors of the Company. Ms. Ritu Gupta has resigned from the Board with effect from 14th August, 2018. Mrs. Aarti Jhunjhunwala was appointed as an Executive Director of the Company with effect from 14th August, 2018. 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 the **Annexure 'C'**.

15. 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 – Executive Director & Chief Financial Officer
- c) Ms. Pooja Kothari – Company Secretary (since 04/04/2018)

Particulars of Employees and related disclosures

None of the employees who were employed throughout the financial year was in receipt of remuneration of more than Rs. 1,02,00,000 during the year ended 31st March, 2019, 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 2019 in receipt of remuneration more than Rs.8,50,000 per month nor was their 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.

16. 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.

17. POLICY RELATING TO DIRECTORS, KMP AND OTHER EMPLOYEES

In line with the principles of transparency and consistency, your company has adopted the Nomination and Remuneration Policy which, inter alia, include criteria for determining qualifications, positive attributes and independence of a Director. The Remuneration policy is set out in the **Annexure ‘4’** to the Director’s Report and is also available on the Company’s website.

18. 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 12th February 2019 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. The details of such programme are available on the website of the Company <http://fineotex.com/Investor-Relation.aspx#InvestorRelation>. The Company also circulates explanatory notes on amendments made to various applicable laws and regulations.

19. 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 Audit Committee was also carried out.

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

20. AUDITORS AND AUDIT REPORT

M/s. UKG Associates, Chartered Accountants (Firm Registration No. 123393W) were appointed as statutory auditors of the company, at the 11th Annual General Meeting for a period of 5 years – i.e. till the conclusion of 16th Annual General Meeting to be held in 2019. As they have been auditors for the last ten years, they are not eligible for re-appointment. Accordingly, as per the said requirements of the Act, M/s. ASL & Co., Chartered Accountants (Firm Registration No. 101921W) are proposed to be appointed as auditors for a period of 5 years commencing from the conclusion of 16th AGM till the conclusion of the 21st AGM to be held in 2024.

M/s. ASL & Co., Chartered Accountants (Firm Registration No. 101921W), have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board of Directors have recommended the appointment of M/s. ASL & Co., Chartered Accountants (Firm Registration No. 101921W), as statutory auditors of the Company from the conclusion of the 16th AGM till the conclusion of 21st AGM, at 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. Also the Company has also received their eligibility and consent to act as statutory auditors. They have also provided the Peer Review Certificate as required by SEBI Regulations.

Further, the Auditors’ Report for the financial year ended 31st March, 2019 on the financial statements of the Company is a part of this Annual Report. The Auditors Report for the financial year ended 31st March, 2019 does not contain any qualification, reservation or adverse remark.

21. 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, every company specified in item (B) of Rule 3 shall get its cost records audited in accordance with these rules if the overall annual turnover of the company from all its products and services during the immediately preceding financial year is 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 overall annual turnover of your company from all its products and services during 2018-19 (the immediately preceding financial year) has exceeded rupees one hundred crore and as such it is required to appoint a cost auditor and get its cost records audited.

The Board shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as cost auditor on the recommendations of the Audit Committee. The remuneration of Rs. 40,000 per annum plus applicable taxes and reimbursement of travel and out of pocket expenses as recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders. The Company has received their consent and eligibility certificate to act as cost auditors.

On the recommendation of the Audit Committee at its meeting held on 14th May, 2019, the Board has considered and approved the appointment of M/s V J Talati & Co., Cost Accountants, for the conduct of the Cost Audit of the Company's manufacturing units at remuneration as mentioned above. Also the Company has also received their eligibility and consent to act as statutory auditors. The remuneration of Rs. 40,000 per annum plus applicable taxes and reimbursement of travel and out of pocket expenses as recommended by the Audit Committee, approved by the Board of Directors and ratified by the shareholders

22. 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 the 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 2018-19 does not contain any qualification, reservation or adverse remark.

23. CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules 2014 mandates that your Company spends at least 2% of its average last 3 years net profit after tax on Corporate Social Responsibility (CSR) Activities and explained therein. This was the fourth year of compliance for your Company, the Company has formed a Committee which has gone through the requirements and decided to carry out the same through the Trust who carry out these activities. The Company had to Spend Rs. 45.54 Lakhs in 2018-19. However it has spent Rs. 47.00 Lakhs till 31st March, 2019.

Details of CSR is annexed herewith as **Annexure '6'**

24. RISK MANAGEMENT COMMITTEE

As per Regulation 21 of (Listing Obligation and Disclosure Requirements) Regulation, 2015, the provisions of Risk Management Committee is 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.

25. AUDIT COMMITTEE

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

26. 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/Investor-Relation.aspx#InvestorRelation>.

No complaints/suggestions were received during the year.

27. HUMAN RESOURCES

The Company has 151 employees at the year end including whole time directors. We are equal opportunity employer and over 20% are women. We consider our employees as our most valuable asset and have been working towards keeping them engaged and inspired. The current workforce structure has a good mix of employees as all levels. The Company is aware that the success of its business depends upon its technical expert's co-ordinating with research and development staff on the one hand and marketing on the other. Necessary training and orientation is provided to our employees to equip them in providing productive and committed results.

28. 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.

29. DISCLOSURE UNDER THE SEXUAL HARRASSMENT 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 off during the year 2018-19

No of Complains received: **NIL**

No of Complaints disposed off: **NIL**

30. 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'**.

31. 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.

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, 2019 in Form No. MGT 9 is attached herewith as **Annexure '7'** and forms part of this Report.

34. ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation to the Central Government, the State Governments, all its investors, stakeholders & bankers all the business associates for the 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 extended to it 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: 4th June, 2019

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 measure taken – Energy consumption is not very high for the Company’s business. However efforts are being continuously made of monitoring the consumption and reduction of losses to 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		2018 -19	2017 -18
1. Electricity			
Purchased Units (Nos)		1,81,497	1,73,279
Total Cost (Rs.)		16,76,498	14,34,173
Rate / Unit (Rs.)		9.24	8.28
2. Diesel Oil			
Quantity (K.Ltrs)		5,436.62	6,195.98
Total Cost (Rs.)		3,95,998	39,0448
Average rate per K Ltr. (Rs.)		72.83	63.02

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 endeavour to improve the performance of products as well as develop new products mainly as required by the customers.
- Benefits derived as a result of the above R & D – Developed few products as well as improved performance of certain products to meet the customer requirements
- 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.
- Expenditure on R & D – Not significant during the year on in 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. The Company has not taken any technical knowhow from outsiders.
- Benefits derived as a result of the above efforts – there are improvement 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	2018-19	2017-18
		Rupees in Lakhs	
(a)	Total Foreign exchange earned	2458.24	2350.27
	i. Sales - Export	2458.24	2094.15
	ii. Dividend	-	256.12
(b)	Total Foreign exchange used	1378.27	836.38
	i. Commission	114.31	79.84
	ii. Travelling	17.69	15.47
	iii. Exhibition	6.45	3.53
	iv. Import	1231.32	737.54
	v. Professional Fess	8.50	-

Annexure ‘B’ to the Directors Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

GLOBAL DEVELOPMENTS AND THEIR EFFECT

The last couple of years, the Global Economy was not having any visible signs of growth and hope. The Indian scenario was no different. In fact it was affected by some stringent measures taken by the Government of India in the form of Demonetization and Introduction of Goods and / or Services Tax. There was movement in the positive direction but marginal.

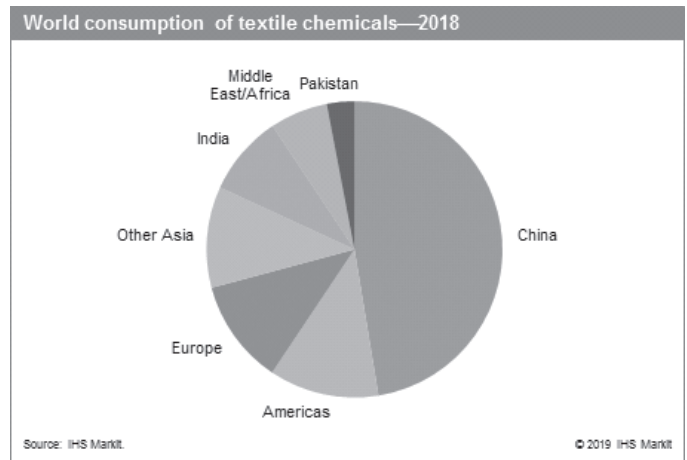
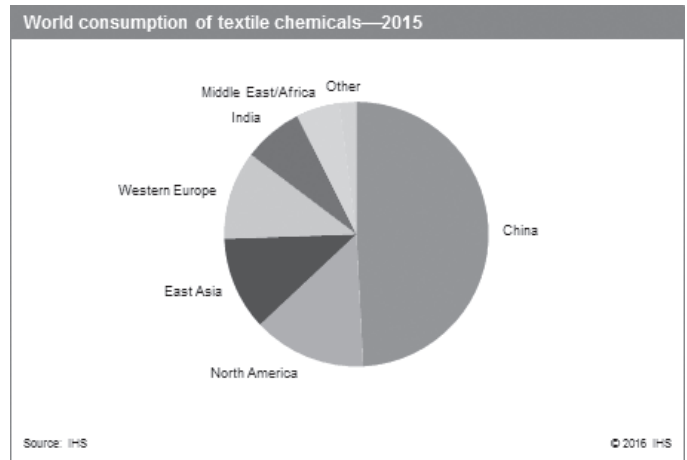
Specialty chemicals are made for a specialized use. No specific definition is available for specialty chemicals. In general it can be described as chemicals with high value and low volume which is used as performance enhancing properties. Additives, adhesives, corrosion inhibitors, dyes, lubricants and pigments are a few to name.

Manufacturers and retailers work on a frantic pace, to make and sell trendy garments at competitive prices. With today’s fashion, apparels have to be both functional and stylish. Growing demands in the customer expectations and distinct performance requirements in the end user industries require focus on providing product and application know-how to the ultimate consumers. Attempts made by businesses to come up with innovative solutions manipulate the market for specialty chemicals.

During the process of manufacture, textiles go through various chemical treatments. This includes pretreatment, dyeing, and refinement of textiles. Special chemicals such as flame retardants, water repellents, and warp sizes are used in this process. More than sixty different textile chemicals are used in various textile processes like yarn formation, fabric pretreatment, laminating, finishing, and coating. Textile dyes and chemicals segment is the largest component of the chemicals industry. Dyestuff segment is the biggest industry due to its forward and backward linkages with versatile applications in textiles, leather, printing inks, paper etc.

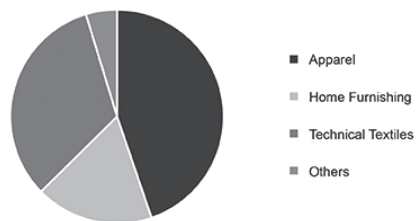
There is a steady growth in the economy since 2012 there has been a gradual growth in the economy. The trend of overall growth in the economy. This growth has a positive effect on the textile industry which in turn augurs well for the textile chemicals in which we operate. It is forecasted that this trend would continue at least for the next few years.

During the last few years, the consumption pattern in the various regions have more or less remained similar. There is a minor percentile reduction in 2018 over 2015 in China which is the major consuming country accounting nearly half of the world consumption. During the corresponding period the consumption show a small percentage rise in India. Significant increase has taken place in neighboring Pakistan.



The world wide consumption of specialty textile chemicals on the basis of the sector in which they are used in 2018 are as under.

Global textile chemicals market share, by application, 2018 (%)



The type of product would vary according to the users of such chemicals. In USA and Europe the demand is more for apparel and high end fashion. Thus the product range is mainly finishing chemicals which have specific requirements in the end products. The textile speciality chemical segment has witnessed M&A activity driven by market access and consolidation opportunities.

Scene in India

The main driver that spurs the specialty chemical business is the production of textiles. The provision figures released by the Ministry of Textiles upto 2018-19 shows the trend as under

Estimated Production of man-made fibre, filament yarn, spun yarn and cloth.

(Fig. in millions)

Period	Man-made fibre	Man-made filament yarn	Cotton yarn	Blended & 100% Non-cotton yarn	Total Spun Yarn	Cloth		
						Mill sector *	Decentralized sector **	Grand Total (Exc. Khadi, Wool & Silk)
	Kg	Kg	Kg	Kg	Kg	Sq.mtr	Sq.mtr	Sq.mtr
2015-16	1347	1164	4138	1527	5665	2315	62269	64584
2016-17	1364	1159	4055	1604	5659	2264	61216	63480
2017-18	1319	1187	4064	1616	5680	2157	64688	66845
2018-19 (P)	1443	1155	4182	1680	5862	2012	68034	70046
% Variation 2018-19 over 2017-18	9.4	-2.7	2.9	4.0	3.2	-6.7	5.2	4.8

Notes:

- P - Provisional
- * - Based on statistical data received from units
- ** - Based on set of conversion ratio of yarn to fabric

India is the second largest exporter of textiles globally. Stringent environmental regulations in China have forced several dye manufacturers to shut down their plants. This has enabled Indian players to penetrate the international market. Various government initiatives are being taken to encourage the country's textile production. One of the initiatives was taken by the Maharashtra state government to establish nine textile parks to aid the domestic manufacturing market.

Majority of manufacturers in India have shifted their focus towards investing in product innovation supported by the Make in India scheme of the government. The demand for apparel with diverse textures and designs is majorly attributed to the aspirational youth, which constitutes the major part of the Indian population. Growing consumer disposable income coupled with increasing adoption of casual clothing is expected to enhance the clothing demand over the forecast period.

Environmental concerns associated with textile chemicals have shifted the focus of major manufacturing companies toward green (bio-based) chemicals, which are eco-friendly in nature. Green chemicals are produced using animal and plant fats/oils, which not only makes them eco-friendly but also cost-efficient as compared to their conventional counterparts. Companies involved in manufacturing bio-based chemicals offer cost competitiveness owing to the availability of low-cost feedstock.

The basic role of the textile auxiliary chemicals is to improve the processing performance. There is some imperfection in each product for every user and hence these products are called Specialty Chemicals. These products are low volume, high margin products which form the minisule part of the total cost as well as weight of the textiles.

Global consumption of textile chemicals grew 2.8% per year on a volume basis during 2012–15. Future growth will depend on the fortunes of the textile industry. It is expected to reach \$27,560 million by 2022 from \$21,770 million in 2015, and, growing at a CAGR of 3.4% from 2016 to 2022.

The significant impacting factors in the textile chemicals industry include development of apparel industries due to increase in demand for consumers and growth in population. Along with these factors, the market is influenced by the increase in demand for home furnishing products, evolution of environmental friendly chemicals required by textiles industries, and development of packaging industries, which require large textile chemicals.

Boosting growth will be the rising level of personal income in both developed and developing countries, which will promote the production of textiles used in apparel, upholstery, household furnishings and floor coverings. While colorants and auxiliaries will remain the biggest product segment, faster gains will be seen in finishing chemicals, which impart specific aesthetic, physical and functional properties to textiles. The Asia/

Pacific region, China and India in particular, will continue to be the largest consumer of textile chemicals, and is also forecast to experience the fastest growth.

On-going advancements in the textile chemicals market due to innovative efforts have further enhanced the efficiency of these chemicals. The report includes textile chemical market forecast from 2016 to 2022. To understand the market, drivers, restraints, and opportunities are explained in the report. Further, the key strategies adopted by potential market leaders to facilitate the effective planning are also discussed under the scope of the report. The market value and volumes are further derived using bottom-up approach and by considering price trends.

Textile Chemicals and Fineotex

Fineotex Chemical Limited (Fineotex) is fast emerging as a major Company which manufactures a range of specialty chemicals. It is the fastest growing chemical Company in India in the manufacturing sectors. It has crossed an annual turnover of Rs. 100 crores. It produces speciality textile chemicals which in general can be described as chemicals with high value and low volume which are used for their performance enhancing properties. Due to a staggered growth in the economy - both local and global - during the year, Fineotex used this period to achieve expansion in its area of operation as well as increase the market share. There has been increase in exports – value, countries and products. Similarly specific trust was made in domestic market to add new customers, new product and new regions. The result was visible in the form of increased volume. With improved economic conditions, the bottomline will grow faster.

The SWOT Analysis

Strength

The ability of Fineotex to adapt to the changing environment across markets is its strength. It is based on its experience in this business for over 40 years backed production expertise. To further augment this on a continuous basis, Fineotex ensure adequate capacities and proper facilities, trained and dedicated staff to maximize the consumer satisfaction by improving the process performance and anticipate the customers’ needs and solve the same. Fineotex is known amongst its ever increasing customers as Dependable.

Weakness

The Company’s customers expect that the Fineotex’s products and philosophy to contemplate on their needs, look for solutions and work with them to solve the issues. The delay, however unavoidable, could affect the business adversely. However the inherent strength of Fineotex and dedicated commitment by the staff proven by the previous history has demonstrated that such threats are tackled successfully and converted into opportunity.

Opportunities

The staggered growth of the recent past has been utilised to expand the market as well as the reach. The economic conditions are used to introduce new product on the one hand and also increase the area of operation. There is great opportunity to expand globally and the Company has already achieved during the year and would follow it in future.

Threats

The present uncertainties of trade wars and the protectionist policies of major nations in the Global Economy is a matter of concern. However it is not likely to cause any major impact on the Company. The Company’s product are tailor made to the customers’ requirements and the name guarantees quality and dependability. Hence, except for unforeseen circumstances like acts of God, the Company does not foresee any threats to the Company’s business and the area of its operations.

Outlook

Economic Growth is driven by domestic demand for quality textiles and exports of high quality textiles. With improved economic condition the outlooks is bright.

With increased quality requirements, the demand for specialty products will increase. Fineotex has also focused its thrust on finishing chemicals which demand high quality and efficiency with varying consumer demands. These are challenging opportunities with commensuration high margins. Fineotex awaits for these opportunities to unfold.

At a group level, it has developed an eco friendly product that controls mosquito outbreak. Approvals are sought from the authorities globally from the Health Organizations. The processes are in the advance stage of approval and it is taking longer than expected. The Company is also increase its product range in the field of agro chemicals. This is a separate area of health care which will give both value and volume sale to the Company in the coming years.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

During the year, the turnover of the Company has grown to Rs.11,263.36 Lakhs, as compared to Rs. 9,187.62 Lakhs for FY 2017-18 resulting in growth of 22%. 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. 590.97 Lakhs during the year as against Rs. 462.69 Lakhs in the previous FY 2017-18. The increase in staff was due to additional production facilities and marketing needs.

The salient indicators are as under:-

	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Income from Operations	11,263.63	9,187.63	18,232.73	14292.68
PBT	2,492.65	3,014.15	3,416.51	3,392.08
PAT	1,732.29	2,128.15	2,433.25	2396.64
EPS (of Rs 2/-) (Basic & Diluted)	1.56	1.91	2.02	2.04

During the year under review the plant had smooth operations.

