

**Fine Organic Industries Limited**

Regd. Office

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Date: July 31, 2023

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

**Symbol: FINEORG**

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

**Dear Sir/Madam,**

Pursuant to Regulation 34 (1) of the Listing Regulations, please find enclosed herewith the Annual Report of the Company for the financial year 2022-23 along with the Notice of the Annual General Meeting to be held on Thursday, August 24, 2023 at 11:00 a.m. (IST) through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM).

In accordance with the General Circular issued by the Ministry of Corporate Affairs dated December 28, 2022 read with General Circulars dated May 5, 2022, January 13, 2021, May 5, 2020, April 13, 2020 and April 8, 2020 and SEBI Circular dated January 5, 2023 read with SEBI Circulars dated May 13, 2022, January 15, 2021 and May 12, 2020, the aforesaid documents are being dispatched electronically to those Members whose email IDs are registered with the Company/ KFin Technologies Limited ("Registrar and Transfer Agents" of the Company) or the Depositories.

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

Thanking you,

Sincerely,

**For Fine Organic Industries Limited**

**Pooja Lohor**  
**Company Secretary and Compliance Officer**

Encl: as above



**GROWTH + SUSTAINABILITY = VALUE**

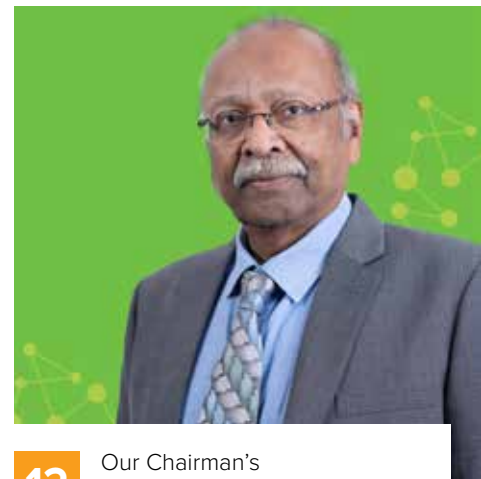
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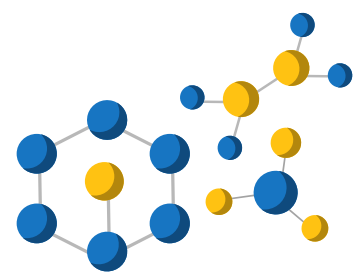


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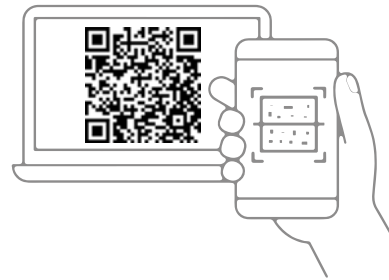
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**For more investor related information please visit:**  
<https://www.fineorganics.com/investor-relations>

**Or simply scan to view online version of the report**



## Investor Information

Market Capitalisation	₹ 13,205 crores
CIN	L24119MH2002PLC136003
BSE Code	541557
NSE Code	FINEORG
Bloomberg Code	FINEORG:IN
AGM Date	August 24, 2023
AGM Mode	Video Conferencing

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



## OUR ESTEEMED AND VALUED MANAGEMENT



**Standing (Left to Right)**

**Mr. Jayen Shah**  
*Executive Director & CEO*

**Mr. Nikhil Kamat**  
*Executive Director*

**Mr. Kaushik Shah**  
*Independent Director*

**Mr. Thiruvengadam Parthasarathi**  
*Independent Director*

**Mr. Tushar Shah**  
*Executive Director & CFO*

**Mr. Bimal Shah**  
*Executive Director*



**Sitting (Left to Right)**

**Ms. Pratima Umarji**  
*Independent Director*

**Mr. Mukesh Shah**  
*Chairman & Managing Director*

**Mr. Mahesh Sarda**  
*Independent Director*

**Mr. Prakash Apte**  
*Independent Director*





## ABOUT THE REPORT

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

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

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

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

# OUR NUMBERS IN FY 2022-23



## FINANCIAL

₹ **3,029** crores  
Revenue

63% ↑

₹ **781** crores  
EBITDA

124% ↑

₹ **591** crores  
Profit After Tax

136% ↑

₹ **1,522** crores  
Net Worth

59% ↑



## OPERATIONAL

**470+**  
Products

**180+**  
Distributors

**850+**  
Direct customers

**7**  
Manufacturing  
facilities

**80+**  
Countries





# GROWTH + SUSTAINABILITY = VALUE

Harboring the Decade  
Sustainable Growth



In this dynamic era, the convergence of growth and sustainability holds the key to creating immense value for people and the planet alike. As we set our sights on growth and progress, a strong integration of sustainability measures is imperative to underpin each stride we take towards the future. This holistic approach is not only an ethical responsibility but also a strategic imperative to derive maximum value from our resources while creating value for all stakeholders of society.