As per the Accounting Standard 17 issued by the Institute of Chartered Accountants of India and Companies (Accounting Standards) Rules, 2006, 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 the cautious growth expected in the textile industry in the coming year with increasing demand for

chemicals needed for this industry 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 continue to be under stress. The total quantitative sales in 2018-19 were 13,005 MT against 10,094 MT in 2017-18. 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 continues to be sound and getting sounder. The Company is almost a zero debt company. The net worth has increased by over 14%. The Debtors have shown a minor increase due to higher sales in the last quarter. The other parameters like inventory operating margins are comparable the best in the industry. The stress this year was on expanding the market size to ensure profitability on improvement in demand. The salient ratios are as under:

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

SR NO	Ratios	Standalone		Consolidated	
		2018-19	2017-18	2018-19	2017-18
(i)	Debtors Turnover (times)	3.26	4.14	3.71	5.12
(ii)	Inventory Turnover (times)	8.16	7.73	1.96	1.32
(iii)	Interest Coverage Ratio (number)	44.66	77.75	30.12	37.06
(iv)	Current Ratio (times)	3.36	2.69	0.02	0.02
(v)	Debt Equity Ratio (times)	54.52	24.13	0.35	0.53
(vi)	Operating Profit Margin (%)	22.64	33.23	3.43	3.50
(vii)	Net Profit Margin (%)	15.21	21.41	0.18	0.13
(viii)	Net Worth	13,842.58	12,110.71	16,517.49	14,190.13

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Control System is reviewed in the light of 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 has also in place adequate accounting, administrative, logistics and system of internal check 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 the 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 115 employees at the year end including whole time Directors. We are equal opportunity employer. Out of the total strength, over 20% are women. We consider our employees as our most valuable asset and have been working towards keeping them engaged and inspired. The current workforce structure has a good mix of employees as all levels. The Company is aware that the success of its business depends upon its technical expert's co-coordinating with research and development staff on the one hand and marketing on the other. Necessary training and orientation is 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: 4th June, 2019

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, 2019 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 wealth of shareholders, establish productive and lasting relationship with all shareholders with emphasis laid on fulfilling the responsibility towards 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, 2019 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, Mrs. Aarti Jhunjunwala & Mrs. Ritu Gupta
Mr. Sanjay Tibrewala (DIN 00218525)	Promoter Executive Director	Nil	Nil	Son of Mr. Surendrakumar Tibrewala, Brother of Mrs. Aarti Jhunjunwala and Mrs. Ritu Gupta
Mr. Manmohan Mehta* (DIN 00391964)	Non Executive Independent Director	01	Nil	--
Mr. Navin Mittal* (DIN 03555295)	Non Executive Independent Director	Nil	Nil	--
Mr. Alok Dhanuka* (DIN 06491610)	Non Executive Independent Director	Nil	Nil	--
Ms. Ritu Gupta ^ (DIN 00218561)** (till 14th August, 2018)	Promoter Non Executive Director	Nil	Nil	Daughter of Mr. Surendrakumar Tibrewala, Sister of Mr. Sanjay Tibrewala and Mrs. Aarti Jhunjunwala
Mrs. Aarti Jhunjunwala (DIN 00218561)** (since 14th August, 2018)	Executive Director	Nil	Nil	Daughter of Mr. Surendrakumar Tibrewala, Sister of Mr. Sanjay Tibrewala and Mrs. Ritu Gupta

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

** Women 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.

^ Mrs. Ritu Gupta resigned as the Non-Executive Director of the Company w.e.f. 14th August, 2018 owing to pre-occupation in other engagements.

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 women director as required under section of the Companies Act, 2013.

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	04/04/18	30/05/18	14/08/18	14/11/18	12/02/19	05/03/19	28/09/18
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. Ritu Gupta	P	P	P	P	P	P	P
Mrs. Aarti Jhunjhunwala*	-	-	P	P	P	p	p

P = Present A = Absent

*Mrs. Aarti Jhunjhunwala was appointed as an Executive Director w.e.f. 14th August, 2018.

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 programmes imparted to the independent Directors are available on the website of the Company and can be accessed through the web link <http://fineotex.com/Investor-Relation.aspx>.

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 is associated with the Company's Business for the last 19 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 internationally. 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. He has given the necessary declaration confirming his eligibility and willingness to act as such as required under the Act. 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 has furnished the Company a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013. 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 various Committees of the Board. 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 Directors as per the Listing Agreement with Bombay Stock Exchange Limited. He was re-appointed as Independent Directors as per the provisions of Section 149(4) of the Companies Act, 2013 for a period of 5 (Five) years at the 11th Annual General Meeting. Further his term of office as an Independent Director is liable to expire on 22nd September 2019. He has given the necessary declaration confirming his eligibility and willingness to act as such as required under the Act. Mr. Alok Dhanuka being eligible for re-appointment for the next term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 has furnished the Company a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013. Mr. Alok Dhanuka is an MBA Finance with experience of exports business. He is a member of various Committees of the Board including Chairman in few cases.

Mrs. Aarti Jhunjhunwala is 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 a Executive and Promoter Director liable to retire by rotation and shall hold office for a period of 3 years. 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. Declarations of Independent from Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations (including any statutory modification(s) or re-enactment(s))

thereof for the time being in force). In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

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 May, 2019.

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 2018-19, 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 lakhs for financial year 2018-19, for all the services, was paid by the Company and its subsidiaries, on a

consolidated basis, to the statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.

8. Key Board qualifications, expertise and attributes

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

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

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

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

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 Jhunjhunwala	√	×	√	×	√	×

9. 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>.

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

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. SEBI has notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from 1st April, 2019.

In accordance with the said amendments to the SEBI Insider Trading Regulations, it was, inter alia, required to amend/formulate the following:

- i) Code of Conduct to Regulate, Monitor and Report trading by Designated Persons
- ii) Formulate a Policy for determination of 'legitimate purposes' as a part of 'Code of Fair Disclosure and Conduct'

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

11. Audit Committee

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

The present members of the Audit Committee are Mr Alok Dhanuka is the Chairman of the Committee. Mr. Sanjay Tibrewala is the Executive Director and Mr. Manmohan Mehta is the Independent Non-Executive Directors. Company Secretary of the Company is the secretary of the Audit Committee.

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

Attendance at the Audit Committee Meetings:

Name of Director	30-May-18	14-Aug-18	14-Nov-18	12-Feb-19
Mr. Alok Dhanuka	P	P	P	P
Mr. Manmohan Mehta	P	P	P	P
Mr. Sanjay Tibrewala	P	P	P	P

12. 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 twice during the year and the attendance is given below.

Name of Director	30-May-18	14-Aug-18	14-Nov-18	12-Feb-19
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.

13. 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 13th Annual General Meeting held on 20th September, 2016, the shareholders had 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, 2016.

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

The agreements can be severed by either party by giving 6 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 that the payment of sitting fees

to the Independent Directors. However the Independent directors decided not to take the sitting fees at present.

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.

14. 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 2018-19 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, 2019.

No share transfers/transmissions/issue of duplicate share certificates was pending as on 31st March, 2019.

Ms. Pooja Kothari was the Company Secretary and the Compliance Officer of the Company.

15. 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 lot of experience in service to the society.

Four meetings were held on 30th May, 2018, 14th August, 2018, 14th November, 2018 and on 12th February 2019 during the financial year 2018-19.

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 trust established in the field of CSR. The Company had to spend Rs. 45.54 Lakhs (Approx) during the current year. It has spend Rs 47.00 Lakhs for the financial year in review.

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

empowerment The Committee will also monitor the usage of the funds in the desired activities on a regular basis.

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

16. 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.

17. Meeting of Independent Directors

The Independent Directors met once during the year on the 12th of February, 2019 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.

18. 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.

19. 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.

20. 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 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-for-Determining-Material-Subsidiary.pdf>.

21. 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) During the year under review, the Board of Directors suitably amended the Policy on dealing with and materiality of Related Party Transactions to:
- include clear threshold limits for transactions with related parties, duly approved by the board of directors;
 - review by the Board of Directors at least once every three years of the Policy and the thresholds determined; and
 - such other changes as were deemed necessary to bring it in line with recent amendments to Listing Regulations and Companies Act, 2013.

The policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website and can be accessed at the following link: <http://fineotex.com/Investor-Relation.aspx>. There are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company at large.

22. 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
2015-16	20-Sept-2016	10.00 A.M.	Rajpuria Bagh, Navinbhai Thakkar Road, Vile Parle (E), Mumbai 400057.	<ol style="list-style-type: none"> Appointment of Mr. Surendrakumar Tibrewala as Managing Director of the Company Appointment of Mr. Sanjay Tibrewala as Whole-time Director of the Company Approval of Contracts with Related Party

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.	<ol style="list-style-type: none"> Adoption of Audited Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon. Confirmation of interim dividend declared Raising of Funds through Issue of Securities. Alteration of Object Clause of the Memorandum of Association of the Company. Appointment of Mrs. Aarti Jhunjunwala as an Executive Director of the Company. Contracts with related Parties

Extra-ordinary General Meeting

During the Financial Year 2018-19, no Extra-ordinary General Meeting was held.

Postal Ballot

There was no Special Resolution passed through Postal Ballot during the financial year 2018- 2019. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

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 the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the 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-bottom-comman/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 2018-19 are as follows:

Amount of unclaimed dividend transferred (Rs.)	Number of shares transferred
613	449

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.

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 the shareholders.

The Company has 38600 shareholders as on 31st March, 2019 and the total holding is in dematerialized form except for 20 shareholders holding physical shares.

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

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

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

General Shareholder Information

a. Annual General Meeting :

Day and Date : Friday, 27th September, 2019
 Time : 5.00 p.m.
 Venue : Rajpuria Bagh, Navinbhai Thakkar Road, Vile Parle (E), Mumbai 400057.

b. Financial Calendar for 2019-20 : The Company's Financial Year is a 12 months period from

April to following March.
 Period : Dates for Unaudited/ Audited Results.
 April-June 2019 : 1st Fortnight of August, 2019
 July-Sept 2019 : 1st Fortnight of November, 2019
 Oct-Dec 2019 : 1st Fortnight of February, 2020
 Jan-Mar -2020 : before 30th May, 2020

c. Book Closure : Saturday, 21st September, 2019 - Friday, 27th September, 2019

d. Dividend : Final Dividend for FY 2018-19 of Rs. 0.10 per equity share of Rs. 2 each recommended by the Board of Directors at its meeting held on 14th May, 2019.

e. Dividend payment date : on or after 5th October, 2019 (Subject to shareholder approval)

f. Listing Details:
 The Equity Shares of the Company are listed on the following Stock Exchanges

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

The Company has paid Listing fees to BSE and NSE for the financial year ended 31st March, 2019.

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

h. Stock Price Data:

The shares of the Company were traded as under during 2018-19.

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Turnover (Rs.in Lakh)	High (Rs.)	Low (Rs.)	Turnover (Rs.in Lakh)
April 2018	90.90	58.50	4842.36	90.90	59.00	28107.12
May 2018	86.00	62.40	2905.50	87.00	58.95	15122.73
June 2018	67.80	50.70	909.11	67.80	50.70	4012.94
July 2018	57.00	45.10	581.07	56.00	45.10	2585.09
August 2018	62.85	47.20	722.64	62.45	47.80	3379.21
September 2018	50.60	36.25	278.98	50.65	36.00	1513.37
October 2018	44.60	35.30	457.27	44.75	35.10	2087.27
November 2018	43.55	36.30	253.03	44.00	36.45	1527.14
December 2018	41.25	29.60	324.81	41.35	29.50	1705.89
January 2019	47.50	33.65	611.61	47.60	33.80	4690.61
February 2019	41.80	33.00	238.74	42.20	33.00	1848.25
March 2019	46.40	37.25	387.54	46.70	37.35	3173.24

Source: BSE and NSE Website

i. Market Price variation in relation to BSE Sensex during 2018-19

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)
(High)	BSE Sensex (Low)	58.50	35213.3	32972.56
April 2018	90.90	58.50	35213.3	32972.56
May 2018	86.00	62.40	35993.53	34302.89
June 2018	67.80	50.70	35877.41	34784.68
July 2018	57.00	45.10	37644.59	35106.57
August 2018	62.85	47.20	38989.65	37128.99
September 2018	50.60	36.25	38934.35	35985.63
October 2018	44.60	35.30	36616.64	33291.58
November 2018	43.55	36.30	36389.22	34303.38
December 2018	41.25	29.60	36554.99	34426.29
January 2019	47.50	33.65	36701.03	35375.51
February 2019	41.80	33.00	37172.18	35287.16
March 2019	46.40	37.25	38748.54	35926.94

j. Market Price variation in relation to NSE Nifty during 2018-19

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 2018	90.90	59.00	10759.00	10111.30
May 2018	87.00	58.95	10929.20	10417.80
June 2018	67.80	50.70	10893.25	10550.90
July 2018	56.00	45.10	11366.00	10604.65
August 2018	62.45	47.80	11760.20	11234.95
September 2018	50.65	36.00	11751.80	10850.30
October 2018	44.75	35.10	11035.65	10004.55
November 2018	44.00	36.45	10922.45	10341.90
December 2018	41.35	29.50	10985.15	10333.85
January 2019	47.60	33.80	10987.45	10583.65
February 2019	42.20	33.00	11118.10	10585.65
March 2019	46.70	37.35	10525.50	9951.90

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 2019. 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, 2019 is as follows:

Category	No. of shareholders	No. of Equity Shares held	% of Shareholding
Promoters (Non Corporate)	12	75510070	67.84
Promoters (Corporate)	2	3983000	3.58
Domestic Bodies Corporate	270	2239044	2.01
Clearing Members	205	1368140	1.23
Non Resident Indians	718	1343974	1.21
Non Nationalised Bank	2	105273	0.09
Financial Institutions/Banks	1	46958	0.04
Public	37390	26703541	23.99
Total	38600	111300000	100

n. Distribution of shareholding

The Distribution of shareholding as on 31st March, 2019 is as follows:

Shareholding of Nominal	No of shareholders	Percentage of Total	Shares Amount	Percentage of Total	
1	5000	36627	94.8886	27135946	12.1905
5001	10000	1139	2.9508	8421344	3.7832
10001-	20000	510	1.3212	7642888	3.4335
20001-	30000	130	0.3368	3289384	1.4777
30001-	40000	60	0.1554	2156334	0.9687
40001-	50000	32	0.0829	1437506	0.6458
50001-	100000	53	0.1373	3524742	1.5834
100001>	999999999	49	0.1269	168991856	75.9173
Total	38600	100.00	222600000	100	

Distribution of shares held in physical form and with depositories as on 31st March, 2019:

Held with	No of shareholders	No of shares
Physical	20	2221
National Securities Depository Limited	18874	86060226
Central Depository Services (I) Ltd	19706	25237553
Total	38600	111300000

o. Company Registration number with ROC/Ministry of

Corporate Affairs : L24100MH2004PLC144295

- p. Plant location(s)** : A-699/700 TTC Industrial Area Mahape, New Mumbai
A684 TTC Industrial Area Mahape, New Mumbai
A685 TTC Industrial Area Mahape, New Mumbai
A687 TTC Industrial Area Mahape, New Mumbai
A665 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
- 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: 4th June, 2019

Annexure '1'

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

Amounts outstanding as on 31st March, 2019

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

Loans, deposits, guarantees and investments made during the Financial Year 2018-19

Name of Entity	Relation	Amount	Particulars	Purpose for which given
Manya Steels P.Ltd.	WOS	14,11,065	Loan	Business Purpose
Mutual Funds (net)		(7,10,27,513)		Investments
Equity Shares (net)		51,35,264		Investments

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 72,00,000/- p.a. and retirement benefits	Requirement of Section 203 of Companies Act, 2013	22/09/2016 & 23-10-17	Nil	20/09/2016
SurendraKumar Tibrewala	Taking office premises on rent at Bandra	5 years from 01/04/2019 to 31/03/2024	Contract for use of premises for Office at a rent of Rs. 75,000/- p.m and a deposit of Rs. 60,00,000/-	Business requirement for Office Premises	14/8/2018	Nil	28/09/2018
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 72,00,000/- p.a. and retirement benefits	Requirement of Section 203 of Companies Act, 2013	22/09/2016 & 23-10-17	Nil	20/09/2016
Aarti Jhunjunwala	Remuneration to Wholetime Director	3 years from 14/08/2019 to 30/09/2019	Remuneration upto Rs. 2,00,000/- p.m. with minimum salary restricted upto that account and retirement benefits	Requirement of Section 203 of Companies Act, 2013	14/08/2018	Nil	28/09/2018
Kanaklata Tibrewala - relative of wholetime directors & Lady Director	Taking Office premises at Bandra, Mumbai on rent of Rs. 75,000/-	5 years from 01/04/2019 to 31/03/2024	Deposit of Rs.60,00,000/- and Rent not exceeding Rs. 75,000/- p.m.	Business requirement for Office Premises	08-12-2015	Deposit kept	28/9/2015
Kanaklata Tibrewala - relative of wholetime directors & Lady Director	Taking factory premises at unit 701, Mahape, Navi Mumbai-3000 sq.ft	5 years from 01/04/2019 to 31/03/2024	Rent not exceeding Rs. 40,000 p.m.	Business requirement for factory Premises	08-12-2015	-	28/9/2015
Proton Biochem Private Limited	Directors and relatives hold 100% shares	5 years from 01/04/2019 to 31/03/2024	Sale/Purchase of goods and services of all kind	Business needs	08-12-2015	-	28/9/2015
Sanjay Exports	Director is Proprietor	5 years from 01/04/2019 to 31/03/2024	Deposit of Rs. 10,00,000	Business needs	08-12-2015	-	28/9/2015

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 ontract	Salient terms	Justification for the Contract	Date(s) of Board Approval
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.	05-07-2011	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.	08-12-2015	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.	08-12-2015	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.	08-12-2015	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.	08-12-2015	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.	08-12-2015	Nil
Pooja Kothari - Company Secretary	Employee	04/04/2018 till superannuation	Company Secretary and Compliance Officer	10-11-2015	Nil

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director)
DIN: 00218525

Place: Mumbai

Date: 4th June, 2019

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 2018-19

S. No	Name of Employee	Designation	Ratio of Remuneration of each Director to median employee	% increase in Remuneration
1.	Surendrakumar Tibrewala	CMD	25.02	33.70
2.	Sanjay Tibrewala	Executive Director & CFO	25.02	33.70
3.	Aarti Jhunjhunwala	Executive Director	5.12	NA
4.	Pooja Kothari (since 04.04.2018)	Company Secretary	1.29	NA

Notes:

- a. No remuneration is paid to Non Executive Director.
- b. The Remuneration has increased as the remuneration of Executive Director was increased with the approval of the Nomination and Remuneration Committee with effect from 1st October, 2017 within the limits approved by the members at the 13th Annual General Meeting. The impact is for the full year during the current period as against the half year in the previous year.
 1. The percentage increase in median employee for the financial year was 5.0 %
 2. The Company has 115 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 average increase in remuneration is 4.53 % excluding Executive Directors.
 4. Comparison of the remuneration of the key managerial personnel against the performance of the Company:
 5. The market capitalization has decreased from Rs. 65,066 Lakhs on 31-03-2018 to Rs.45,099 Lakhs on 31-03-2019. In March 2011 the shares were issued at Rs.70 per share of face value of Rs. 10 each. The corresponding price stood at Rs. 405.20.
 6. The average percentage increased in remuneration of employees other than Directors during the year is 4.4%. There is an increase in strength of 28 %
 7. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year – NA
 8. The remuneration is paid as per the remuneration policy of the Company

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Sanjay Tibrewala
(Executive Director)
DIN: 00218525

Place: Mumbai

Date: 4th June, 2019

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 terms.