At Fine Organic Industries Limited, we recognize the critical importance of balancing growth and sustainability to create value for our stakeholders. Our commitment to offering sustainable green additives not only demonstrates our dedication to environmental responsibility but also serves to increase consumer awareness and preference for green and sustainable products. This aligns perfectly with our Company's overarching goal of achieving sustainable development.

We firmly believe that sustainable development must be a fundamental component of value creation for all our stakeholders. Fine Organics is fully committed to driving business responsibly by implementing sustainable friendly practices throughout our operations. By adopting a growth-oriented approach, we continuously enhance our products and solutions while ensuring sustainability is prioritised across our entire value chain. This enables us to meet our customers evolving needs without compromising future generations ability to meet their needs.

Our commitment to achieving sustainable growth while upholding our responsibility to the environment is at the core of our value proposition. Our theme this year 'Growth + Sustainability = Value' encapsulates our strategic integration of growth and sustainability into our business model. By harmonizing these two crucial elements, we aim to create long-term value for our stakeholders, foster positive environmental impacts, and contribute to society's overall well-being.

# CELEBRATING FIVE DECADES OF SUSTAINABLE GROWTH



## The year of foundation

### 1970

Established as 'Fine Organic Industries', a partnership firm by late Mr. Ramesh Shah and late Mr. Prakash Kamat

## Established manufacturing and R&D facilities

### 1973-88

- Commissioned first food additives facility in Dombivli
- Set up second facility in Ambarnath



### 2001-02

- Commissioned facility at Badlapur (August 2001)
- Incorporated our Company under the name of Fine Organic Industries (Mumbai) Private Limited



### 2005-06

- Established R&D centre in Navi Mumbai
- Commissioned large manufacturing facilities in Ambarnath

## Our expansion and partnership progress

### 2008-12

Expanded capacity addition phase-wise in Ambarnath



### 2014

Signed a JV with Netherlands-based bakery premix manufacturer, Zeelandia International



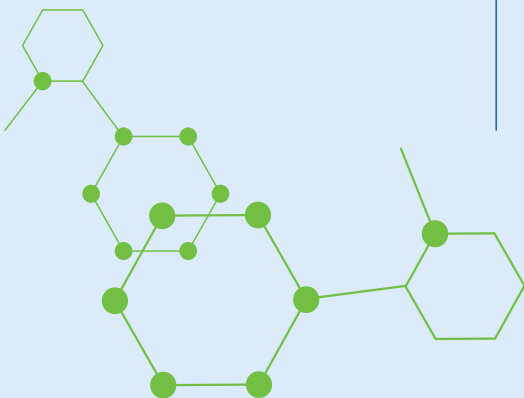
### 2015

Additional capacity expansion at the Ambarnath facility



### 2017

Amalgamated Fine Research and Development Centre Private Limited and Fine Specialty Surfactants Private Limited





2018-2022

Our readiness to  
achieve more

2018-22

- Initiated an IPO and got listed on the BSE and NSE
- Commissioned new plants at Ambernath and Patalganga



# CREATING A LEGACY OF GROWTH, SUSTAINABILITY AND VALUE

Fine Organic Industries Limited (hereafter referred to as ‘Fine Organics’, ‘We’, and ‘The Company’) is a pioneer in innovating and developing unique specialty additives with high precision and purity for a variety of industrial applications. This includes plastics, packaging, foods, cosmetics, rubbers, feed nutrition and coatings, among others, that are integral to people in their daily lives.

For any socially conscious enterprise that aims to thrive in the years ahead, growth can come from the sustainability of the habitat around. This can add immeasurable value to the overall ecosystem, the people involved and the consumers as well. Fine Organics has established state-of-the-art facilities at Ambernath, Badlapur, Dombivli, and Patalganga. This allows us to take our products across geographies and cater to our customers across over 80 countries. Our capabilities are further bolstered by a skilled team of over 25 scientists and technologists situated at our dedicated R&D centre. This centre is equipped with proprietary technology developed in-house.

At our core, we are driven by innovation and a solution-centric approach. Leveraging our expertise in extracting oleochemicals from vegetable oils, the Company has developed an impressive portfolio of over 470+ specialty additives, carefully crafted for use in polymers, cosmetics, coatings, feed nutrition and other critical applications across multiple industries.



## VISION

To become a preferred supplier of oleochemicals derived green additives globally



## MISSION

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



## VALUES

### Integrity

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

### Execution Excellence

To demonstrate pride, passion, and professionalism

### Customer First

To anticipate and fulfill customer needs

### Entrepreneurial Thinking

To convert unconventional ideas into action with positive impact



# OUR ADDITIVES ARE USED IN MULTIPLE INDUSTRIES

## FOOD ADDITIVES



Additives for maintaining the quality and freshness of food structure, integrity and increase the shelf life of food products.

## POLYMER ADDITIVES



Used for various functionalities in a wide range of plastic products made from different polymers.

## FEED NUTRITION ADDITIVES



Replaces harmful antibiotics, improves feed efficiency, and imparts several technical advantages to the end products.

## EMOLLIENTS FOR COSMETICS



Enables the manufacturing of products with different structures, such as creams, gels, pastes, lotions etc. Aids in achieving long-term physical stability for transport and storage. Increases sensory perception and the chemical stability of the sensitive active agents.

## COATINGS AND SPECIALITIES



Coating Additives are used as anti-settling agents, emulsifiers, thickening and antisagging agents, wetting and dispersing agents, defoamers, biocides, and anti-mar waxes for use in coating applications. Capable of improving the appearance and durability of a coating. Speciality additives are the wide range of specialty performance additives used for various industries.