On behalf of Board of Directors

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Place: Mumbai

Date: 4th June, 2019

Annexure '5'

SECRETARIAL AUDIT REPORT

Form No. MR-3

For Financial Year Ended on 31st March, 2019.

[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, 2019, 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 2019, 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, and Standards otherwise as mentioned elsewhere in this report.

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 appointed Ms. Pooja Kothari as Company Secretary w.e.f. 4th April, 2018.
2. Board accepted Resignation of Mrs. Ritu Gupta as a Director of the Company and Appointed Mrs. Aarti Jhunjhunwala as Director of the Company in Board Meeting held on 14th August.
3. The Company in its 15th Annual General Meeting held on Friday, 28th September, 2018 passed following resolutions:
 - a) 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.
 - b) A Special Resolution for pursuant to section 13 of the Companies Act, 2013 for substitution of the Existing MOA by adopting a new set of MOA as per Companies Act, 2013.
 - 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 Mrs. Aarti Jhunjhunwala as Executive Director of the Company for a period of three year from 14th August, 2018 to 13th August, 2021 and fixation of her remuneration.
 - d) 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 upto the maximum mentioned into transactions with the Related Parties upto maximum amount mentioned in the resolution passed therein, for a period of 5 years.
4. Board transferred 449 (Four Forty-Nine) equity shares and Rs.613 (Six Hundred and Thirteen) as unpaid and unclaimed dividend to IEPF authority for the financial year ended 2010-2011 pursuant to section 124(5) of the Companies Act, 2013 read with applicable rules made thereunder.
5. Board appointed one its employees, a commerce graduate 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: 4th June, 2019
Place: Mumbai

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.

For **HS Associates**
Company Secretaries

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

Date: 4th June, 2019
Place: Mumbai

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. 2276.88 Lakhs
4.	Prescribed CSR Expenditure (2% of Item 3)	:	Rs. 45.54 Lakhs
5.	Details of Amount spent	:	Rs. 47.00 Lakhs
6.	Amount spent for following activities		

- Education of any persons and enable them to earn an independent livelihood and thereby become useful and efficient citizen of India.
- Rendering help/assistance to deserving persons by payment of fees, allowances, scholarship for the purpose of education.
- Rendering help to deserving persons for medical purpose, to run hospitals, aushadalayas, maternity homes, sanitoriums, dispensaries, family welfare citizens.
- Render financial help in establishing, conducting and maintaining houses for old aged and needy persons.
- To provide financial assistance and supply items of necessity like food, clothing, medicine etc. for running and maintenance of houses for destitute, aged persons/retired needed persons.
- Organize re-habilitation of destitute, old age persons wherever possible and provide assistance in cash.
- To look after family planning centre's and nursing homes/ run eye bank, blood bank, organ banks etc.
- 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.
- 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

For and on behalf of the Board

Surendrakumar Tibrewala
(Chairman & Managing Director)
DIN: 00218394

Place: Mumbai

Date: 4th June, 2019

FINEOTEX CHEMICAL LIMITED

Annexure '7'

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

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

Form No. MGT-9

I REGISTRATION AND OTHER DETAILS

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Fineotex Mayalsia Limited		Subsidiary	100	2(87)
2	Rovatex Shd Bhd		Subsidiary	74.76	2(87)
3	BT Biotex Sdn Bhd		Subsidiary	72.38	2(87)
4	BT Chemicals Sdn Bhd		Subsidiary	71.92	2(87)
5	Fineotex Specialities FZE		Subsidiary	100	2(87)
6	Manya Steels Private Limited	U24200MH2009PTC195660	Subsidiary	100	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 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year	
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %		
(A) Shareholding of Promoter and Promoter Group										
Indian										
(a)	Individual / HUF	76509020	0	76509020	68.74	75510070	0	75510070	67.84	-0.90
(b)	Central / State government(s)	0	0	0	0	0	0	0	0	0.00
(c)	Bodies Corporate	4028000	0	4028000	3.62	3983000	0	3983000	3.58	-0.04
(d)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0.00
(e)	Any Others (Specify)	0	0	0	0	0	0	0	0	0.00
(i)	Group Companies	0	0	0	0	0	0	0	0	0.00
(ii)	Directors Relatives	0	0	0	0	0	0	0	0	0.00
Sub Total (A)(1) :		80537020	0	80537020	72.36	79493070	0	79493070	71.42	-0.94

Category of Shareholder		No. of Shares held at the beginning of the year (As On 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
Foreign										
(a)	Bodies Corporate	0	0	0	0	0	0	0	0	0.00
(b)	Individual	0	0	0	0	0	0	0	0	0.00
(c)	Institutions	0	0	0	0	0	0	0	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
(e)	Any Others (Specify)	0	0	0	0	0	0	0	0	0.00
	Sub Total (A)(2)	0	0	0	0	0	0	0	0	0.00
	Total holding for promoters (A)= (A)(1) + (A)(2)	80537020	0	80537020	72.36	79493070	0	79493070	71.42	-0.94
(B) Public shareholding										
Institutions										
(a)	Central / State Government(S)	0	0	0	0	0	0	0	0	0.00
(b)	Financial Institutions / Banks	183983	0	183983	0.17	152231	0	152231	0.14	-0.03
(c)	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0.00
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0.00
(f)	FII's	0	0	0	0	0	0	0	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0.00
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
(i)	Any Others (Specify)	0	0	0	0	0	0	0	0	0.00
(j)	Foreign Portfolio Investor	69154	0	69154	0.06		0		0	-0.06
(k)	Alternate Investment Fund	0	0	0	0	0	0	0	0	0.00
	Sub Total (B)(1)	253137	0	253137	0.23	152231	0	152231	0.14	-0.09
Non-institutions										
(a)	Bodies Corporate	3073315	0	3073315	2.76	2239044	0	2239044	2.01	-0.75
(b)	Individual									
(i)	(Capital Upto To Rs. 1 Lakh)	23161005	4745	23165750	20.81	24966579	2221	24968800	22.43	1.62
(ii)	(Capital Greater Than Rs. 1 Lakh)	1747250	0	1747250	1.57	1734741	0	1734741	1.56	-0.01
(c)	Any Others (Specify)									
(i)	Trusts	0	0	0	0	0	0	0	0	0.00
(ii)	Clearing Member	1266065	0	1266065	1.14	1368140	0	1368140	1.23	0.09
(iii)	Non Resident Indians (NRI)	885591	0	885591	0.80		0	0	0.00	-0.80
	Non Resident Indians (Repat)	144228	0	144228	0.13	1066617	0	1066617	0.96	0.83
	Non Resident Indians (Non Repat)	227644	0	227644	0.20	277357	0	277357	0.25	0.04
(iv)	Directors Relatives	0	0	0	0	0	0	0	0	0.00
(v)	Employee	0	0	0	0	0	0	0	0	0.00
(vi)	Overseas Bodies Corporates	0	0	0	0	0	0	0	0	0.00
(vii)	Unclaimed Suspense Account	0	0	0	0	0	0	0	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
	Sub Total (B)(2)	30505098	4745	30509843	27.41	31652478	2221	31654699	28.44	1.03
	Total Public Shareholding(B)=(B)(1) + (B)(2)	30758235	4745	30762980	27.64	31804709	2221	31806930	28.58	0.94

FINEOTEX CHEMICAL LIMITED

Category of Shareholder	No. of Shares held at the beginning of the year (As On 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(c) Shares held by Custodians and against which Depository receipts have been issued									
Shares Held By Custodians	0	0	0	0	0	0	0	0	0
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Sub Total (C)(1)	0	0	0	0	0	0	0	0	0
(C)=(C)(1)	0	0	0	0	0	0	0	0	0
Grand Total (A) + (B) + (C)	111295255	4745	111300000	100.00	111297779	2221	111300000	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Share holding at the end of the year (As on 31.03.2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Surendra Tibrewala	57190000	51.38	0	50190000	45.09	0	-6.29
2	Surendrakumar Deviprasad Tibrewala	11965830	10.75	0	18465830	16.59	0	5.84
3	Kanaklata Tibrewala	3281700	2.95	0	3281700	2.95	0	0.00
4	Kamal Chemicals Pvt Ltd	2954500	2.65	0	2954500	2.65	0	0.00
5	Sanjay Tibrewala	3213990	2.89	0	3213990	2.89	0	0.00
6	Proton Biochem Pvt Ltd	1073500	0.96	0	1028500	0.92	0	-0.04
7	Surendra Tibrewala (HUF)	845500	0.76	0	345500	0.31	0	-0.45
8	Ritu Tibrewala	11000	0.01	0	11000	0.01	0	0.00
9	Nidhi Tibrewala	1000	0.00	0	1000	0.00	0	0.00
10	Aarti Mitesh Jhunjhunwala	0	0.00	0	50	0.00	0	0.00
11	Mitesh Vinod Jhunjhunwala	1000	0.00	0	1000	0.00	0	0.00
	TOTAL	80538020	72.36	0	79493070	71.42	0	0.94

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

Sl. No.	Shareholder's Name	Shareholding		Date wise increase/decrease on Share Holding during the year specifying the reason for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)			Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the company	Date	Increase/ (Decrease) in holding	Reason	No. of Shares	% of total shares of the company
1	Adrik Traders Pvt.Ltd	4,88,832	2.92	31-03-2018				
				31-03-2019		Closing Balance	4,88,832	2.92
2	Umesh Kishorekant Sanghvi	1,73,056	1.04	31-03-2018				
				31-03-2019		Closing Balance	1,73,056	1.04
3	Kishorekant Bhimji Sanghvi	1,24,812	0.75	31-03-2018				
				31-03-2019		Closing Balance	1,24,812	0.75
4	Rajendra J Saboo	55,933	0.33	31-03-2018				
				20-04-2018	25,248	Transfer	81,181	0.49
				27-04-2018	4,338	Transfer	85,519	0.51
				07-09-2018	1,190	Transfer	86,709	0.52
				05-10-2018	2,593	Transfer	89,302	0.53
				12-10-2018	6,743	Transfer	96,045	0.57
				19-10-2018	3,825	Transfer	99,870	0.60
				26-10-2018	675	Transfer	1,00,545	0.60
				25-01-2019	3,000	Transfer	1,03,545	0.62

Sl. No.	Shareholder's Name	Shareholding		Date wise increase/decrease on Share Holding during the year specifying the reason for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)			Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		For each of the Top Ten Shareholders	No. of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the company	Date	Increase/ (Decrease) in holding	Reason	No. of Shares
5	Shashikant Gordhandas Badani	1,04,216	0.62	15-02-2019	5,000	Transfer	1,08,545	0.65
				01-03-2019	3,392	Transfer	1,11,937	0.67
				08-03-2019	608	Transfer	1,12,545	0.67
				30-03-2019		Closing Balance	1,12,545	0.67
				31-03-2018				
				20-04-2018	-200	Transfer	1,04,016	0.62
				27-04-2018	-1,000	Transfer	1,03,016	0.62
				04-05-2018	1,200	Transfer	1,04,216	0.62
				11-05-2018	-435	Transfer	1,03,781	0.62
				25-05-2018	750	Transfer	1,04,531	0.63
6	Champaklal C Sheth	95,940	0.57	05-10-2018	162	Transfer	1,04,693	0.63
				26-10-2018	500	Transfer	1,05,193	0.63
				07-12-2018	250	Transfer	1,05,443	0.63
				30-03-2019		Closing Balance	1,05,443	0.63
				31-03-2018		Transfer	95,940	0.57
				13-04-2018	-2,500	Transfer	93,440	0.56
				30-03-2019		Closing Balance	93,440	0.56
				31-03-2018				
				30-03-2019		Closing Balance	59,492	0.36
				31-03-2018				
8	Risha Dyeing And Printing Pvt. Ltd.	56,760	0.34	31-03-2018			56,760	0.34
				30-03-2019		Closing Balance	56,760	0.34
9	Anil J Saboo	46,503	0.28	31-03-2018			46,503	0.28
10	Nagindas Jaysukhlal Doshi	40,000	0.24	30-03-2019		Closing Balance	46,503	0.28
				31-03-2018			40,000	0.24
				30-03-2019		Closing Balance	40,000	0.24

(iv) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date wise increase/decrease on Share Holding during the year specifying the reason for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)			Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		For Each of the Directors and KMP	No. of Shares at the beginning (01.04.2018)	% of total Shares of the company	Date	Increase/ (Decrease) in holding	Reason	No. of Shares
1	Surendrakumar Tibrewala	57190000	51.38	27.04.2018	(7000000)	Note*	50190000	45.09
		57190000	51.38	31.03.2019			50190000	45.09
2	Surendrakumar Deviprasad Tibrewala	11965830	10.75	27.04.2018	7000000	Note*	18965830	17.01
		11965830	10.75	01.02.2019	(500000)	Sell	18465830	16.59
				31.03.2019			18465830	16.59
3	Sanjay Tibrewala	3213990	2.89	01.04.2018	0	0	3213990	2.89
		3213990	2.89	31.03.2019			3213990	2.89
4	Aarti Jhunjunwala	0	0.00	01.04.2018	0	0	0	0.00
			0.00	31.03.2019			50	0.00
5	Navin Mittal	-	-	-	-	-	-	-
6	Manmohan Mehta	-	-	-	-	-	-	-
7	Alok Dhanuka	-	-	-	-	-	-	-
8	Pooja Kothari	-	-	-	-	-	-	-

* Transfer between two different DP ID having same PAN.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	4,63,92,995	Nil	Nil	4,63,92,995
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	-	Nil	Nil	-
Total (i+ii+iii)	4,63,92,995	Nil	Nil	4,63,92,995
Change in Indebtedness during the financial year				
Additions	-	Nil	Nil	-
Deletions	(2,55,20,036)	Nil	Nil	(2,55,20,036)
Net Change	(2,55,20,036)	Nil	Nil	(2,55,20,036)
Indebtedness at the end of the financial year				
i) Principal Amount	2,08,72,959	Nil	Nil	2,08,72,959
ii) Interest due but not paid	-	Nil	Nil	-
iii) Interest accrued but not due	-	Nil	Nil	-
Total (i+ii+iii)	2,08,72,959	Nil	Nil	2,08,72,959

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (Rs.)
		Surendra Tibrewala (Managing Director)	Sanjay Tibrewala (WTD and CFO)	Aarti Jhunjhunwala (Executive Director)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	71,40,000	71,40,000	14,62,500	1,57,42,500
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	46,800	46,800	2,925	96,525
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission: - as % of profit - others, specify	-	-	-	-
5.	Others, please specify				
	Provident Fund	5,04,000	5,04,000	1,35,000	11,43,000
	Gratuity	-	1,12,833	48,537	1,61,370
	Total (A)	76,90,800	78,03,633	16,48,962	1,71,43,395
	Ceiling as per the Act	1,29,00,532	1,29,00,532	14,91,750	2,72,92,814

B. Remuneration to Other Directors:

Sr. No.	Particulars of Remuneration	Name of Director			Total Amount (Rs.)
		Manmohan Mehta	Navin Mittal	Alok Dhanuka	
1.	Independent Director				
	a. Fee for attending Board / Committee Meetings	NIL	NIL	NIL	NIL
	b. Commission	NIL	NIL	NIL	NIL
	c. Others, please specify	NIL	NIL	NIL	NIL
	Total (1)				NIL
2.	Other Non-Executive Directors	Ritu Aditya Gupta (till 14/08/2018)			
	a. Fee for attending Board / Committee Meetings	NIL			NIL
	b. Commission	NIL			NIL
	c. Others, please specify	NIL			NIL
	TOTAL (2)	NIL			NIL
	Total (B)=(1+2)	NIL			NIL
	Total Managerial Remuneration	1,71,43,395			
	Overall Ceiling as per the Act	6.32%			

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (Rs.)
		CEO	Pooja Kothari (Company secretary)	Sanjay Tibrewala (CFO)	
1.	Gross salary		3,68,750	As in A	81,72,383
	(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	-	-	-	-
	(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	-	3,68,750		8,172,383

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Fineotex Chemical Limited

1. This certificate is in accordance with our engagement letter.
2. We have examined the compliance of conditions of corporate governance by Fineotex Chemical Limited ('the Company') for the year ended on 31 March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. 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

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2019.

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.

Restriction for Use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For UKG & Associates
Chartered Accountants
Firm Registration No.:123393W

Champak K. Dedhia
Partner
Membership No. 101769

Place : Mumbai
Date : 4th June, 2019

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, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	Surendra Deviprasad Tibrewala	00278394	30/01/2004
2.	Sanjay Surendra Tibrewala	00218525	30/07/2004
3.	Manmohan Raniitsingh Mehta	00391964	31/12/2007
4.	Navin Bhimsen Mittal	03555295	02/09/2011
5.	Alok Shashikant Dhanuka	06491610	11/02/2013
6.	Aarti Mitesh Jhunjunwala	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: 4th June, 2019
Place: Mumbai

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

Opinion

We have audited the accompanying standalone financial statements of Fineotex Chemical Limited (‘the Company’), which comprise the standalone Balance Sheet as at 31st March 2019, the standalone statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and standalone statement of cash flows for the year then ended, and notes to standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Accounting Standards prescribed under section 133 on the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, 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 (SA’s) specified under section 143(10) of the Act. Our responsibilities under those SA’s are further described in the Auditor’s Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
<p>Revenue Recognition</p> <p>Revenue from sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unqualified obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.</p> <p>Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.</p> <p>Revenue is measured at fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provisions for discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur</p>	<p>Our audit procedures included :</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards • We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents • We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period. • We tested the design, implementation and operating effectiveness of controls over the calculations of discounts and rebates • We assessed manual journals posted to revenue to identify unusual items.
<p>Provision for taxation and other significant provisions</p> <p>Accrual for tax and other contingencies requires the management to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, transfer pricing arrangements, claims and other eventualities arising in the regular course of business</p>	<p>Our audit procedures included :</p> <ul style="list-style-type: none"> • We tested the effectiveness of controls around the recognition of provisions • We used our subject matter experts to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.

<p>The key judgements lies in the estimations of the provisions where they may differ from the future obligations. By nature, provision is difficult to estimate and includes many variables.</p>	<ul style="list-style-type: none"> • We challenged the assumptions and critical judgements made by the management which impact their estimate of the provisions required, considering judgments previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias. • We discussed the status in respect of significant provisions with the Company's internal tax team and consultant as well. • We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.
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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for 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 with reference to financial statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. 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 Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order.
3. 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 balance sheet, the standalone statement of

profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flow 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 Indian Accounting Standards prescribed under Section 133 of the Act
- (e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) 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 has disclosed the impact of pending litigations (if any) as at 31st March, 2019 on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

For UKG & Associates
Chartered Accountants
 Firm Regn No : 123393W

Champak K. Dedhia
Partner
Membership No: 101769

Place: Mumbai
Date: 14th May, 2019

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (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) The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with the third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- (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 or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) 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) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) We have broadly reviewed the records maintained by the company pursuant to the rules prescribed by Central Government for maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, goods and service tax, duty of customs, cess, professional tax and other material

statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **UKG & Associates**
Chartered Accountants
Firm Regn No : 123393W

Champak K. Dedhia
Partner
Membership No: 101769

Place: Mumbai
Date: 14th May, 2019

ANNEXURE - B TO THE AUDITORS' REPORT

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

Opinion

We have audited the internal financial controls over financial reporting of Fineotex Chemical Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Director are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 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 over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of

internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of 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 over Financial Reporting

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

For **UKG & Associates**
Chartered Accountants
Firm Regn No : 123393W

Champak K. Dedhia
Partner
Membership No: 101769

Place: Mumbai
Date: 14th May, 2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	3	2,468.76	1,797.72
Investment Property	3	378.57	378.57
Financial Assets			
Investments	4	5,259.92	6,257.33
Others	5	329.98	300.05
Deferred Tax Assets (Net)	6	-	16.21
Non - Current Tax Assets	7	79.65	40.04
Other Non - Current Assets	8	392.03	392.44
Total Non - Current Assets		8,908.90	9,182.35
Current Assets			
Inventories	9	1,380.82	1,188.24
Financial Assets			
Investments	10	494.18	155.69
Trade Receivables	11	3,451.47	2,218.50
Cash & Cash Equivalents	12	199.18	144.19
Bank Balance other than above	13	41.32	70.34
Other Financial Assets	14	1.94	2.39
Other Current Assets	15	736.16	260.81
		6,305.08	4,040.15
Asset classified as Held for Sale	16	720.69	720.69
Total Current Assets		7,025.77	4,760.85
TOTAL ASSETS		15,934.67	13,943.20
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	2,226.00	2,226.00
Other Equity	18	11,616.59	9,884.72
TOTAL EQUITY		13,842.59	12,110.72
LIABILITIES			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	19	10.22	21.67
Other Financial Liabilities	20	45.20	38.01
Deferred Tax Liability	6	18.41	-
Provisions	21	4.51	4.25
Total Non - Current Liabilities		78.33	63.93
Current Liabilities			
Financial Liabilities			
Borrowings	22	197.59	442.26
Trade Payables	23	-	-
Dues to Micro and Small Enterprises		-	-
Dues to Others		1,496.76	1,135.44
Other Financial Liabilities	24	52.73	46.06
Other Current Liabilities	25	254.88	122.50
Provisions	26	11.79	9.72
Current Tax Liabilities (Net)	27	-	12.57
Total Current Liabilities		2,013.75	1,768.55
TOTAL LIABILITIES		2,092.08	1,832.48
TOTAL EQUITY AND LIABILITIES		15,934.67	13,943.20
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3-48		

As per our report attached of even date

For UKG & Associates
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership No.: 101769

Mumbai, 14th May 2019

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14th May 2019

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Pooja Kothari
Company Secretary
M.No. ACS: 53895

FINEOTEX CHEMICAL LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. In Lakhs)

Particulars	Note. No.	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from Operations	28	11,263.63	9,187.63
Other Income	29	167.04	755.23
Total Income		11,430.67	9,942.85
Expenses			
Cost of Material Consumed	30	6,772.19	5,109.81
Excise Duty on Sale of Goods		-	181.18
Changes in Inventories of Finished Goods / Stock in Trade	31	(73.05)	(96.98)
Employee Benefit Expenses	32	590.97	462.49
Finance Cost	33	57.10	39.28
Depreciation and Amortization	3	94.25	60.41
Other Expenses	34	1,443.12	1,172.51
Total Expenses		8,884.58	6,928.70
Profit Before Exceptional Items and Tax		2,546.09	3,014.15
Exceptional Items		(53.44)	-
Profit Before Tax		2,492.65	3,014.15
Tax Expenses			
Current Tax		732.00	857.04
Deferred Tax		34.79	22.66
(Excess) / Short Provision of Earlier Years		(6.43)	6.30
Profit After Tax		1,732.29	2,128.15
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Defined Benefit Obligation / Asset		(0.59)	1.06
Income Tax related to above		0.17	(0.31)
Total Other Comprehensive Income for the year		(0.42)	0.75
Total Comprehensive Income for the year		1,731.87	2,128.89
Earnings Per Share - Basic & Diluted (₹)	38	1.56	1.91
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3 to 48		

As per our report attached of even date

For UKG & Associates
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership No.: 101769

Mumbai, 14th May 2019

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14th May 2019

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Pooja Kothari
Company Secretary
M.No. ACS: 53895

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit / (Loss) Before Tax	2,492.65	3,014.15
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Depreciation & Amortization	94.25	60.41
Finance Cost	57.10	39.28
Interest Income	(26.11)	(36.18)
Dividend Income	(9.45)	(261.57)
(Profit) / Loss on Sale of Assets	-	5.47
(Gain) / Loss on Fair Valuation of Investments	(69.98)	(440.39)
Actuarial Valuation of Gratuity	(0.59)	1.06
Unrealized Foreign Exchange Loss / (Gain)	4.36	1.35
Operating Profit Before Changes in Working Capital	2,542.22	2,383.58
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	(1,232.97)	(221.41)
(Increase) / Decrease in Inventories	(192.58)	(468.94)
(Increase) / Decrease in Other Current Financial Assets	0.45	0.27
(Increase) / Decrease in Other Current Assets	(475.35)	(66.38)
(Increase) / Decrease in Other Non - Current Financial Assets	(29.93)	(0.93)
(Increase) / Decrease in Other Non - Current Assets	0.41	(2.45)
Increase / (Decrease) in Trade Payables	361.32	29.26
Increase / (Decrease) in Other Current Financial Liabilities	6.67	16.88
Increase / (Decrease) in Other Current Liabilities	132.38	70.19
Increase / (Decrease) in Provisions	2.06	3.25
Increase / (Decrease) in Provisions- Non Current	0.26	(2.66)
Increase / (Decrease) in Other Non - Financial Liabilities	7.19	15.16
	(1,420.09)	(627.76)
Cash Generated from Operations	1,122.13	1,755.82
Less: Taxes Paid (Net of refund received)	(777.75)	(843.65)
NET CASH FLOW FROM OPERATING ACTIVITY (A)	344.39	912.17
B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Property, Plant & Equipment & Intangible Assets	(765.29)	(232.03)
Sale of Property, Plant & Equipment & Intangible Assets	-	1.90
Investments (purchased) / sold (net) in securities	1,067.40	(177.43)
Investments made in Immovable Property	-	(720.69)
Movement in other bank balance	29.01	5.81
Interest Received	26.11	36.18
Dividend Received	9.45	261.57
NET CASH FLOW FROM INVESTING ACTIVITY (B)	366.68	(824.69)

FINEOTEX CHEMICAL LIMITED

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITY		
Increase / (Decrease) in Long Term Borrowings	(11.45)	21.67
Finance Cost	(57.10)	(39.28)
Corporate Dividend paid	-	(222.60)
NET CASH FLOW FROM FINANCING ACTIVITY (C)	(68.55)	(240.21)
D. NET CASH FLOW FOR THE YEAR (A + B + C)	642.52	(152.74)
Add: Opening Balance of Cash & Cash Equivalents	(142.38)	11.71
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	500.14	(141.03)

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, 2019	For the year ended March 31, 2018
CASH AND CASH EQUIVALENT COMPRISES AS UNDER:		
Balance with banks in current accounts	185.45	132.99
Cash on Hand	13.73	11.20
CASH AND CASH EQUIVALENT (REFER NOTE 12)	199.18	144.19
Net effect of Unrealized Exchange Difference	4.36	1.35
Add : Investment in liquid mutual funds (Refer Note 10)	494.18	155.69
Bank Overdraft (Refer Note 22)	(197.59)	(442.26)
CASH AND CASH EQUIVALENT IN CASH FLOW STATEMENT	500.14	(141.03)

As per our report attached of even date

For UKG & Associates
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership No.: 101769

Mumbai, 14th May 2019

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14th May 2019

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Pooja Kothari
Company Secretary
M.No. ACS: 53895

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital

(Rs. In Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting period	111,300,000	2,226.00	111,300,000	2,226.00
Add: Changes in Equity Capital during the year	-	-	-	-
Balance at the end of the reporting period	111,300,000	2,226.00	111,300,000	2,226.00

B. Other Equity

(Rs. In Lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	Retained Earnings	Total
As at April 01, 2017	19.96	927.56	10.85	7020.05	7,978.42
Profit for the period	-	-	-	2128.15	2,128.15
<u>Other comprehensive income</u>					
- Remeasurements gains / (loss) on defined benefit plans	-	-	-	0.75	0.75
Dividend on Shares paid during the year	-	-	-	(222.6)	(222.60)
As at March 31, 2018	19.96	927.56	10.85	8,926.35	9,884.72
Profit for the period	-	-	-	1,732.29	1,732.29
<u>Other comprehensive income</u>					
- Remeasurements gains / (loss) on defined benefit plans	-	-	-	(0.42)	(0.42)
As at March 31, 2019	19.96	927.56	10.85	10,658.22	11,616.59

Nature and Purpose of the Reserves

Capital Redemption Reserve

Capital redemption reserve is created due to share bought back in earlier years as per the requirement of the Companies Act.

Securities Premium

Security premium account is created when shares are issued at premium. A company may utilise the security premium reserve account as per the requirements of Companies Act.

Capital Reserve

Capital reserve is created on account of forfeiture of share capital in earlier years.

C. Dividends Paid during the year

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<u>Corporate Dividend Paid During the year</u>		
Dividend Paid	-	222.60
Dividend Per Fully Paid Up Share	-	0.20
<u>Corporate Dividend Proposed for the year</u>		
Dividend Proposed	111.30	-
Dividend Proposed Per Fully Paid Up Share	0.10	-

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) Application of New Accounting Pronouncements

The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below:

- i. The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018 and it is detailed in note 2.3
- ii. The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at 1st April 2018 on the contracts that are not completed contract as at that date. There was no impact of above on the opening balance sheet as at 1st April 2018 and on the Statement of Profit and Loss for the year ended 31st March, 2019.

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
- 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.

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 Benefits

i) Incomes in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis.

ii) Focus Market License, Focus Product License and Merchandise Exports from India Scheme (MEIS) income is recognised on accrual basis when considering the related expenses to the same profit or losses on transfer of licenses are accounted in year of the sales. Duty free imports of material under Advance License matched with the export made against the said licenses.

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) 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 using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013.

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Building	30 Years
Plant & Machinery	15 to 20 Years
Leasehold Improvements (Lower useful life as compared to useful life given in Schedule II to the Companies Act, 2013)	20 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Other equipment	5 Years

The assets and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation and amortization on property, plant and equipment added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

2.8 NON-DERIVATIVE FINANCIAL INSTRUMENTS

I. Financial Assets

a) Classification of financial assets

The Company classifies financial assets as subsequently measures at amortised cost, fair value through other comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

i) Debt instrument at amortised cost:

A 'debt Instrument' is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objectives is to hold assets for collecting contractual cash flow and
 - Contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. The EIR. Amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

ii) Debt instrument at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flow and selling the financial assets, where the assets' cash flow represents solely payments of principal and interest are measuring at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue or foreign exchange gains and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is

included in other income using the EIR method. The company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

iii) Debt instrument measured at fair through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity investments:

Investment in associates are accounted using equity method.

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instrument which are held for trading are classified as at FVTPL. For all other equity investments, the Company decide to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable. The company has designated the equity investments at FVTPL

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment

Equity investments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

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.

b) Initial recognition and measurement

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.

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.

c) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) primarily derecognised (i.e. removed from the company's balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has neither transferred nor retained substantially all the risks and rewards all the assets, but has transferred control of the assets.

When the company has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred asset to the extent of the company's continuing involvement. In the case, the company recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and maximum amount of consideration that the company could be required to repay.

d) 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.

2.9 INVENTORIES

Raw Materials, work-in-progress, finished goods, packing material and stock-in-trade are carried at lower of cost and net realizable value.

- Cost of Raw Material is determined on a First In First Out (FIFO) basis.
- Stores and Consumables are valued at cost or net realizable value whichever is lower.
- Work in Progress and Finished goods are valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads, depreciation and those overheads that have been incurred in bringing the inventories to their present location

2.10 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of 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.

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.

a) Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

b) 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 STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from 1st April, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

a) **Ind AS 116, Leases:**

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019.

The Company has elected to adopt Ind AS 116 retrospectively to each prior reporting period presented. This will result in change in the Balance Sheet, Statement of Profit and Loss and Cash flow statement. The Company intends to use low value exemptions and short term exemption in accordance with Ind AS 116. The Company is assessing the disclosure requirements of the amendment and the effect on its financial statements

b) **Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:**

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1st April 2019.

The impact of the Appendix on the Financial Statements, as assessed by the Company, is expected to be not material.

c) **Amendment to Ind AS 12, Income Taxes:**

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Company will apply these amendments for annual reporting periods beginning on or after 1st April 2019. The impact on the Financial Statements is being evaluated.

NOTE 3: PROPERTY, PLANT & EQUIPMENTS AND INVESTMENT PROPERTY

(Rs. In Lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At April 01, 2018	Additions / Transfers	Deductions / Adjustments	As At March 31, 2019	As At April 01, 2018	For The Year	Deductions / Adjustments	As At March 31, 2019	As At March 31, 2019	As At March 31, 2018
(A) TANGIBLE ASSETS										
Land - Freehold	296.22	52.55	-	348.77	-	-	-	-	348.77	296.22
Land - Leasehold	550.66	312.77	-	863.43	-	-	-	-	863.43	550.66
Factory Buildings	137.84	222.69	-	360.53	4.90	10.81	-	15.71	344.82	132.94
Office Premises	336.81	-	-	336.81	32.85	17.45	-	50.30	286.51	303.96
Renovation on Leasehold Premises	34.83	-	-	34.83	5.36	2.68	-	8.05	26.78	29.46
Plant & Machinery	355.13	144.84	-	499.97	35.48	29.17	-	64.65	435.32	319.65
Electrical Installation & Equipments	20.01	-	-	20.01	3.39	3.36	-	6.75	13.26	16.62
Furniture & Fixtures	24.07	3.12	-	27.19	6.82	3.37	-	10.19	17.00	17.24
Vehicles	139.87	19.50	-	159.37	22.68	20.20	-	42.88	116.50	117.19
Office Equipments	11.34	6.08	-	17.42	4.02	3.14	-	7.16	10.26	7.32
Computers	10.22	3.73	-	13.95	3.75	4.08	-	7.83	6.13	6.47
Total - Tangible Assets	1,916.98	765.29	-	2,682.27	119.26	94.25	-	213.51	2,468.76	1,797.72
(B) INVESTMENT PROPERTY	378.57	-	-	378.57	-	-	-	-	378.57	378.57
Total - Investment Property	378.57	-	-	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	2,176.29
Previous Year	2,070.89	232.03	7.37	2,295.55	58.85	68.66	8.25	119.26	2,176.29	2,012.04

- The management has technically reviewed the estimated useful life of Leasehold Improvement as 20 years which is different from those prescribed under Part C of Schedule II to the Companies Act 2013.
- Motor Vehicles amounting to 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 amounting to 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. Refer Note No. 19 & 24.
- The fair market value of investment property as determined in accordance with Level III input provided by Management is approximately Rs 225.24 Lakhs.

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

(Rs. In Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Units	Amount
A. Investment in Equity Instruments				
Investment in Subsidiaries (At Cost) (Unquoted and fully paid up)				
Equity Shares of Fineotex Malaysia Limited of US \$ 1/- each	1,890,218	838.69	1,890,218	838.69
Equity Shares of Fineotex Specialities FZE of US \$ 1/- each	40,822	26.58	40,822	26.58
Equity Shares of Manya Steel Private Limited of Rs.10/- each	10,000	72.94	10,000	72.94
Investment in Others (At Fair value through Profit & Loss) (Quoted and fully paid up)	1,171,080	967.74	1,240,162	916.38
B. Investment in Mutual Funds (At Fair value through Profit & Loss) (Unquoted and fully paid up)	7,209,064	3,353.97	10,431,782	4,402.73
TOTAL	10,321,184	5,259.92	13,612,984	6,257.33
Aggregate Amount of Quoted Investment & Market Value thereof	11,71,080	967.74	12,40,162	916.38
Aggregate amount of Unquoted Investments	91,50,104	4,292.18	1,23,72,822	5,340.95
Aggregate amount of impairment in value of Investments	-	-	-	-

Note :

Investment in Mutual Fund amounting to Rs.545.64 Lakhs as at 31st March 2019 (Previous Year Rs. 1380.45 Lakhs) are under lien against bank overdraft facility availed by the Company.

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

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security and Other Deposits	317.46	287.53
Fixed Deposits maturing after 12 months	12.52	12.52
TOTAL	329.98	300.05

Note :

- i. Security and Other deposits of Rs.311.85 Lakhs (Previous Year as at 31st March 2018 Rs.284.87 Lakhs) is due from subsidiary company and relative of key management personnel.
- ii. Fixed Deposit of Rs. 12.52 Lakhs (Previous Year as at 31st March 2018 Rs.12.52 Lakhs) that are restricted for use pertains to lien against bank guarantee with Indian Bank.

NOTE 6: INCOME TAX

A. COMPONENTS OF INCOME TAX EXPENSE

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
I. Tax expense recognised in statement of profit & loss		
Current Tax		
Current year	732.00	857.04
(Excess) / Short Provision of Earlier Years	(6.43)	6.30
Sub-Total	725.57	863.34
Deferred tax charge/ (credit)		
Origination and reversal of temporary difference	34.79	22.66
Sub-Total	34.79	22.66
Total	760.36	886.01
II. Tax on other comprehensive income		
Items that will not be reclassified to Profit and Loss		
Remeasurement of the Defined Benefit Plans	0.17	(0.31)
Total	0.17	(0.31)

B. RECONCILIATION OF EFFECTIVE TAX RATES

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Profit/(loss) before tax	2,492.65	3,014.15
Enacted Income Tax Rate in India	29.12%	34.61%
Income Tax expense calculated at enacted corporate tax rate	725.86	1,043.14
Effect of income that is exempt from tax	(8.49)	(12.11)
Effect of expenses that are not deductible in determining taxable profit	7.28	14.13
Expenditure allowable at lower rate	6.84	7.03
Effect of income which is taxed at special rates	(1.24)	(172.99)
Rate Difference	-	1.59
Excess Provision created for the current year	-	1.85
Excess Provision created for the previous year	(6.43)	6.30
Others	36.53	(2.94)
Total	760.36	886.01
Effective tax rate for the year	30.50%	29.39%

C. 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)	(-)	-	(58.34)
Investments	(25.16)	-	-	(25.16)
Investment Property	14.70	-	-	14.70
Employee benefits	2.83	(0.17)	0.17	2.83
Other Current Assets	82.18	(-)	-	82.18
Deferred tax assets/ (liabilities)	16.21	(0.17)	0.17	16.21

D. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particulars	Net deferred tax asset / (liabilities) as on 1st April, 2017	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2018
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(62.26)	3.91	-	(58.34)
Investments	(32.93)	7.77	-	(25.16)
Investment Property	13.10	1.60	-	14.70
Inventories	18.26	(18.26)	-	-
Employee benefits	4.63	(1.49)	(0.31)	2.83
Other Current Assets	98.37	(16.19)	-	82.18
Deferred tax assets/ (liabilities)	39.18	(22.66)	(0.31)	16.21

E. DEFERRED TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets		
Employee Benefits	4.57	2.83
Investment Property	18.37	14.70
Investments	0.51	-
Other Current Assets	31.64	82.18
Total	55.09	99.71
Deferred Tax Liabilities		
Property, Plant and Equipment	73.50	58.34
Investments	-	25.16
Total	73.50	83.50
NET DEFERRED TAX ASSETS / (LIABILITIES)	(18.41)	16.21

NOTE 7: NON - CURRENT TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance payment of Income Tax (Net of Provision)	79.65	40.04
Total	79.65	40.04

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NOTE 8: OTHER NON-CURRENT ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	379.60	379.60
Balances with Government Authorities	12.43	12.84
Total	392.03	392.44

NOTE 9: INVENTORIES

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
At Lower of Cost or Net Realisable Value		
Raw Materials	996.26	887.27
Work in Process	303.40	201.64
Finished Goods (in Transit)	34.63	63.33
Others (Packing Material)	46.54	36.00
Total	1,380.82	1,188.24

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, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Units	Amount
Investment in Liquid Mutual Funds (At Fair value through Profit & Loss) (Unquoted and fully paid up)	22,02,058	494.18	6,44,934	155.69
Total	22,02,058	494.18	6,44,934	155.69
Aggregate Amount of Quoted Investment & Market Value thereof	-	-	-	-
Aggregate amount of Unquoted Investments	22,02,058	494.18	6,44,934	155.69
Aggregate amount of impairment in value of Investments	-	-	-	-

NOTE 11: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables		
Unsecured - Considered Good	3,451.47	2,218.50
Total	3,451.47	2,218.50

Note:

- i. Trade receivable includes Rs.41.13 Lakhs as at 31st March 2019 (Previous year Rs.11.58 Lakhs) due from subsidiary company.
- ii. There are no outstanding dues from directors or other officers of the Company.
- iii. Refer Note - 41 for information about Credit Risk and Market Risk of Trade Receivables.