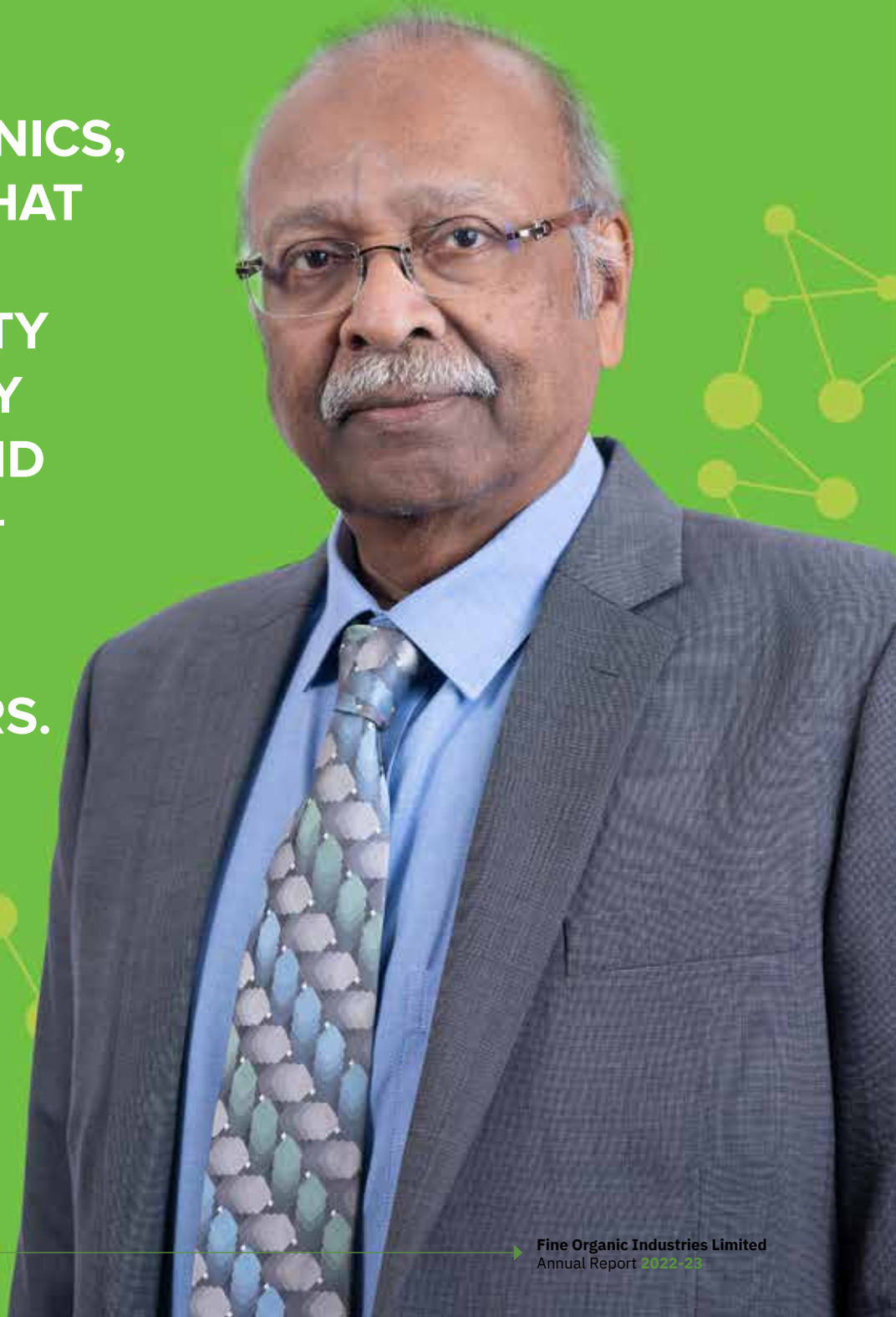
## KEY FACTS

**5+**  
DECADES OF  
EXPERIENCE

**1**  
FULLY INTEGRATED R&D  
FACILITY IN MAHARASHTRA

## OUR CHAIRMAN'S THOUGHTS ON GROWTH AND SUSTAINABILITY

AT FINE ORGANICS,  
WE BELIEVE THAT  
GROWTH AND  
SUSTAINABILITY  
ARE MUTUALLY  
INCLUSIVE, AND  
CREATE LONG-  
TERM VALUE  
FOR ALL OUR  
STAKEHOLDERS.



## Dear Shareholders,

It gives me immense pleasure to address you all as we come to the end of another successful financial year at Fine Organics. Despite the challenges posed by the geopolitical tension between Ukraine and Russia and supply chain disruption, our team worked tirelessly to achieve our goals and maintain a strong position in the specialty additives market.

### Financial performance

We are thrilled to announce that despite the challenging economic landscape and global tensions, the Company delivered outstanding financial results. We are proud to report that we achieved a total net revenue of ₹ 3,029 crores, representing a remarkable 63% increase compared to the previous year.

In addition, our EBIDTA soared to ₹ 781 crores, reflecting a substantial 124% growth from ₹ 349 crores last year. The Company's exceptional performance was further highlighted by our PAT, which rose to ₹ 591 crores, marking a remarkable 136% increase from ₹ 251 crores in the previous year.

Our unwavering commitment to delivering value to our clients allowed us to achieve a remarkable milestone of over ₹ 3,029 crores in sales. These outstanding results are a testament to the hard work, dedication, and relentless pursuit of excellence exhibited by every member of our team.

### Growth + Sustainability = Value

At Fine Organics, we believe that growth and sustainability are mutually inclusive, and can work together to create long-term value for all our stakeholders. We also recognise that sustainability is not just an environmental issue, but a social and economic issue as well. This is why we are committed to supporting the communities in which we operate, ensuring that all our stakeholders are treated fairly and with respect.

### Forward outline

Our commitment to sustainability remains persistent, and we have taken several initiatives to reduce our carbon footprint and promote sustainability. Our focus on sustainability has not only helped us reduce our environmental impact, but also resulted in cost savings and improved efficiency. We firmly believe that sustainable practices are essential for the long-term success of our business.

As we move forward, our focus will continue to be on delivering exceptional value to our customers and shareholders. We understand the importance of maintaining strong financial performance and remain committed to generating sustainable profits and delivering long-term shareholder value.

### Closing note

I would like to take this opportunity to thank our employees, customers, and shareholders for their continuous support and belief. Our success would not have been possible without their hard work and dedication. We are also thankful for the trust and confidence that our customers and shareholders have shown on us.

I am confident that Fine Organics is well-positioned to capitalise on the opportunities that lie ahead. With a strong team, a diverse product portfolio, and commitment to growth and sustainability, the Company is ready to take on the challenges of the future. We are also committed to delivering value for all our stakeholders even as we continue to grow.

Best Wishes

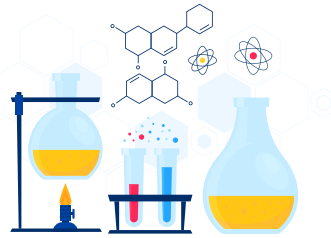
**Mukesh Shah**

*Chairman and Managing Director*

# HARNESSING OUR STRENGTHS FOR SUSTAINABLE GROWTH

## 1 FULLY INTEGRATED R&D

At Fine Organics, we have a dedicated R&D centre that is equipped with state-of-the-art technology and an experienced team of scientists and technicians. As a key component of our business strategy, we innovate new products for various industries with the help of our in-house capabilities. The aim is to enhance our product offerings and stay ahead of competition.