NOTE 12: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks in Current Accounts	185.45	132.99
Cash on Hand	13.73	11.20
Total	199.18	144.19

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

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid Dividend Account	2.03	1.16
Fixed Deposits maturing between 3 to 12 months	39.30	69.17
Total	41.32	70.34

Note:

- The Current Account balance includes unpaid dividend of Rs.2.03 Lakhs as at 31st March 2019 (Previous Year as at 31st March 2018 Rs.1.16 Lakhs) which have been kept in separate earmarked accounts and no transactions except for stated purpose are done through such accounts.
- Fixed Deposit of Rs.39.30 Lakhs (Previous Year as at 31st March 2018 Rs.69.17 Lakhs) that are restricted for use pertains to lien against bank borrowings and bank guarantee with Indian Bank.

NOTE 14: FINANCIAL ASSETS - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Receivable (Accrued but not due)	1.73	2.24
Other Deposits	0.20	0.15
Total	1.94	2.39

NOTE 15: OTHER CURRENT ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances Other than Capital Advances		
Advance to Employees	1.69	2.94
Advances to Suppliers / Expenses	222.23	150.03
Others		
Prepaid Expenses	18.84	27.57
Balances with Excise and VAT Authorities	13.56	22.79
Export Incentives Receivable	50.44	57.48
Insurance Claim Receivable	429.40	-
Total	736.16	260.81

Note :

Advance to Supplier includes RS.111.99 Lakhs as at 31st March 2019 (Previous year Rs.0.60 Lakhs) due from Subsidiary Company

NOTE 16: ASSETS CLASSIFIED AS HELD FOR SALE

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Investment (At Cost)		
Immovable Property	720.69	720.69
Total	720.69	720.69

Note :

- The Management intends to sell the immovable property acquired during the year ended 31st March 2018. An active program to locate the buyer and to complete the sale has already been initiated, the sale is expected to be completed in the next 12 months. Accordingly, the above assets have been classified as assets held for sale
- Further the fair value of these asset is higher than its carrying value as on 31st March 2019 and hence no impairment loss has been recognised.

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NOTE 17: EQUITY SHARE CAPITAL

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
11,50,00,000 (Previous year as at 31st March 2018 11,50,00,000) Equity Shares of Rs. 2/- each	2,300.00	2,300.00
TOTAL AUTHORIZED SHARE CAPITAL	2,300.00	2,300.00
Issued, Subscribed & Paid Up		
11,13,00,000 (Previous year as at 31st March 2018 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, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	111,300,000	2,226.00	111,300,000	2,226.00
Add: Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares at the end	111,300,000	2,226.00	111,300,000	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, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Mr. Surendrakumar Tibrewala	69,001,330	62.00%	70,001,330	62.89%

d) Other details of Equity Shares for a period of five years immediately preceding March 31, 2019

- 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.2,92,64,848/- 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	As at March 31, 2019	As at March 31, 2018
Capital Redemption Reserve	19.96	19.96
Security Premium	927.56	927.56
Capital Reserve	10.85	10.85
Retained Earning	10,658.22	8,926.35
Total	11,616.59	9,884.72

NOTE 19: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
SECURED :		
Term Loan		
Bank	10.22	21.67
Total	10.22	21.67

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, 2019	As at March 31, 2018
Deposits from Customers	45.20	38.01
Total	45.20	38.01

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	4.51	4.25
Total	4.51	4.25

NOTE 22: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
SECURED :		
Loans repayable on demand		
From Banks (Refer note below)	197.59	442.26
Total	197.59	442.26

Note:

The above bank overdraft facility is secured against Fixed Deposits and pledge/lien on securities held by the Company.

NOTE 23: FINANCIAL LIABILITIES - TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Due to Micro, Small and Medium Enterprises (Refer Note Below)	-	-
Due to Others	1,496.76	1,135.44
Total	1,496.76	1,135.44

Note:

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

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(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(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, 2019	As at March 31, 2018
Current Maturities of Long Term Debts (Refer Note 19)	11.45	10.53
Interest on Trade Deposit	5.23	4.80
Interest accrued but not due	0.15	-
Unclaimed Dividend	2.03	1.16
Others	33.88	29.57
Total	52.73	46.06

Note:

There is no amount due and outstanding to be credited to Investor Education and Protection Fund

NOTE 25: OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from Customer	52.15	-
Other Payables	183.13	108.00
Statutory Liabilities	19.61	14.50
Total	254.88	122.50

NOTE 26: PROVISIONS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Leave Encashment	3.55	2.86
Bonus	8.24	6.86
Total	11.79	9.72

NOTE 27: CURRENT TAX LIABILITIES (NET)

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax Payable	-	12.57
Total	-	12.57

NOTE 28A: REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Products (including excise duty)	11,154.74	9,109.29
Other Operating Income:		
Export Incentives & Entitlements	108.90	78.33
Total	11,263.63	9,187.63

NOTE 28B: REVENUE FROM CONTRACTS WITH CUSTOMERS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contracts with customers disaggregated based on geography		
Domestic Market	8,667.81	6,874.47
Exports	2,486.93	2,234.82
Total	11,154.74	9,109.29

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, 2019	Year ended March 31, 2018
Interest Income	26.11	36.18
Dividend Income	9.45	261.57
Gains on Foreign Currency transactions	46.54	-
Rent Income	14.71	13.05
Other Non - Operating Income:		
Commission	0.24	1.33
Miscellaneous Income	-	2.70
Net gain on sale / measurement of financial asset at FVTPL	69.98	440.39
Total	167.04	755.23

NOTE 30: COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw Material Consumed	6,005.54	4,581.01
Packing Material Consumed	766.65	528.80
Total	6,772.19	5,109.81

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

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stocks :		
Work in Progress	201.64	102.09
Finished Goods (in Transit)	63.33	65.91
Less : Closing Stocks :		
Work in Progress	303.40	201.64
Finished Goods (in Transit)	34.63	63.33
NET CHANGE IN INVENTORIES	(73.05)	(96.98)

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NOTE 32: EMPLOYEE BENEFIT EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	560.06	437.26
Contribution to Provident and Other Funds	18.59	13.41
Gratuity (Refer Note 42)	5.01	4.99
Staff Welfare Expenses	7.32	6.83
Total	590.97	462.49

NOTE 33: FINANCE COST

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses		
On Borrowing	42.69	23.37
Others (Including Interest on delay / deferred payment)	0.01	0.18
Bank and Other Financial Charges	14.40	15.73
Total	57.10	39.28

NOTE 34: OTHER EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Toll Conversion Charges	256.46	236.11
Power, Fuel and Utilities	33.26	23.94
Lease Rent / Hire Charges	51.09	47.94
Repairs & Maintenance on :		
Building	26.76	18.48
Plant and Machinery	24.14	19.03
Other Repairs	8.06	4.95
Insurance	17.59	4.93
Rates and Taxes	4.14	0.01
Legal and Professional Fees	165.41	42.96
Payment to Auditors :		
Audit Fees	4.00	4.00
Transfer Pricing Audit Fees	0.23	0.20
Taxation and Other Advisory Matters	1.42	1.58
Certification Charges	0.08	0.04
Other Services	1.80	1.80
Travelling and Conveyance	106.35	101.60
Commission	523.74	451.12
Advertisement, Publicity & Business Promotion	28.31	26.77
Outward Freight Charges	7.90	14.58
Foreign Exchange Fluctuation (Net)	-	25.62
Loss on sale of Fixed Assets (Net)	-	5.47
Expenditure towards Corporate Social Responsibility (Refer Note 37)	47.00	38.00
Donations	1.00	2.65
Miscellaneous expenses	134.38	100.75
Total	1,443.12	1,172.51

NOTE 35: EXCEPTIONAL ITEMS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss due to Fire	53.44	-
Total	53.44	-

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 429.41 Lakhs and charged the differential amount of Rs 53.44 Lakhs to the Statement of Profit and Loss Account.

NOTE 36: CONTINGENT LIABILITIES AND COMMITMENTS

1 Letter of Credit, Bank Guarantee and Bill Discounting

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Guarantee	10.67	10.67
Total	10.67	10.67

2 Disputed Liabilities on account of Income Tax, Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2019

(Rs. In Lakhs)

Statute	Financial Year to which matter pertains	Forum where matter is pending	As at March 31, 2019	As at March 31, 2018
Income Tax	2010-11	Assessing Officer	-	15.52
Total			-	15.52

Notes :-

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities
- (iii) The Company's pending litigations comprise of proceedings pending with Income Tax department. The Management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Management does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

NOTE 37: CORPORATE SOCIAL RESPONSIBILITY

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount required to be spent as per Section 135 of the Companies Act, 2013	45.54	37.04
Amount Spent during the year		
Construction / Acquisition of any Asset	-	-
On purposes other than above	47.00	38.00
Total amount spent	47.00	38.00

NOTE 38: EARNINGS PER SHARE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit after tax available for equity shareholders as per Statement of Profit & Loss	1,732.29	2,128.15
Weighted Average No. of Equity Shares for of Face Value Rs. 2/- each	111,300,000	111,300,000
Earnings Per Share - Basic & Diluted ₹	1.56	1.91

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, 2019	Year ended March 31, 2018
Total interest bearing financial liabilities	264.46	513.39
Less : Cash and Cash Equivalents	199.18	144.19
Adjusted Net Debt	65.27	369.20
Total Equity	13,842.59	12,110.72
Adjusted Equity		
Net Debts to Equity Ratio	0.00	0.03

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, 2019 is as follows:

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Fair Value through Profit & Loss		
Investments (Other than in Subsidiary)	4,815.89	5,474.81
Amortised Cost		
Trade Receivables	3,451.47	2,218.50
Cash & Cash Equivalents	199.18	144.19
Other Bank Balances	41.32	70.34
Other Financial Assets	331.92	302.44
Total	8,839.78	8,210.27
Financial Liabilities		
Amortised Cost		
Borrowings	207.81	463.93
Trade Payable	1,496.76	1,135.44
Other Financial Liabilities	97.93	84.07
Total	1,802.50	1,683.44

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, 2019	As at March 31, 2018
Financial Assets		
Level 1		
Investments in quoted equity shares	967.74	916.38
Investments in mutual fund units	3,848.15	4,555.42
Level 2		
Security Deposit Given	311.85	284.88
Total	5,127.74	5,756.69
Financial Liabilities		
Level 2		
Security Deposit Accepted	2.85	2.66
Total	2.85	2.66

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 Exposer	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

FINEOTEX CHEMICAL LIMITED

Exposure to interest rate risk

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed-rate instruments		
Financial Liabilities - Borrowings	66.87	70.21
Total	66.87	70.21

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, 2019	As at March 31, 2018
Investments in Quoted Equity Shares	967.74	916.38
Investments in Mutual Funds	3,848.15	4,558.42
Total	4,815.89	5,474.81

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, 2019		As at March 31, 2018	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Equity Shares	96.77	(96.77)	91.64	(91.64)
Mutual Funds	384.81	(384.81)	455.84	(455.84)
Total	481.59	(481.59)	547.48	(547.48)

(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, 2019	As at March 31, 2018
Financial Assets			
Trade and other receivables	USD	6.09	4.46
Cash & Cash Equivelent	USD	1.82	1.56
Cash & Cash Equivelent	EURO	0.01	-
Financial Liabilities			
Trade and other payables	USD	0.31	-

Sensitivity analysis to currency risk

Foreign Currency	As at March 31, 2019		As at March 31, 2018	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	15.82	(15.82)	11.75	(11.75)
Total	15.82	(15.82)	11.75	(11.75)

(b) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of Financial Assets represents the maximum credit exposure.

Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof. Accordingly based on the provision matrix there is no expected credit loss to the company and accordingly there is no provision for doubtful debts

Other Financial Assets

The company maintains exposure in Cash and Cash equivalents and Bank deposits with banks, Equity Shares and Investments in Mutual Funds. The Company has diversified portfolio of investment with various number of counterparties which has good credit ratings, good reputation and hence the risk is reduced. Individual risk limits set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Company's maximum exposure to credit risk as at 31st March, 2019, and 31st March, 2018 is the carrying value of each class of financial assets.

(c) Liquidity Risk

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

Exposure to Liquidity Risk

The responsibility of liquidity risk management rests with the board of directors which has established an 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

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(Rs. In Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	11.45	10.22	10.53	21.67
Working Capital Loans from Banks	197.59	-	442.26	-
Trade Payables	1,496.76	-	1,135.44	-
Other Financial Liabilities	41.28	45.20	35.53	38.01
Total	1,747.08	55.41	1,623.77	59.68

(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.

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 2019

(A) Defined benefit plans

i Retiring Gratuity

I Components of Employer Expenses

(Rs. In Lakhs)

Particulars	31st March 2019	31st March 2018
Current Service Cost	4.89	3.80
Past Service Cost vested	-	0.81
Interest Cost	1.43	1.19
Expected Return on Plan Assets	(1.32)	(0.92)
Actuarial (Gain) / Loss	0.59	(1.40)
Total Expenses/(Gain) recognized in the Profit & Loss Account	5.60	3.50

II Net Asset/ (Liability) recognized in Balance Sheet

Particulars	31st March 2019	31st March 2018
Present value of Funded Obligation	25.16	21.39
Fair Value of Plan Assets	20.65	17.14
Assets/(Liability) recognized in the Balance Sheet	4.51	4.25

III Change in Defined Benefit Obligations (DBO)

Particulars	31st March 2019	31st March 2018
Opening Balance of Present Value of Obligation	21.39	16.64
Interest Cost	1.43	1.19
Current Service Cost	4.89	3.80
Past Service Cost - Vested Benefits	-	0.81
Actuarial (Gain)/Loss	0.99	(1.06)
Benefit Paid	(3.55)	-
Closing Balance of Present Value of Obligation	25.16	21.39

IV Changes in the Fair Value of Plan Assets

Particulars	31st March 2019	31st March 2018
Opening Balance of Present Value of Obligation	17.14	9.73
Expected Return on Plan Assets	0.39	0.34
Interest Income	1.32	0.92
Contribution by Employer	5.35	6.16
Benefit Paid	(3.55)	-
Fair Value of Plan Assets	20.65	17.14

V Actuarial Assumption

Particulars	31st March 2019	31st March 2018
Discount Rate (Per Annum)	7.60%	7.30%
Annual Increase in Salary Costs Per Annum	4.00%	4.00%
Attrition Rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

Particulars	31st March 2019	31st March 2018
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

Particulars	31st March 2019	31st March 2018
Net Opening Liability	4.25	6.92
P & L Charges	5.01	4.89
Contribution paid	(5.35)	(6.16)
Other Comprehensive Income (OCI)	0.59	(1.40)
Closing Net Liability	4.51	4.25

VIII Gratuity - Sensitivity Analysis

Particulars	31st March 2019		31st March 2018	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	27.04	23.56	23.38	19.62
Discount Rate (1% movement)	22.94	27.79	19.50	23.65

(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.18.59 Lakhs (Previous year 13.41 Lakhs)

NOTE 43: LEASES

The Company has entered into Operating Leases on Immovable Properties.