**25+**  
EXPERIENCED SCIENTISTS AND TECHNICIANS

### OUR FOCUS AHEAD



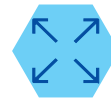
**DEVELOPING**  
NEW PRODUCTS



**IMPROVING**  
PROCESS TECHNOLOGY



**EXPLORING**  
NEW BUSINESS AREAS



**FLOWING**  
INNOVATION PIPELINE

## 2 GROWING PORTFOLIO OF SUSTAINABLE PRODUCTS

At Fine Organics, we aim to replace chemicals with oleochemicals-derived green additives. Oleochemicals are derived from vegetable oils and help in developing a wide range of additives for multiple industries. These include cosmetics, coatings, plastics, polymers, rubbers, food emulsifiers, feed nutrition and other functional additives used for several other industries.



## WHERE WE ARE POSITIONED



Fine Organics is a pioneer in the manufacturing of food emulsifiers in India. Additionally, the Company has expanded its range of products to include anti-fungal agents, bread improvers, and beverage clouding and agents, among other products.



Our specialisation in oleochemistry has empowered the Company to produce a wide range of additives for various types of polymers rubbers and elastomers.



The Company's product range for CosPha (Cosmetics and Pharmaceuticals) applications serves as base ingredients. They enhance appearance and are used in skin care products, such as creams, lotions, and ointments, among others.



Using our oleochemistry expertise, we have developed a line of functional additives and special formulations for several other industries.

## 3 GROWING CUSTOMER BASE THROUGH SUSTAINABLE VALUE ADDITIONS

At Fine Organics, our diversified customer base is a key strength. It not only reduces our reliance on any one customer or industry, but also provides a stable revenue stream that is less susceptible to market fluctuations.







**470+**  
PRODUCTS

**850+**  
DIRECT CUSTOMERS  
SERVED

**5000+**  
END-USERS

**80+**  
COUNTRIES  
EXPORTED TO

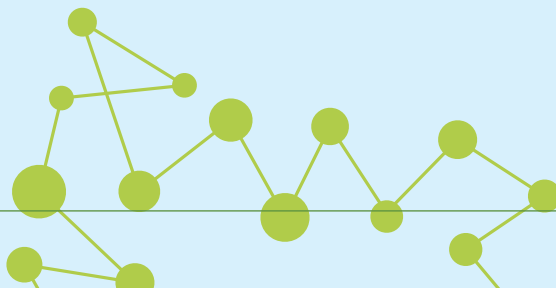
**Domestic**

<b>~32%</b> IN 2022-23	<b>~40%</b> IN 2021-22	<b>~45%</b> IN 2020-21
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**Exports**

<b>~68%</b> IN 2022-23	<b>~60%</b> IN 2021-22	<b>~55%</b> IN 2020-21
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This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.



# 4 STATE-OF-THE-ART MANUFACTURING FACILITIES

At Fine Organics, we create holistic value for our customers through our manufacturing capabilities. The Company delivers its products across the globe. To make the process more convenient and efficient, we have strategically placed our manufacturing facilities at locations that allow easy access to ports. This allows us to cater to global demands in a hassle-free manner and save costs.

**ISO 9001:2015**  
CERTIFIED UNITS

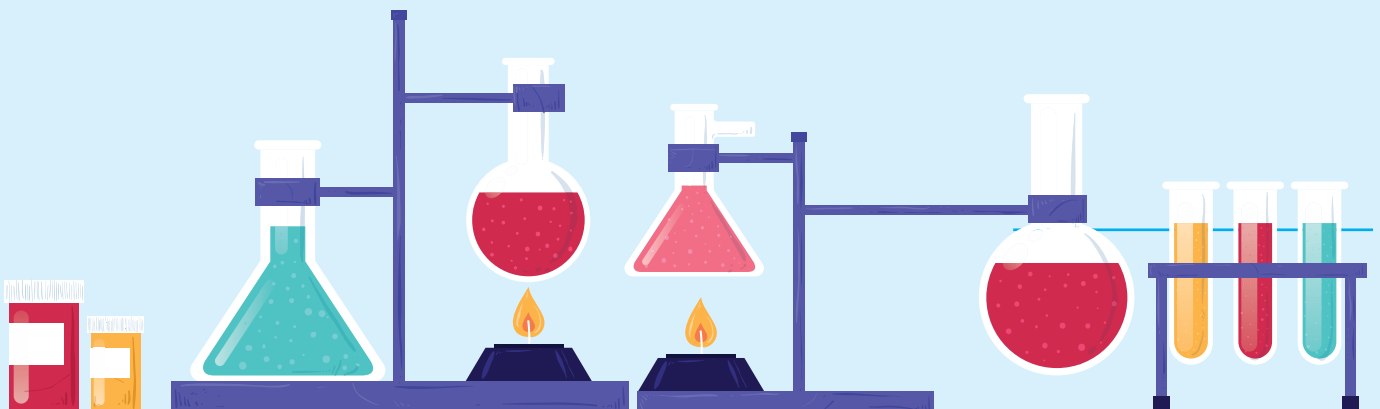


# 5 DISTRIBUTION NETWORK

Fine Organics has a well-established distribution network spanning several regions and countries. We have an extensive distribution network, with warehouse located in the USA and Europe through our subsidiaries.