Future minimum rentals payable under non-cancellable operating leases as at are, as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	In respect of operating lease on Immovable properties payments recognized in Statement of Profit and Loss.	31.17	18.30
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	60.28	18.30
	For the period later than one year and not later than five years	15.00	-

Assets Given on Lease

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	14.71	13.05
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	5.86	18.28
	For the period later than one year and not later than five years	-	5.86

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	70.00%
5	BT Biotex SDN BHD	67.62%
6	BT Chemicals SDN BHD	67.16%

B Enterprise in which Key Managerial Personnel and their relatives have significant Influence :

- 1 Proton Biochem Private Limited

C Key Managerial Personnel :

a. Executive Directors :

- 1 Surendra Tibrewala
- 2 Sanjay Tibrewala
- 3 Aarti Jhunjunwala (Since 14.08.2018)

b. Company Secretary

- 1 Pooja Kothari (Since 04.04.2018)
- 2 Raina D'souza (Ceased w.e.f 04.04.2018)

c. Non - Executive Directors : Non Independent

- 1 Ritu Gupta (Upto 14.08.2018)

d. Non - Executive Directors : Independent

- 1 Navin Mittal
- 2 Manmohan Mehta
- 3 Alok Dhanuka

e. 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 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
SALE OF GOODS								
BT Chemicals SDN BHD	129.69	139.53	-	-	-	-	129.69	139.53
Total	129.69	139.53	-	-	-	-	129.69	139.53
RECEIVING OF SERVICES								
Proton Biochem Private Limited	-	-	-	-	247.02	169.82	247.02	169.82
Total	-	-	-	-	247.02	169.82	247.02	169.82
PURCHASE OF GOODS								
BT Chemicals SDN BHD	945.18	588.99	-	-	-	-	945.18	588.99
Total	945.18	588.99	-	-	-	-	945.18	588.99
DIVIDEND INCOME								
Fineotex Malyasia Limited	-	256.12	-	-	-	-	-	256.12
Total	-	256.12	-	-	-	-	-	256.12

RENT INCOME								
Proton Biochem Private Limited	-	-	-	-	4.55	7.80	4.55	7.80
Total	-	-	-	-	4.55	7.80	4.55	7.80
RENT EXPENSE								
Manya Steel Private Limited	2.73	1.20	-	-	-	-	2.73	1.20
Surendra Tibrewala	-	-	8.82	8.82	-	-	8.82	8.82
Kanaklata Tibrewala	-	-	-	-	8.28	8.28	8.28	8.28
Sanjay Tibrewala	-	-	9.07	-	-	-	9.07	-
Total	2.73	1.20	17.89	8.82	8.28	8.28	28.89	18.30
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	-	-	71.40	53.40	-	-	71.40	53.40
Sanjay Tibrewala	-	-	71.40	53.40	-	-	71.40	53.40
Aarti Jhunjhunwala	-	-	14.63	-	-	-	14.63	-
REMUNERATION TO COMPANY SECRETARY*								
Pooja Kothari	-	-	3.69	-	-	-	3.69	-
Raina D'silva	-	-	-	4.51	-	-	-	4.51
Total	-	-	161.11	111.31	-	-	161.11	111.31
REIMBURSEMENT OF EXPENSES								
BT Chemicals SDN BHD	-	0.25	-	-	-	-	-	0.25
Manya Steel Private Limited	0.04	0.01	-	-	-	-	0.04	0.01
Aarti Jhunjhunwala	-	-	2.00	-	-	-	2.00	-
Total	0.04	0.26	2.00	-	-	-	2.04	0.26
ADVANCES GIVEN								
Manya Steel Private Limited	-	10.60	-	-	-	-	-	10.60
Total	-	10.60	-	-	-	-	-	10.60
ADVANCE GIVEN TO SUBSIDIARIES								
BT Chemicals SDN BHD	111.99	80.47	-	-	-	-	111.99	80.47
Total	111.99	80.47	-	-	-	-	111.99	80.47

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 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
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	41.13	11.58	-	-	-	-	41.13	11.58
Manya Steel Private Limited	-	0.60	-	-	-	-	-	0.60
Total	41.13	12.18	-	-	-	-	41.13	12.18
TRADE ADVANCE								
BT Chemicals SDN BHD	111.99	80.47	-	-	-	-	111.99	80.47
Total	111.99	80.47	-	-	-	-	111.99	80.47

FINEOTEX CHEMICAL LIMITED

SECURITY DEPOSIT GIVEN									
Manya Steel Private Limited	116.85	110.00	-	-	-	-	-	116.85	110.00
Kanaklata Tibrewala	-	-	-	-	195.00	195.00	195.00	195.00	195.00
Total	116.85	110.00	-	-	195.00	195.00	311.85	305.00	305.00
PAYABLES									
Proton Biochem Private Limited	-	-	-	-	25.53	56.95	25.53	56.95	56.95
Surendra Tibrewala - Rent	-	-	0.66	0.66	-	-	0.66	0.66	0.66
Kanaklata Tibrewala - Rent	-	-	-	-	-	0.62	-	0.62	0.62
Manya Steel Private Limited	0.72	-	-	-	-	-	0.72	-	-
Sanjay Tibrewala	-	-	0.04	-	-	-	0.04	-	-
Total	0.72	-	0.70	0.66	25.53	57.57	26.95	58.23	58.23
REMUNERATION PAYABLE									
Surendra Tibrewala	-	-	2.88	2.01	-	-	2.88	2.01	2.01
Sanjay Tibrewala	-	-	2.87	2.01	-	-	2.87	2.01	2.01
Aarti Jhunjunwala	-	-	1.23	-	-	-	1.23	-	-
Pooja Kothari	-	-	0.24	-	-	-	0.24	-	-
Raina D'silva	-	-	-	0.24	-	-	-	-	0.24
Total	-	-	7.22	4.26	-	-	7.22	4.26	4.26
REIMBURSEMENT OF EXPENSES PAYABLE									
Aarti Jhunjunwala	-	-	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** Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes. Interest and Commission are recovered where incurred.
- 47** Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation
- 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 attached of even date

For **UKG & Associates**
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership No.: 101769

Mumbai, 14th May 2019

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14th May 2019

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Pooja Kothari
Company Secretary
M.No. ACS: 53895

Independent Auditors' Report on Consolidated Financial Statements To the Members of Fineotex Chemical Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Fineotex Chemical Limited ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2019, Consolidated Statement of Profit and Loss, including Statement of Other Comprehensive Income, Consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year ended on that date and 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 consideration of reports of other auditor on separate financial statements of a subsidiary, 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 Accounting Standards prescribed under section 133 on the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2019, and its profit, other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Act. Our responsibilities under those SA's are further described in the Auditor's Responsibility 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) and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter	How the matter was addressed in our audit
Revenue Recognition Revenue from sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unqualified obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.	Our audit procedures included : <ul style="list-style-type: none"> We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which

Revenue if one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year. Revenue is measured at fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provisions for discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur	included goods dispatch notes and shipping documents <ul style="list-style-type: none"> We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period. We tested the design, implementation and operating effectiveness of controls over the calculations of discounts and rebates We assessed manual journals posted to revenue to identify unusual items.
Provision for taxation and other significant provisions Accrual for tax and other contingencies requires the management to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, transfer pricing arrangements, claims and other eventualities arising in the regular course of business	Our audit procedures included : <ul style="list-style-type: none"> We tested the effectiveness of controls around the recognition of provisions We used our subject matter experts to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.
The key judgements lies in the estimations of the provisions where they may differ from the future obligations. By nature, provision is difficult to estimate and includes many variables.	<ul style="list-style-type: none"> We challenged the assumptions and critical judgements made by the management which impact their estimate of the provisions required, considering judgments previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias. We discussed the status in respect of significant provisions with the Company's internal tax team and consultant as well. We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.

Information Other than the Financial Statement 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, and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not and will 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which 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 management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group is also responsible for overseeing the Company's financial reporting process of each company.

Auditors' Responsibility 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 scepticism 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 company has adequate internal financial controls with reference to financial statements 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 (Holding company and subsidiaries) 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 of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor 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 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

We have not audited the financial statements and financial information of six subsidiaries, whose financial statements have been considered for the purpose of consolidated financial statements, which constitute total assets of Rs.5,964.42 Lakhs as at 31st March, 2019, total revenue of Rs. 10219.03 Lakhs and net cash outflow amounting to Rs.633.51 Lakhs for the year ended 31st March, 2019 as considered in the consolidated financial statement. The consolidated Financial Statements contains the unaudited financial statements of five subsidiaries incorporated outside India and are as provided to us by the management. The financial statements and other financial information of one of the subsidiary incorporated in India has been audited by other auditor whose report has been furnished to us, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiaries, and our report in terms of sub section (3) and (11) of S. 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such financial statements and on the report of such other auditors, as the case may be.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done by other auditors and the financial statements as certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditor.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March 2019 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 report of the other auditor on separate financial statements of the subsidiary as noted in the 'Other Matters' paragraph:
 - (a) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 37 to the consolidated financial statements;
 - (b) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the holding company or its subsidiary companies incorporated in India during the year ended 31 March 2019;
 3. With respect to the matter to be included in the Auditor's Report under section 197(16):

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

For **UKG & Associates**
Chartered Accountants
Firm Regn No : 123393W

Champak K. Dedhia
Partner
Membership No: 101769

Place: Mumbai
Date: 14th May, 2019

ANNEXURE - A TO THE AUDITORS' REPORT

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

Opinion

In conjunction with our audit of the consolidated financial statements of Fineotex Chemical Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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 over financial reporting criteria established by the Holding Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors referred to in the 'Other Matters' paragraph is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary company incorporated in India's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

For **UKG & Associates**
Chartered Accountants
 Firm Regn No : 123393W

Champak K. Dedhia
Partner
Membership No: 101769

Place: Mumbai
Date: 14th May, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	3	2,605.45	1,921.94
Investment Property	3	378.57	378.57
Capital Work - In - Progress	3	14.30	12.25
Goodwill on Consolidation		613.85	613.85
Financial Assets			
Investments	4	4,321.70	5,319.12
Others	5	213.13	197.31
Deferred Tax Assets (Net)	6	-	16.31
Non - Current Tax Assets	7	105.42	40.04
Other Non - Current Assets	8	392.03	392.44
Total Non - Current Assets		8,644.44	8,891.82
Current Assets			
Inventories	9	2,508.51	2,109.55
Financial Assets			
(i) Investments	10	494.18	155.69
(ii) Trade Receivables	11	4,913.16	2,791.93
(iii) Cash & Cash Equivalents	12	1,421.31	646.29
(iv) Bank Balance other than (iii) above	13	52.65	154.61
(v) Other Financial Assets	14	2.46	11.38
Other Current Assets	15	717.00	628.23
		10,109.28	6,497.68
Asset classified as Held for Sale	16	720.69	720.69
Total Current Assets		10,829.97	7,218.37
TOTAL ASSETS		19,474.41	16,110.19
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	2,226.00	2,226.00
Other Equity	18	13,654.53	11,345.55
Equity attributable to owners of the parent		15,880.53	13,571.55
Non-controlling interest		568.34	618.59
Total Equity		16,448.87	14,190.14
Liabilities			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	19	10.22	21.67
Other Financial Liabilities	20	45.20	38.01
Provisions	21	4.51	4.25
Deferred Tax Liabilities (Net)	6	18.12	-
Total Non - Current Liabilities		78.04	63.93
Current Liabilities			
Financial Liabilities			
Borrowings	22	197.59	442.26
Trade Payables	23	2,090.16	1,086.27
Other Financial Liabilities	24	254.34	46.06
Other Current Liabilities	25	377.01	258.89
Provisions	26	11.79	9.72
Current Tax Liabilities (Net)	27	16.60	12.92
Total Current Liabilities		2,947.49	1,856.13
Total Liabilities		3,025.53	1,920.05
TOTAL EQUITY AND LIABILITIES		19,474.41	16,110.19
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3 - 50		

As per our report attached of even date

For and on behalf of the Board of Directors

For UKG & Associates
Chartered Accountants
(Firm Registration No : 123393W)

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Champak K. Dedhia
Partner
Membership No.: 101769

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Pooja Kothari
Company Secretary
M.No. ACS: 53895

Mumbai, 14th May 2019

Mumbai, 14th May 2019

FINEOTEX CHEMICAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. In Lakhs)

Particulars	Note. No.	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from Operations	28	18,232.73	14,292.68
Other Income	29	155.13	517.14
Total Income		18,387.86	14,809.82
Expenses			
Cost of Material Consumed	30	8,415.84	7,781.87
Excise Duty on Sale of Goods		-	181.18
Purchase of Stock In Trade	31	3,652.50	1,034.63
Changes in Inventories of Finished Goods / Stock in Trade	32	(309.02)	(283.40)
Employee Benefit Expenses	33	752.96	618.13
Finance Cost	34	83.30	56.93
Depreciation and Amortisation	3	100.20	65.17
Other Expenses	35	2,275.57	1,963.23
Total Expenses		14,971.35	11,417.74
Profit Before Tax and Exception item		3,416.51	3,392.08
Exception Item		(53.44)	-
Profit Before Tax		3,363.07	3,392.08
Tax Expenses			
Current Tax	6	901.51	968.79
Deferred Tax	6	34.61	20.30
(Excess) / Short Provision of Earlier Years	6	(6.30)	6.34
Profit After Tax		2,433.25	2,396.64
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Defined Benefit Obligation / Asset		(0.59)	1.06
Income Tax related to above		0.17	(0.31)
Total Other Comprehensive Income for the year		(0.42)	0.75
Total Comprehensive Income for the year		2,432.83	2,397.39
Profit Attributable to:			
Owners of the Company		2,252.43	2,269.56
Non Controlling Interest		180.83	127.09
		2,433.25	2,396.64
Other Comprehensive Income Attributable to:			
Owners of the Company		(0.42)	0.75
Non Controlling Interest		-	-
		(0.42)	0.75
Total Other Comprehensive Income Attributable to:			
Owners of the Company		2,252.00	2,270.31
Non Controlling Interest		180.83	127.09
		2,432.83	2,397.39
Earnings Per Share - Basic & Diluted (₹)	39	2.02	2.04
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
NOTES ON ACCOUNTS	3 - 50		

As per our report attached of even date

For UKG & Associates
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership No.: 101769

Mumbai, 14th May 2019

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14th May 2019

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Pooja Kothari
Company Secretary
M.No. ACS: 53895

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	3,363.07	3,392.08
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Depreciation & Amortisation	100.20	65.17
Finance Cost	83.30	56.93
Interest Income	(25.18)	(47.17)
Dividend Income	(9.45)	(5.45)
Net gains / (losses) on fair value changes	(69.98)	(440.39)
(Profit) / Loss on Sale of Assets	-	10.87
	78.89	(360.03)
Operating Profit Before Changes in Working Capital	3,441.96	3,032.04
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	(2,121.24)	132.83
(Increase) / Decrease in Inventories	(398.96)	(795.66)
(Increase) / Decrease in Other Current Financial Assets	8.92	(4.63)
(Increase) / Decrease in Other Current Assets	(88.78)	(318.14)
(Increase) / Decrease in Other Non - Current Financial Assets	(15.82)	6.81
(Increase) / Decrease in Other Non - Current Assets	0.41	(2.45)
Increase / (Decrease) in Trade Payables	1,003.89	(461.37)
Increase / (Decrease) in Other Current Financial Liabilities	208.28	(0.70)
Increase / (Decrease) in Other Current Liabilities	118.12	(38.45)
Increase / (Decrease) in Provisions	1.72	1.64
	(1,283.45)	(1,480.12)
Cash Generated from Operations	2,158.51	1,551.92
Less: Taxes Paid (Net of refund received)	(956.90)	(917.65)
NET CASH FLOW FROM OPERATING ACTIVITY (A)	1,201.61	634.27
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment & Intangible Assets	(784.94)	(246.82)
FCTR on PPE	(0.82)	(37.31)
Investments during the year	1,067.40	(177.43)
Increase in Investment in Subsidiary	-	(201.25)
Investments in Property	-	(720.69)
Interest Received	25.18	47.17
Dividend Received	9.45	5.45
Movement in Other Bank balances	101.96	390.35
NET CASH FLOW FROM INVESTING ACTIVITY (B)	418.23	(940.54)

FINEOTEX CHEMICAL LIMITED

Particulars	As at March 31, 2019	As at March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITY		
Receipt / (Repayment) of Long Term Borrowings	(11.45)	21.67
Deposits and Margin Money	7.19	15.16
Finance Cost	(83.30)	(56.93)
Corporate Dividend paid (incl. Dividend Distribution Tax)	(256.25)	(342.16)
NET CASH FLOW FROM FINANCING ACTIVITY (C)	(343.81)	(362.26)
D. EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS (D)	82.15	368.80
E. NET CASH FLOW FOR THE YEAR (A + B + C+D)	1,358.18	(299.72)
Add: Opening Balance of Cash & Cash Equivalents	359.72	659.44
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,717.90	359.72

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, 2019	For the year ended March 31, 2018
CASH AND CASH EQUIVALENT COMPRISES AS UNDER:		
Balance with banks in current accounts	1,406.07	633.06
Cash on Hand	15.24	13.23
CASH AND CASH EQUIVALENT	1,421.31	646.29
Add : Investment in liquid mutual funds (Refer Note 10)	494.18	155.69
Bank Overdraft (Refer Note 22)	(197.59)	(442.26)
Net effect of Unrealized Exchange Difference		
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	1,717.90	359.72

As per our report attached of even date

For UKG & Associates
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership No.: 101769

Mumbai, 14th May 2019

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
DIN : 00218394

Sanjay Tibrewala
Executive Director & CFO
DIN : 00218525

Mumbai, 14th May 2019

Alok Dhanuka
Chairman - Audit Committee
DIN : 06491610

Pooja Kothari
Company Secretary
M.No. ACS: 53895

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital

(Rs. In Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting period	111,300,000	2,226.00	111,300,000	2,226.00
Add: Changes in Equity Capital during the year	-	-	-	-
Balance at the end of the reporting period	111,300,000	2,226.00	111,300,000	2,226.00

B. Other Equity

(Rs. In Lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	Foreign Currency Transaction	Retained Earnings	Non controlling Interest	Total
As at April 01, 2017	19.96	988.45	10.85	(242.90)	8,245.87	719.12	9,741.36
Profit for the period	-	-	-	-	2,269.56	127.09	2,396.64
Other comprehensive income	-	-	-	-	0.75	-	0.75
- Remeasurements gains / (loss) on defined benefit plans	-	-	-	-	(222.60)	(119.56)	(342.16)
Dividends on Shares paid during the year	-	-	-	-	-	(201.25)	(201.25)
Purchase of Shares from MI	-	-	-	-	-	93.19	368.80
Currency Translation Reserve	-	-	-	275.61	-	-	-
As at March 31, 2018	19.96	988.45	10.85	32.71	10,293.58	618.59	11,964.14
Profit for the period	-	-	-	-	2,252.43	180.83	2,433.25
Dividend on Shares paid during the year	-	-	-	-	-	(256.25)	(256.25)
Other comprehensive income	-	-	-	-	-	-	-
- Remeasurements gains / (loss) on defined benefit plans	-	-	-	-	(0.42)	-	(0.42)
Currency Translation Reserve	-	-	-	56.98	-	25.17	82.15
As at March 31, 2019	19.96	988.45	10.85	89.68	12,545.58	568.34	14,222.87

Nature and Purpose of the Reserves

Capital Redemption Reserve

Capital redemption reserve is created due to share brought back in earlier years as per the requirement of the Companies Act.

Securities Premium

Security premium account is created when shares are issue at premium. A company may utilise the security premium reserve account as per the requirements of Companies Act.

Capital Reserve

Capital reserve is created on account of forfeiture of share capital in earlier years.

Currency Translation Reserve

Exchange difference arising on translation of the foreign operation are recognised in currency translation reserve.

C. Dividends Paid / Proposed during the year

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<u>Corporate Dividend Paid During the year</u>		
Dividend Paid	-	222.60
Dividend Per Fully Paid Up Share	-	0.20
<u>Corporate Dividend Proposed for the year</u>		
Dividend Proposed	111.30	-
Dividend proposed per Fully Paid Up Share	0.10	-

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) 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.

c) 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
- Defined benefit plans - plan assets measured at fair value

d) 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, 2019	As at March 31, 2018
Fineotex Malaysia Limited	Malaysia	100.00%	100.00%
BT Chemicals SDN BHD	Malaysia	67.16%	67.16%
BT Biotex SDN BHD	Malaysia	67.62%	67.62%
Rovatex SDN BHD	Malaysia	70.00%	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 USE OF ESTIMATES

In preparation of the financial statements, the Group 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 Group 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 Group 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.

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 Benefits

- i) Incomes in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis.
- ii) Focus Market License, Focus Product License and Merchandise Exports from India Scheme (MEIS) income is recognised on accrual basis when considering the related expenses to the same profit or losses on transfer of licenses are accounted in year of the sales. Duty free imports of material under Advance License matched with the export made against the said licenses.

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 Groups's functional and presentation currency.

b) Initial Recognition

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

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

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

2.5 PROPERTY, PLANT AND EQUIPMENTS

a) Property, plant and equipment (PPE)

i) Recognition and measurement

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

ii) Subsequent expenditure

Expenditure incurred on substantial expansion up to the date of commencement of commercial production are capitalized. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefit associated with the item will flow to the Group 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) 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 Group'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 Group 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 using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act,2013.

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Building	30 Years
Plant & Machinery	15 to 20 Years
Leasehold Improvements (Lower useful life as compared to useful life given in Schedule II to the Companies Act, 2013)	20 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Other equipment	5 Years

The assets and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation and amortization on property, plant and equipment added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

2.8 NON-DERIVATIVE FINANCIAL INSTRUMENTS

I. Financial Assets

a) Classification of financial assets

The Group classifies financial assets as subsequently measures at amortised cost, fair value through other comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

i) Debt instrument at amortised cost:

A 'debt Instrument' is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objectives is to hold assets for collecting contractual cash flow and
 - Contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. The EIR. Amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

ii) Debt instrument at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flow and selling the financial assets, where the assets' cash flow represents solely payments of principal and interest are measuring at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue or foreign exchange gains and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method. The Group does not have any instruments classified as fair value through other comprehensive income (FVOCI).

iii) Debt instrument measured at fair through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity investments:

Investment in associates are accounted using equity method.