**180+**  
DISTRIBUTORS  
GLOBALLY

WAREHOUSE IN THE  
**USA & Europe**



# 6 COMPETITIVE EDGE WITH A SPECIALISED BUSINESS MODEL

The Company has established itself among the largest players in the industry. The Company offers premium-quality additives to Indian and international markets backed by our robust R&D and in-house manufacturing capabilities.



## Threats to new entrants ▼

## Staying ahead of the curve ▼

Limited Players	
The Indian specialty additives market has a few small and limited players, while the global market has very few large players.	The Company is the largest organised player in the Indian market and is expanding its presence globally.
Customer Loyalty	
Long and expensive product processes result in high switching costs for customers. Therefore, they rely on established suppliers as performance ingredients are critical to their end products.	The Company provides premium, eco-friendly, oleochemical derived green additives that are mostly bio-based, safe to use, and largely biodegradable. The Company's sustainability approach combines excellence in functionality and safety to offer effective benefits.
Complex Technology	
The oleochemical-derived green additive industry has multiple entry barriers due to complex technology and manufacturing processes. Developing product formulations, innovation, and process technology is both time and capital-intensive.	The Company has an early-mover advantage in the industry and has set up its own manufacturing facility, ensuring consistent delivery of quality products.
Highly Regulated	
Stringent regulatory parameters are necessary for additives because they have a direct impact on human life and the environment.	The Company's eco-friendly oleochemical derived green additives comply with stringent quality parameters and industry regulations.



# 7 LEADERSHIP POSITION

**Pioneer and the largest producer** of oleochemical-based additives in India and a strong player globally

**Fully automated production facilities** with multiple production sites

**One of the few global players** in specialty food emulsifiers

**One of the few global players** in the polymer additives industry

**One of the few leading players** to develop proprietary technology to produce green additives



**OPERATING CONTEXT**

# LEVERAGING SUSTAINABLE PRACTICES TO ENHANCE BUSINESS VALUE

At Fine Organics, our value-creation strategy depends on a complex and dynamic operating environment that is shaped by a range of internal and external factors. Understanding the megatrends is critical to the Company’s long-term success, as it enables us to identify opportunities, manage risks, and make informed strategic decisions. We strive to stay attuned to these trends and leverage our strengths to grow and prosper in the upcoming year, improving our megatrends.

## Indian economic conditions

The Indian economy demonstrated exceptional performance during 2022-23, positioning itself as one of the fastest-growing economies. As per OECD, the country’s GDP growth rate stood at 7.2%, driven by higher than expected agriculture output and strong government spending.\* Despite global macroeconomic challenges and tighter domestic monetary policies aimed at addressing inflationary pressures, the growth momentum remained steady. This showcased the underlying strength of India’s economy in recovering and revitalising growth drivers.

*\*(Source: [https://www.business-standard.com/economy/news/oecd-marginally-revises-india-s-gdp-growth-forecast-to-6-for-fy24-123060700887\\_1.html](https://www.business-standard.com/economy/news/oecd-marginally-revises-india-s-gdp-growth-forecast-to-6-for-fy24-123060700887_1.html)).*

## Megatrends

### Growing consumer base

With constant R&D and an understanding of the kind of products required in various industries, Fine Organics is able to cater to customers across the globe. And the growing population drives the demand for the products.

### High focus on sustainability

At Fine Organics, we stand by our vision of replacing traditional synthetic chemicals with green additives that are good for the environment and creating a long-term sustainable business. We undertake extensive analysis of the market demands for sustainable products and the increasing focus on sustainability presents a positive sign for the growth of the Company.





## About the industry

The global specialty chemicals market was valued at US\$ 612.2 billion in 2022 and is expected to grow at a CAGR of 5.1% during 2023-30.\* Globally, the specialty chemicals industry has grown to become one of the most important segments. This growth is driven by the increasing demand from pharmaceuticals, food and feed additives segments.

Additionally, there is a huge opportunity for growth in the oleochemicals market. Oleochemicals are derived from vegetable oils, and used as an additive in many industries, replacing synthetic chemicals. This is because they are

derived from plants, rather than petrochemicals, which are harmful for the environment. The green additives are 100% safe to use in several industries, such as foods and beverages, feed nutrition, plastics & polymers, cosmetics, pharmaceuticals, rubbers, and coatings etc.

At Fine Organics, our vision is to become one of the preferred oleochemical additive suppliers supported by market demand. This presents an excellent opportunity for growth for the Company.