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instrument which are held for trading are classified as at FVTPL. For all other equity investments, the Group decide to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable. The group has designated the equity investments at FVTPL

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment

Equity investments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

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.

b) Initial recognition and measurement

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.

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 group commits to purchase or sell the assets.

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) primarily derecognised (i.e. removed from the group's balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Group has neither transferred nor retained substantially all the risks and rewards all the assets, but has transferred control of the assets.

When the group has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In the case, the group recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and maximum amount of consideration that the group could be required to repay.

d) Impairment of financial assets

In accordance with Ind-AS 109, the group 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 group 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 group 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 group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

II. Financial Liabilities and equity instruments

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

a) Equity instruments:

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

b) Financial liabilities :- Classification

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

c) Initial recognition and measurement:

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

d) Derecognition

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

2.9 INVENTORIES

Raw Materials, work-in-progress, finished goods, packing material and stock-in-trade are carried at lower of cost and net realizable value.

- Cost of Raw Material is determined on a First In First Out (FIFO) basis.

- Stores and Consumables are valued at cost or net realizable value whichever is lower.

-Work in Progress and Finished goods are valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads, depreciation and those overheads that have been incurred in bringing the inventories to their present location

2.10 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of 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.

2.11 BORROWING COSTS

Borrowing Costs that are interest and other costs that the group 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 Group 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 Group pays provident fund contributions to publicly administered funds as per the local regulations. The Group 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 Group 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 Group :

- 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 Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

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

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

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

- 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 Group 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 Group 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.

a) Assets taken on Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

b) Assets given on Lease

Leases in which the Group 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 Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group'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 Group 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 Group's cash management.

2.17 DIVIDEND

The Group recognises a liability for dividends to equity holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. 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 Group is such that its disclosure improves the understanding of the performance of the Group, 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 Group's normal operating cycle and other criteria set out in the Schedule III to the Act

2.21 SEGMENT REPORTING

As the Group has only one primary business activity, Segment reporting is not applicable.

2.22 STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from 1st April, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

a) **Ind AS 116, Leases:**

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019.

The Group has elected to adopt Ind AS 116 retrospectively to each prior reporting period presented. This will result in change in the Balance Sheet, Statement of Profit and Loss and Cash flow statement. The Group intends to use low value exemptions and short term exemption in accordance with Ind AS 116. The Group is assessing the disclosure requirements of the amendment and the effect on its financial statements

b) **Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:**

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Group needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1st April 2019.

The impact of the Appendix on the Financial Statements, as assessed by the Group, is expected to be not material.

c) **Amendment to Ind AS 12, Income Taxes:**

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Group will apply these amendments for annual reporting periods beginning on or after 1st April 2019. The impact on the Financial Statements is being evaluated.

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NOTE 3: PROPERTY, PLANT & EQUIPMENT AND INVESTMENT PROPERTY

(Rs. In Lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK		
	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	As At March 31, 2019	As At March 31, 2018
(A) TANGIBLE ASSETS											
Land - Freehold	385.26	56.94	-	-	442.20	-	-	-	-	442.20	385.26
Land - Leashold	550.66	312.77	-	-	863.43	-	-	-	-	863.43	550.66
Factory Buildings	137.84	222.69	-	-	360.53	4.90	10.81	-	15.71	344.82	132.94
Non-Factory Buildings	336.81	-	-	-	336.81	32.85	17.45	-	50.30	286.51	303.96
Plant & Machinery	415.24	150.97	0.52	-	566.73	49.29	39.53	-	88.82	477.92	365.95
Furniture & Fixture	25.59	3.23	0.02	-	28.84	7.31	3.62	-	10.92	17.91	18.28
Vehicles	147.47	32.21	0.26	-	179.94	23.55	21.80	-	45.35	134.59	123.92
Computers	11.37	4.07	0.02	-	15.46	4.00	4.31	-	8.32	7.15	7.37
Renovation on Leasehold land	39.86	-	-	-	39.86	6.26	2.68	-	8.94	30.92	33.60
Total - Tangible Assets	2,050.09	782.89	0.82	-	2,833.80	128.15	100.20	-	228.35	2,605.45	1,921.94
(B) CAPITAL WORK IN PROGRESS	12.25	2.05	-	-	14.30	-	-	-	-	14.30	12.25
Total - Capital Work In Progress	12.25	2.05	-	-	14.30	-	-	-	-	14.30	12.25
(C) INVESTMENT PROPERTY	378.57	-	-	-	378.57	-	-	-	-	378.57	378.57
Total - Investment Property	378.57	-	-	-	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	2,312.75
Previous Year	2,167.65	246.72	37.31	10.78	2,440.90	62.98	73.42	8.25	128.15	2,312.75	2,104.67

- i. The management has technically reviewed the estimated useful life of Leasehold Improvement as 20 years which is different from those prescribed under Part C of Schedule II to the Companies Act 2013.
- ii. Motor Vehicles amounting to 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.
- iii. Motor Vehicle amounting to 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. Refer Note No. 19 & 24.
- iv. The fair market value of Investment property as determined in accordance with level III input provided by Management is approximately Rs. 225.24 Lakhs.

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

(Rs. In Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Units	Amount
A. Investment in Equity Instruments (At Fair value through Profit & Loss)	1,171,080	967.74	1,240,162	916.38
B. Investment in Mutual Funds (At Fair value through Profit & Loss) (Unquoted and fully paid up)	7,209,064	3,353.97	11,076,716	4,402.73
TOTAL	8,380,144	4,321.70	12,316,878	5,319.12
Aggregate Amount of Quoted Investment & Market Value thereof	1,171,080	967.74	1,240,162	916.38
Aggregate amount of Unquoted Investments	7,209,064	3,353.97	11,076,716	4,402.73
Aggregate amount of impairment in value of Investments	-	-	-	-

Note :

Investment in Mutual Fund amounting to Rs.545.64 Lakhs as at 31st March 2019 (Previous Year Rs. 1380.45 Lakhs) are under lien against bank overdraft facility availed by the Company.

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

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security and Other Deposits	200.61	184.79
Fixed Deposits maturing after 12 months	12.52	12.52
Total	213.13	197.31

Note :

- Security and Other deposits of Rs.195.00 Lakhs (Previous Year as at 31st March 2018 Rs.182.13 Lakhs) is due from relative of key management personnel.
- Fixed Deposit of Rs. 12.52 Lakhs (Previous Year as at 31st March 2018 Rs.12.52 Lakhs) that are restricted for use pertains to lien against bank guarantee with Indian Bank.

NOTE 6: INCOME TAX

A. COMPONENTS OF INCOME TAX EXPENSE

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
I. Tax expense recognised in statement of profit & loss		
Current Tax		
Current year	901.51	968.79
(Excess) / Short Provision of Earlier Years	(6.30)	6.34
Sub-Total	895.21	975.13
Deferred tax charge/ (credit)		
Origination and reversal of temporary difference	34.61	20.30
Sub-Total	34.61	20.30
Total	929.82	995.43
II. Tax on other comprehensive income		
Items that will not be reclassified to Profit and Loss		
Remeasurement of the Defined Benefit Plans	0.17	(0.31)
Total	0.17	(0.31)

B. RECONCILIATION OF EFFECTIVE TAX RATES

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Profit/(loss) before tax	3,363.07	3,392.08
Enacted Income Tax Rate in India	29.12%	34.6%
Income Tax expense calculated at enacted corporate tax rate	979.33	1,173.93
Effect of income that is exempt from tax	(8.49)	(12.11)
Effect of expenses that are not deductible in determining taxable profit	7.28	14.13
Expenditure allowable at lower rate	6.84	7.03
Effect of income which is taxed at special rates	(1.24)	(172.99)
Effect of difference between India and foreign tax rates and non taxable subsidiaries	(84.14)	(21.40)
Effect of difference in current tax rate and deferred tax rate	-	1.59
Excess Provision created for the current year	-	1.85
Excess Provision created for the previous year	(6.30)	6.34
Others	36.53	(2.94)
Total	929.82	995.43
Effective tax rate for the year	27.65%	29.35%

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C. 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	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)

MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

(Rs. In Lakhs)

Particulars	Net deferred tax asset / (liabilities) as on 1st April, 2017	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2018
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(64.51)	4.20	-	(60.32)
Investments	(32.93)	7.77	-	(25.16)
Investment Property	13.10	1.60	-	14.70
Inventories and other related items	18.26	(16.19)	-	2.07
Employee benefits	4.63	(1.49)	(0.31)	2.83
Other Current Assets	98.37	(16.19)	-	82.18
Deferred tax assets/ (liabilities)	36.92	(20.30)	(0.31)	16.31

D. DEFERRED TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets		
Inventories and other related items	1.67	2.07
Investments	0.51	-
Employee Benefits	4.57	2.83
Investment Property	18.37	14.70
Other Current Assets	31.64	82.18
Total	56.77	101.78
Deferred Tax Liabilities		
Property, Plant and Equipment	74.89	60.32
Investments	-	25.16
Total	74.89	85.47
NET DEFERRED TAX ASSETS / (LIABILITIES)	(18.12)	16.31

NOTE 7: NON - CURRENT TAX ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance payment of Income Tax (Net of Provision)	105.42	40.04
Total	105.42	40.04

NOTE 8: OTHER NON-CURRENT ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	379.60	379.60
Balances with Govt. Authorities under litigation	12.43	12.84
Total	392.03	392.44

NOTE 9: INVENTORIES

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
At Lower of Cost or Net Realisable Value		
Raw Materials	1,584.85	1,457.20
Work in Process	303.40	201.64
Finished Goods (including in Transit)	573.73	414.72
Others (Packing Material)	46.54	36.00
TOTAL	2,508.51	2,109.55

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, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Units	Amount
Investment in Liquid Mutual Funds (At Fair value through Profit & Loss) (Unquoted and fully paid up)	2,202,058	494.18	6,44,934	155.69
TOTAL	2,202,058	494.18	6,44,934	155.69
Aggregate Amount of Quoted Investment & Market Value thereof	-	-	-	-
Aggregate amount of Unquoted Investments	2,202,058	494.18	644,934	155.69
Aggregate amount of impairment in value of Investments	-	-	-	-

NOTE 11: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables		
Unsecured - Considered Good	4,913.16	2,791.93
Total	4,913.16	2,791.93

Note:

- There are no outstanding dues from directors or other officers of the Company.
- 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, 2019	As at March 31, 2018
Balances with Banks in Current Accounts	694.21	622.37
Cash on Hand	15.24	13.23
Fixed Deposits maturing within 3 months	711.86	10.68
Total	1,421.31	646.29

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

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid Dividend Account	2.03	1.16
Fixed Deposits maturing between 3 to 12 months	50.62	153.45
Total	52.65	154.61

Note:

- i. The Current Account balance includes unpaid dividend of Rs. 2.03 Lakhs as at 31st March 2019 (Previous Year as at 31st March 2018 Rs. 1.16 Lakhs) which have been kept in separate earmarked accounts and no transactions except for stated purpose are done through such accounts.
- ii. Fixed Deposit of Rs. 39.30 Lakhs (Previous Year as at 31st March 2018 Rs.69.17 Lakhs) that are restricted for use pertains to lien against bank borrowings and bank guarantee with Indian Bank.

NOTE 14: FINANCIAL ASSETS - OTHERS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Receivable	2.26	2.72
Other Deposits	0.20	0.15
Amount due by director	-	8.51
Total	2.46	11.38

NOTE 15: OTHER CURRENT ASSETS

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances Other than capital advances		
Advance to Employees	1.69	2.94
Advances to Suppliers / Expenses	-	114.17
Other Loans and Advances	110.82	132.30
Others		
Export Incentive Receivable	50.44	57.48
Prepaid Expenses	47.97	186.49
Balances with Excise, VAT & GST Authorities	57.08	115.34
Others	449.01	19.50
Total	717.00	628.23

NOTE 16: ASSETS CLASSIFIED AS HELD FOR SALE

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Investment (At Cost)		
Immovable Property	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 as on 31st March 2019.
- ii. Further the fair value of these asset is higher than its carrying value as on 31st March 2019 and hence no impairment loss has been recognised.

NOTE 17: EQUITY SHARE CAPITAL

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
11,50,00,000 (Previous year as at 31st March 2018 11,50,00,000) Equity Shares of Rs. 2/- each	2,300.00	2,300.00
TOTAL AUTHORISED SHARE CAPITAL	2,300.00	2,300.00
Issued, Subscribed & Paid Up		
11,13,00,000 (Previous year as at 31st March 2018 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, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	111,300,000	2,226.00	111,300,000	2,226.00
Add: Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares at the end	111,300,000	2,226.00	111,300,000	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, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Mr. Surendrakumar Tibrewala	69,001,330	62.00%	70,001,330	62.89%

d) Other details of Equity Shares for a period of five years immediately preceding March 31, 2018

- 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.2,92,64,848/- for the said buyback of shares.
- Pursuant to shareholders' approval dated 28th May, 2015, the Equity Shares of Rs.10/- each of the Company were sub-divided into 5 Equity Shares of Rs.2/- per share w.e.f. 12th June,2015.
- 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	As at March 31, 2019	As at March 31, 2018
Capital Redumption Reserve	19.96	19.96
Security Premium	988.45	988.45
Capital Reserve	10.85	10.85
Foreign Currency Transaction	89.68	32.71
Non controlling Interest	568.34	618.59
Retained Earning	12545.58	10293.58
Total	14222.86	11964.14

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NOTE 19: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
SECURED :		
Term Loan		
Bank	10.22	21.67
Total	10.22	21.67

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, 2019	As at March 31, 2018
Security Deposit Received from Customers	45.20	38.01
Total	45.20	38.01

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	4.51	4.25
Total	4.51	4.25

NOTE 22: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
SECURED :		
Loans repayable on demand		
From Banks (Refer note below)	197.59	442.26
Total	197.59	442.26

Note:

The above bank overdraft facility is secured against Fixed Deposits and pledge/lien on securities held by the Company.

NOTE 23: FINANCIAL LIABILITIES - TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Due to Micro, Small and Medium Enterprises (Refer Note Below)	-	-
Due to Others	2,090.16	1,086.27
Total	2,090.16	1,086.27

Note:

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at March 31, 2019	As at March 31, 2018
(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, 2019	As at March 31, 2018
Current Maturities of Long Term Debts (Refer Note 19)	11.45	10.53
Interest on Trade Deposit	5.23	4.80
Unclaimed / Unpaid Dividend	192.37	1.16
Other Payables	45.28	29.57
Total	254.34	46.06

Note:

There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 25: OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from Customer	52.15	-
Statutory Payments	19.61	14.52
Other Payables	265.50	213.44
Accrual	39.76	30.94
Total	377.01	258.89

NOTE 26: PROVISIONS (CURRENT)

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Provision for Leave Encashment	3.55	2.86
Provision for Bonus	8.24	6.86
Total	11.79	9.72

NOTE 27: CURRENT TAX LIABILITIES (NET)

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax Payable	16.60	12.92
Total	16.60	12.92

FINEOTEX CHEMICAL LIMITED

NOTE 28A: REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Products (inclusive excise duty)	18,094.49	14,172.33
Other Operating Income:		
Technical Fees	29.34	29.52
Export Incentives & Entitlements	108.90	78.33
Revenue from Domestic activities	-	12.50
Total	18,232.73	14,292.68

NOTE 28B: REVENUE FROM CONTRACTS WITH CUSTOMERS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contracts with customers disaggregated based on geography		
Domestic Market	9,532.91	8,281.42
Exports	8,699.82	6,011.26
Total	18,232.73	14,292.68

Note:

- i. The amounts of receivable from customers become due after expiry of credit period which on an average is less than 90days. There is no significant financing component in any transaction with the customers
- ii. The company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

NOTE 29: OTHER INCOME

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income	25.18	47.17
Dividend Income	9.45	5.45
Rent Income	14.71	19.60
Foreign Exchange Fluctuation	12.07	-
Other Non - Operating Income:		
Commission	-	1.33
Net gains / (losses) on fair value changes	69.98	440.39
Miscellaneous Income	23.73	3.19
Total	155.13	517.14

NOTE 30: COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw Material Consumed	7,579.09	7,180.03
Packing Material Consumed	836.75	601.85
Total	8,415.84	7,781.87

NOTE 31: PURCHASE OF STOCK IN TRADE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of Stock in Trade	3,652.50	1,034.63
Total	3,652.50	1,034.63

NOTE 32: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stocks :		
Finished Goods (including goods in transit)	419.72	374.27
Work in Progress	201.64	428.04
Stock In Trade	544.99	-
Less : Closing Stocks :		
Finished Goods	578.30	387.84
Work in Progress	303.40	697.88
Stock In Trade	593.67	-
NET CHANGE IN INVENTORIES	(309.02)	(283.40)

NOTE 33: EMPLOYEE BENEFIT EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	695.75	578.54
Contribution to Provident and Other Funds	33.04	25.15
Gratuity (Refer Note No 43)	5.01	4.99
Staff Welfare Expenses	19.16	9.44
Total	752.96	618.13

NOTE 34: FINANCE COST

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses		
- On Borrowing	37.27	23.37
Others (Including Interest on delay / deferred payment)	-	0.18
Bank and Other Financial Charges	46.03	33.38
Total	83.30	56.93

NOTE 35: OTHER EXPENSES

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of Stores and Spares	20.69	26.64
Toll Conversion Charges	256.46	236.11
Power, Fuel and Utilities	47.19	39.04
Lease Rent / Hire Charges	105.27	111.45
Outward Freight Charges	217.15	209.11
Technical Fees	229.52	161.50
Repairs & Maintenance on :		
Building	26.76	18.48
Plant and Machinery	24.14	19.03
Other Repairs	8.06	4.95
Insurance	36.25	10.01
Rates and Taxes	7.33	0.29
Legal and Professional Fees	171.32	52.68

FINEOTEX CHEMICAL LIMITED

Payment to Auditors :		
Audit Fees	8.39	8.00
Transfer Pricing Audit Fees	0.23	0.20
Taxation and Other Advisory Matters	2.13	2.93
Certification Charges and Others	0.08	0.04
Other Services	1.80	2.20
Travelling and Conveyance	146.09	126.81
Commission	523.74	451.12
Advertisement, Publicity & Sales Promotion	28.31	97.10
Foreign Exchange Fluctuation (Net)	-	98.21
Loss on Sale of Fixed Assets (Net)	-	10.87
Expenditure towards Corporate Social Responsibility (Refer Note 38)	47.00	38.00
Donations	1.24	2.80
Miscellaneous Expenses	366.43	235.66
Total	2,275.57	1,963.23

NOTE 36: EXCEPTIONAL ITEMS

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss due to Fire	53.44	-
Total	53.44	-

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 429.41 Lakhs and charged the differential amount of Rs 53.44 Lakhs to the Statement of Profit and Loss Account.