\*(Source: <https://www.grandviewresearch.com/industry-analysis/specialty-chemicals-market>).

## Industry growth potential factors

### FOOD ADDITIVES

#### INDUSTRY



#### KEY ADDITIVES & INGREDIENTS

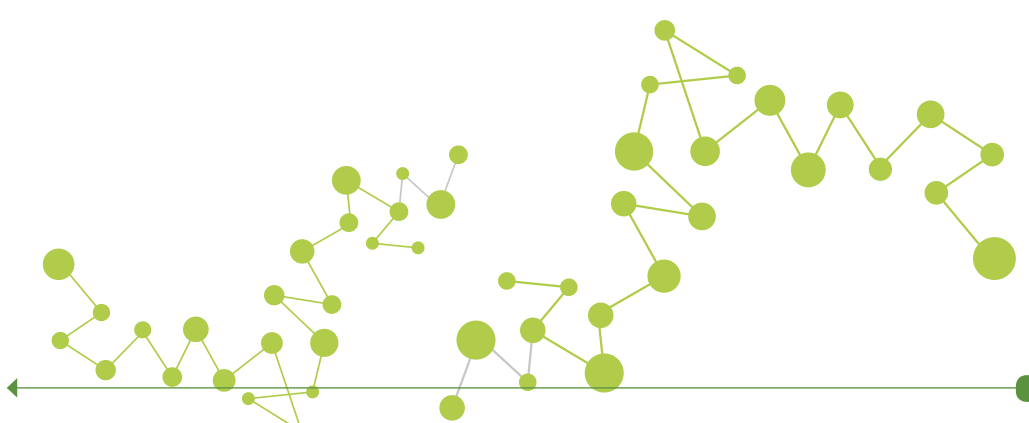
- Emulsifiers
- Anti-fungal agents
- Bakery products
- Anti-crystallisers

#### END-USE APPLICATIONS

- Bakery
- Confectionery
- Biscuits
- Oil and fats
- Dairy products
- Beverages

#### GROWTH DRIVERS

- Increased consumption
- Improved number of end-user applications
- People moving towards healthy lifestyle



## POLYMER ADDITIVES

### INDUSTRY



### KEY ADDITIVES & INGREDIENTS

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

### END-USE APPLICATIONS

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

### GROWTH DRIVERS

- Replacing use of conventional plastics
- Demand for green polymer additives
- Development of performance polymer additives

## COATINGS AND SPECIALITIES

### INDUSTRY



### KEY ADDITIVES & INGREDIENTS

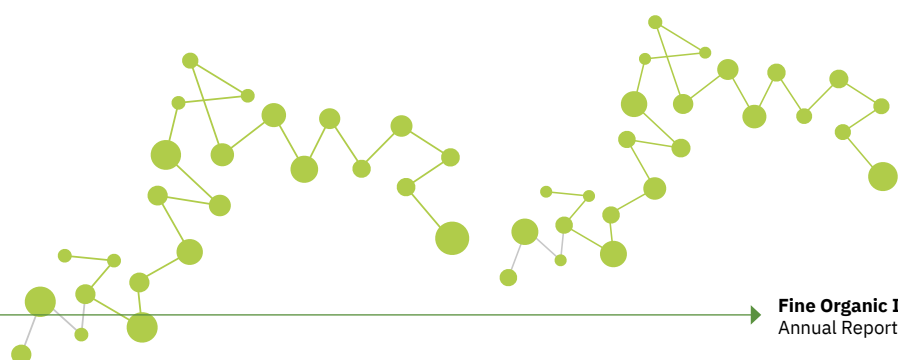
- Lube additives
- Property modifiers
- Anti-corrosive additives
- Emulsifiers
- Wetting and dispersing agents
- Anti-mat additives

### END-USE APPLICATIONS

- Automotive lubricants
- Roads and highway
- Other specialty application
- Printing inks
- Coating materials

### GROWTH DRIVERS

- Increase in infra-projects
- Growth in automobile sales
- Increasing usage in industrial protective coating
- Growing e-commerce
- Increased demand for paint protecting coating
- Growth in niche products
- Increased use of specialty papers



## COSPHA ADDITIVES

### INDUSTRY



### KEY ADDITIVES & INGREDIENTS

- Emulsifiers & emollients
- Green surfactants

### END-USE APPLICATIONS

- Creams, lotions
- Skin care
- Hair care
- Cleanser
- Home care

### GROWTH DRIVERS

- Growth in Tier II and Tier III cities
- Increased demand for men's cosmetics
- Growing demand for cosmetics

## FEED NUTRITION ADDITIVES

### INDUSTRY



### KEY ADDITIVES & INGREDIENTS

- Natural antibiotics
- Nutritional additives
- Anti-fungal additives

### END-USE APPLICATIONS

- Poultry feeds
- Cattle feeds

### GROWTH DRIVERS

- Growing health and safety awareness in the food processing industry
- Increased demand for quality milk



VALUE CREATION MODEL

# OUR SUSTAINABLE VALUE CREATION FRAMEWORK

Resources we integrate How we do it



### FINANCIAL CAPITAL

We are committed to delivering value to all our stakeholders (i.e., employees, shareholders, governments, and communities) by injecting capital employment across our value chain.