NOTE 37: CONTINGENT LIABILITIES AND COMMITMENTS

1 Letter of Credit, Bank Guarantee and Bill Discounting

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Guarantee	10.67	10.67
Total	10.67	10.67

2 Disputed Liabilities on account of Sales Tax, Entry Tax, Excise Duty and Service Tax as at March 31, 2019

(Rs. In Lakhs)

Statute	Financial Year to which matter pertains	Forum where matter is pending	As at March 31, 2019	As at March 31, 2018
Income Tax	2010-11	Assessing Officer	-	15.52
Total			-	15.52

Notes:

- (i) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities
- (ii) The Group does not expect any reimbursements in respect of the above contingent liabilities
- (iii) The Group's pending litigations comprise of proceedings pending with Income Tax department. The Management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Management does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

NOTE 38: CORPORATE SOCIAL RESPONSIBILITY

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount required to be spent as per Section 135 of the Companies Act, 2013	45.54	37.04
Amount Spent during the year		
Construction / Acquisition of any Asset	-	-
On purposes other than above	47.00	38.00
Total amount spent	47.00	38.00

NOTE 39: EARNINGS PER SHARE

(Rs. In Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit attributable to the owners of the company	2,252.43	2,269.56
Weighted Average Number of Equity Shares Face of Value Rs. 2/- each	111,300,000	111,300,000
Earnings Per Share - Basic & Diluted ₹	2.02	2.04

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 optimize 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, 2019	Year ended March 31, 2018
Total interest bearing financial liabilities	264.46	501.94
Less : Cash and Cash Equivalents	1,421.31	646.29
Adjusted Net Debt	(1,156.85)	(144.35)
Total Equity	15,880.53	13,571.55
Adjusted Equity		
Net Debts to Equity Ratio	(0.07)	(0.01)

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, 2019 is as follows:

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Fair Value through Profit & Loss		
Investments	4,815.89	5,474.81
Amortised Cost		
Trade Receivables	4,913.16	2,791.93
Cash & Cash Equivalents	1,421.31	646.29
Other Bank Balances	52.65	154.61
Other Financial Assets	215.59	208.69
Total	11,418.59	9,276.33
Financial Liabilities		
Amortised Cost		
Borrowings	207.81	463.93
Trade Payable	2,090.16	1,086.27
Other Financial Liabilities	299.54	84.07
Total	2,597.50	1,634.27

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, 2019	As at March 31, 2018
Financial Assets		
<u>Level 1</u>		
Investments in quoted equity shares	967.74	916.38
Investments in mutual fund units	3,848.15	4,558.42
<u>Level 2</u>		
Security Deposit Given	195.00	182.13
Total	5,010.89	5,656.94
Financial Liabilities		
<u>Level 2</u>		
Security Deposit Accepted	2.85	2.66
Total	2.85	2.66

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 Exposer	Company manages through natural Hedge
Market risk - Security prices risk	Investment in Shares and mutual funds	Sensitivity analysis	Portfolio diversification

The Group's risk management is carried out by policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas. There is no change in objectives, polices and process for managing the risk and methods used to measure the risk as compared to previous year.

(a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs

(a)(i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates primarily to the Group's borrowings, both short term and long term obligations with fixed and floating interest rates. However the Group's exposure to floating rate borrowings are very limited to its size of operation.

The Group is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits

Exposure to interest rate risk

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed-rate instruments		
Financial Liabilities - Borrowings	66.87	70.21
Total	66.87	70.21

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.

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in Quoted Equity Shares	967.74	916.38
Investments in Mutual Funds	3,848.15	4,558.42
Total	4,815.89	5,474.81

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, 2019		As at March 31, 2018	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Equity Shares	96.77	(96.77)	91.64	(91.64)
Mutual Funds	384.81	(384.81)	455.84	(455.84)
Total	481.59	(481.59)	547.48	(547.48)

(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, 2019	As at March 31, 2018
Financial Assets			
Trade and other receivables	USD	26.44	19.88
Cash & Cash Equivelent	USD	1.82	1.56
Cash & Cash Equivelent	EURO	0.01	-
Financial Liabilities			
Trade and other payables	USD	12.66	5.08
	EURO	-	0.03

Sensitivity analysis to currency risk

Foreign Currency	As at March 31, 2019		As at March 31, 2018	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	32.40	(32.40)	31.91	(31.91)
EURO	0.03	(0.03)	(0.06)	0.06
Total	32.42	(32.42)	31.85	(31.85)

(b) Credit Risk

Credit Risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of Financial Assets represents the maximum credit exposure.

Trade Receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Group are typically unsecured ,except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Group has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Group uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof. Accordingly based on the provision matrix there is no expected credit loss to the Group and accordingly there is no provision for doubtful debts

Other Financial Assets

The Group maintains exposure in Cash and Cash equivalents and Bank deposits with banks, Equity Shares and Investments in Mutual Funds. The Group has diversified portfolio of investment with various number of counterparties which has goods credit ratings, goods reputation and hence the risk is reduced. Individual risk limits set for each counterparty based on financial position, credit rating and 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, 2019		As at March 31, 2018	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	11.45	10.22	10.53	21.67
Working Capital Loans from Banks	197.59	-	442.26	-
Trade Payables	2,090.16	-	1,086.27	-
Other Financial Liabilities	242.89	45.20	35.53	38.01
Total	2,542.09	55.41	1,574.59	59.68

(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.

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 2019

(A) Defined benefit plans

i Retiring Gratuity

I Components of Employer Expenses

(Rs. In Lakhs)

Particulars	31st March 2019	31st March 2018
Current Service Cost	4.89	3.80
Past Service Cost vested	-	0.81
Interest Cost	1.43	1.19
Expected Return on Plan Assets	(1.32)	(0.92)
Actuarial (Gain) / Loss	0.59	(1.40)
Total Expenses/(Gain) recognized in the Profit & Loss Account	5.60	3.50

II Net Asset/ (Liability) recognized in Balance Sheet

(Rs. In Lakhs)

Particulars	31st March 2019	31st March 2018
Present value of Funded Obligation	25.16	21.39
Fair Value of Plan Assets	20.65	17.14
Assets/(Liability) recognized in the Balance Sheet	4.51	4.25

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III Change in Defined Benefit Obligations (DBO)

(Rs. In Lakhs)

Particulars	31st March 2019	31st March 2018
Opening Balance of Present Value of Obligation	21.39	16.64
Interest Cost	1.43	1.19
Current Service Cost	4.89	3.80
Past Service Cost - Vested Benefits	-	0.81
Actuarial (Gain)/Loss	0.99	(1.06)
Benefit Paid	(3.55)	-
Closing Balance of Present Value of Obligation	25.16	21.39

IV Changes in the Fair Value of Plan Assets

(Rs. In Lakhs)

Particulars	31st March 2019	31st March 2018
Opening Balance of Present Value of Obligation	17.14	9.73
Expected Return on Plan Assets	0.39	0.34
Interest Income	1.32	0.92
Contribution by Employer	5.35	6.16
Benefit Paid	(3.55)	-
Fair Value of Plan Assets as at 31st March	20.65	17.14

V Actuarial Assumption

Particulars	31st March 2019	31st March 2018
Discount Rate (Per Annum)	7.60%	7.30%
Annual Increase in Salary Costs Per Annum	4.00%	4.00%
Attrition Rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

Particulars	31st March 2019	31st March 2018
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 2019	31st March 2018
Net Opening Liability	4.25	6.92
P & L Charges	5.01	4.89
Contribution paid	(5.35)	(6.16)
Other Comprehensive Income (OCI)	0.59	(1.40)
Closing Net Liability	4.51	4.25

VIII Gratuity - Sensitivity Analysis

(Rs. In Lakhs)

Particulars	31st March 2019		31st March 2018	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	27.04	23.56	23.38	19.62
Discount Rate (1% movement)	22.94	27.79	19.50	23.65

(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.33.04 Lakhs (Previous year Rs. 25.15 Lakhs).

NOTE 44: LEASES

The Group has entered into Operating Leases on Immovable Properties.

Future minimum rentals payable under non-cancellable operating leases as at are, as follows:

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	In respect of operating lease on Immovable properties payments recognized in Statement of Profit and Loss.	31.17	18.30
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	60.28	18.30
	For the period later than one year and not later than five years	15.00	-

Assets Given on Lease

(Rs. In Lakhs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	14.71	13.05
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	5.86	18.28
	For the period later than one year and not later than five years	-	5.86

NOTE 45: RELATED PARTY

List of related parties and Relationship

A Enterprise in which Key Managerial Personnel and their relatives have significant Influence

- 1 Proton Biochem Private Limited

B Key Managerial Personnel :

a. Executive Directors :

- 1 Surendra Tibrewala
- 2 Sanjay Tibrewala
- 3 Sonai Kedha Sankar
- 4 Raman Perumal
- 5 Aarti Jhunjunwala (Since 14.08.2018)

b. Company Secretary

- 1 Pooja Kothari (w.e.f 04.04.2018)
- 2 Raina D'souza (ceased w.e.f 04.04.2018)

c. Non - Executive Directors : Non Independent

- 1 Ritu Gupta (Upto 14.08.2018)

d. Non - Executive Directors : Independent

- 1 Navin Mittal
- 2 Manmohan Mehta
- 3 Alok Dhanuka

e. Relatives of Key Managerial Personnel :

- 1 Kanaklata Tibrewala

FINEOTEX CHEMICAL LIMITED

C Transaction with Related Parties

i. Transaction during the year

(Rs. In Lakhs)

Particulars	Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
RECEIVING OF SERVICES						
Proton Biochem Private Limited	-	-	247.02	169.82	247.02	169.82
Total	-	-	247.02	169.82	247.02	169.82
RENT INCOME						
Proton Biochem Private Limited	-	-	4.55	7.80	4.55	7.80
Total	-	-	4.55	7.80	4.55	7.80
RENT EXPENSE						
Surendra Tibrewala	8.82	8.82	-	-	8.82	8.82
Kanaklata Tibrewala	-	-	8.28	8.28	8.28	8.28
Sanjay Tibrewala	9.07	-	-	-	9.07	-
Total	17.89	8.82	8.28	8.28	26.17	17.10
INTEREST RECEIVED						
Sanjay Tibrewala	1.76	-	-	-	1.76	-
Total	1.76	-	-	-	1.76	-
REMUNERATION TO DIRECTORS						
Surendra Tibrewala	71.40	53.40	-	-	71.40	53.40
Sanjay Tibrewala	71.40	53.40	-	-	71.40	53.40
Sonai Kedha Sankar	31.16	26.88	-	-	31.16	26.88
Aarti Jhunjhunwala	14.63	-	-	-	14.63	-
REMUNERATION TO COMPANY SECRETARY*						
Pooja Kothari	3.69	-	-	-	3.69	-
Raina D'silva	-	4.51	-	-	-	4.51
Total	192.28	138.18	-	-	192.28	138.19

ii. Outstanding balances as on reporting date

(Rs. In Lakhs)

Particulars	Key Management Personnel		Entities in which Key Management Personnel or its relatives are interested / Relative of Key Management Personnel		Total	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
OUTSTANDING BALANCES						
SECURITY DEPOSIT GIVEN						
Kanaklata Tibrewala	-	-	195.00	195.00	195.00	195.00
Total	-	-	195.00	195.00	195.00	195.00
PAYABLES						
Proton Biochem Private Limited	-	-	25.53	56.95	25.53	56.95
Surendra Tibrewala - Rent	0.66	0.66	-	-	0.66	0.66
Kanaklata Tibrewala - Rent	-	-	-	0.62	-	0.62
Sanjay Tibrewala	0.04	-	-	-	0.04	-
Total	0.70	0.66	25.53	57.57	26.23	58.23
REMUNERATION PAYABLE						
Surendra Tibrewala	2.88	2.01	-	-	2.88	2.01
Sanjay Tibrewala	2.87	2.01	-	-	2.87	2.01
Aarti Jhunjhunwala	1.23	-	-	-	1.23	-
Pooja Kothari	0.24	0.30	-	-	0.24	0.30
Total	7.22	4.31	-	-	7.22	4.31
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.

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-19	87.17%	13,842.59	76.91%	1,732.29	100.00%	(0.42)	76.90%	1,731.87
31-Mar-18	89.24%	12,110.72	93.77%	2,128.15	100.00%	0.75	93.77%	2,128.89
Subsidiaries								
Indian								
Manya Steel Private Limited								
31-Mar-19	0.03%	4.05	0.07%	1.54			0.07%	1.54
31-Mar-18	0.02%	2.51	0.07%	1.69	0.00%	-	0.07%	1.69
Foreign								
Fineotex Specialities FZE								
31-Mar-19	1.16%	183.67	0.78%	17.47	0.00%	-	0.78%	17.47
31-Mar-18	1.22%	166.20	0.82%	18.67	0.00%	-	0.82%	18.67

FINEOTEX CHEMICAL LIMITED

Fineotex Malaysia Limited									
	31-Mar-19	14.78%	2,347.76	31.65%	712.85	0.00%	-	31.65%	712.85
	31-Mar-18	9.39%	1,274.62	14.92%	338.56	0.00%	-	14.91%	338.56
BT Chemicals SDN BHD									
	31-Mar-19	6.88%	1,091.85	22.59%	508.78	0.00%	-	22.59%	508.78
	31-Mar-18	10.86%	1,474.07	11.43%	259.32	0.00%	-	11.42%	259.32
BT Biotex SDN BHD									
	31-Mar-19	3.93%	624.53	2.11%	47.52	0.00%	-	2.11%	47.52
	31-Mar-18	4.23%	574.27	4.75%	107.84	0.00%	-	4.75%	107.84
Rovatex SDN BHD									
	31-Mar-19	0.16%	25.19	-0.24%	(5.48)	0.00%	-	-0.24%	(5.48)
	31-Mar-18	0.23%	30.68	0.27%	6.11	0.00%	-	0.27%	6.11
Non-Controlling interests in all subsidiaries									
	31-Mar-19	-3.58%	(568.34)	-8.03%	(180.83)	0.00%	-	-8.03%	(180.83)
	31-Mar-18	-4.56%	(618.59)	-5.60%	(127.09)	0.00%	-	-5.60%	(127.09)
Intercompany Elimination & Consolidation Adjustment									
	31-Mar-19	-10.52%	(1,670.75)	-25.83%	(581.71)	0.00%	-	-25.83%	(581.72)
	31-Mar-18	-10.63%	(1,442.93)	-20.43%	(463.69)	0.00%	-	-20.42%	(463.69)
Total									
	31-Mar-19	100.00%	15,880.53	100.00%	2,252.43	100.00%	(0.42)	100.00%	2,252.00
	31-Mar-18	100.00%	13,571.55	100.00%	2,269.56	100.00%	0.75	100.00%	2,270.31

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** Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes. Interest and Commission are recovered where incurred.
- 49** Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation
- 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.

As per our report attached of even date

For UKG & Associates
Chartered Accountants
 (Firm Registration No : 123393W)

Champak K. Dedhia
 Partner
 Membership No.: 101769

Mumbai, 14th May 2019

For and on behalf of the Board of Directors

Surendrakumar Tibrewala
 Chairman & Managing Director
 DIN : 00218394

Sanjay Tibrewala
 Executive Director & CFO
 DIN : 00218525

Mumbai, 14th May 2019

Alok Dhanuka
 Chairman - Audit Committee
 DIN : 06491610

Pooja Kothari
 Company Secretary
 M.No. ACS: 53895

FINEOTEX CHEMICAL LIMITED

CIN : L24100MH2004PLC144295

Registered Office: 42/43, Manorama Chambers, S. V. Road, Bandra (West), Mumbai- 400050.

Telephone: + 91-22-26559174-77, Fax: 26559178, Email: info@fineotex.com, Website: www.fineotex.com

FORM NO. MGT - 11 PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and the Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

ANNUAL GENERAL MEETING - 27TH SEPTEMBER, 2019 AT 5:00 PM

Name(s) of the Member(s) :

Registered Address :

E-mail ID :

Folio No./Client ID :

DP/ID :

I/We, being the Member(s) of _____ equity shares of Rs.2 each of Fineotex Chemical Limited, hereby appoint :

1. Name: _____

Address : _____

E-Mail ID: _____ Signature _____, or failing him

2. Name: _____

Address : _____

E-Mail ID: _____ Signature _____, or failing him

3. Name: _____

Address : _____

E-Mail ID: _____ Signature _____, or failing him

as my/our proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company, to be held on Friday, the 27th day September, 2019 at 5.00 p.m. at Rajpuria Hall/Bagh, Navinbhai Thakkar Marg, Vile Parle (East), Mumbai 400057 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution Nos.:

Item No.	Resolutions	Type of Resolutions	No. of Shares	(FOR)	(AGAINST)
				I/We assent to the Resolution	I/We dissent the Resolution
	Ordinary Business				
1.	Adoption of Audited Financial Statements of the Company for the financial year ended 31st March, 2019, and the Reports of the Board of Directors and Auditors thereon	Ordinary			
2.	Appointment of Mrs. Aarti Jhunjhunwala as director of the Company	Ordinary			
3.	Declaration of dividend for the financial year ended 31st March, 2019.	Ordinary			
4.	Appointment of Auditors and fixing their remuneration	Ordinary			
	Special Business				
5.	Remuneration of Cost Auditors	Ordinary			
6.	Re-Appointment of Mr. Manmohan Mehta as an Independent Director of the Company for a further term of 5 years	Special			
7.	Re-Appointment of Mr. Alok Dhanuka as an Independent Director of the Company for a further term of 5 years	Special			
8.	Re-appointment and Revision in the Remuneration payable to Mr. Surendrakumar Tibrewala, Managing Director of the Company with effect from October 1, 2019	Special			
9.	Re-appointment and Revision in the Remuneration payable to Mr. Sanjay Tibrewala, Executive Director of the Company with effect from October 1, 2019	Special			
10.	Revision in the Remuneration payable to Mrs. Aarti Jhunjhunwala, Executive Director of the Company with effect from October 1, 2019	Special			
11.	Raising of Funds through Issue of Securities	Special			
12.	Increasing the Authorized Share Capital of the Company	Ordinary			
13.	Alteration in the Capital Clause of Memorandum of Association	Special			
14.	Amendment of Articles of Association	Special			
15.	Contracts with Related Parties	Special			

Signed, this _____ day of _____, 2019

Signature of Member(s) : _____

Signature of the Proxy holder(s) : _____

**Affix
Revenue
Stamp**

Notes :

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting – before 6.00 p.m. on 27th September, 2019.**
- A proxy need not be a Member of the Company.
- In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

FINEOTEX CHEMICAL LIMITED

CIN : L24100MH2004PLC144295

Registered Office: 42/43, Manorama Chambers, S. V. Road, Bandra (West), Mumbai- 400050.

Telephone: + 91-22-26559174-77, **Fax:** 26559178, **Email:** info@fineotex.com, **Website:** www.fineotex.com

ATTENDANCE SLIP

(Please hand over at the entrance of the Meeting hall)

16th Annual General Meeting 27th September, 2019

Folio No. / DP ID No. / Client ID No. : _____

Name : _____

Address : _____

No. of Shares : _____

I hereby record my presence at the 16th ANNUAL GENERAL MEETING of the Company held at Rajpuria hall/Bagh, Navinbhai Thakkar Marg, Vile Parle (East), Mumbai 400057 on Friday, the 27th day of September, 2019 at 5:00 p.m.

First / Sole Holder / Proxy

Second Holder / Proxy

Third Holder / Proxy

Note : Your entry to the Meeting will be regulated by this attendance slip.