### INTELLECTUAL CAPITAL

Investing in research and consumer marketing for deep insight into changing needs of consumers is critical for us. We leverage our R&D capabilities and proprietary technologies to deliver innovative products that reinforce and enhance our brand equity.



### MANUFACTURING CAPITAL

Our manufacturing facilities are strategically located near ports to enable efficient global distribution and better serve the needs of our customers.



### HUMAN CAPITAL

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



### SOCIAL CAPITAL

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



### NATURAL CAPITAL

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

## Our key growth enablers...

- PEOPLE CAPABILITIES AND CAPACITY
- SUSTAINABILITY
- COST-LEADERSHIP

## ...coupled with supply chain...

- EFFICIENT LOGISTICS
- OPTIMAL PROCUREMENT
- QUALITY ASSURANCE

## ...and sales and marketing actions...

- CUSTOMER INSIGHTS
- GREEN PRODUCTS
- INNOVATION

## ...results in

profitable and sustainable growth through newer products and geographic expansion.

## Long-term value creation for stakeholders



### CUSTOMERS

We aim for strong customer engagement and relationships to understand their needs. We offer dependable solutions and continually enhance our offerings to align with market trends.

*Read more on pages 26*



### SUPPLIERS

We partner with reliable and authentic suppliers to create mutual value. Innovation, technology, and ethical behaviour are top priorities in our dealings with suppliers. We maintain open communication to continuously improve and address any gaps in our business relationship.

*Read more on pages 27*



### EMPLOYEES

We promote and initiate transparent communication with our employees to enhance productivity and efficiently address any conflicts that may arise. We foster a culture of unity and inclusivity within our team to promote a collective sense of fulfillment when accomplishing business objectives.

*Read more on pages 28*



### INVESTORS AND SHAREHOLDERS

We prioritise transparency and dialogue with investors and shareholders. Our ethical relationships with banks, credit rating agencies, and investors secure timely support and funding to capitalise on superior investments.

*Read more on pages 29*



### COMMUNITIES

We prioritise giving back to our community through open dialogue and good relations. Our efforts include environmental stewardship and supporting underserved populations near our facilities. We initiate projects to improve local well-being, protect ecosystems, and support livelihoods. We also prioritise equal access to education and healthcare for those in need.

*Read more on pages 32*



### GOVERNMENT/REGULATORS

We collaborate with local authorities to prioritise policy and strategic issues. Our planning process helps us develop a strategy that ensures compliance, interpretation of regulations, and uninterrupted operations.

*Read more on pages 38*



**CUSTOMERS**

# CREATING SHARED VALUE WITH OUR CUSTOMERS

At Fine Organics, we consider our customers as the core pillars of our operations. Providing excellent service and delivering superior quality products to our customers are among our top priorities.

## Our value proposition

At Fine Organics, we offer our customers high-quality products that undergo multiple quality checks. Our robust R&D and technical team engages with customers regularly to understand their need for products. They are then manufactured accordingly and provided to the customers. We provide effective and efficient technical support to our customers. We leverage our advance application test capabilities for better customer understanding, which helps us to stay ahead in the market. Further, the Company is committed to providing customised and eco-friendly solutions for the specific requirements of our customers.

## Creating customer value through robust manufacturing capabilities

At Fine Organics, our state-of-the-art manufacturing capabilities allow us to invest in necessary equipment and infrastructure to manufacture products at a large scale. We produce premium-quality specialty additives which helps us to meet the demand of our customers efficiently and effectively. Moreover, the Company ensures that customers receive their orders on time and at a competitive price. This further helps us to build loyalty and drive repeat business.

Fine Organics, with its robust R&D wing, responsibly understands the current and future needs of the market and the customer. This supports the Company's growth and profitability over the long term.

## Plant Locations

Dombivli | Badlapur |  
Ambarnath | Patalganga

## Zero-Liquid Discharge

At 6 Manufacturing Plants



SUPPLIERS

# RESPONSIBLE SOURCING FOSTERS SUPPLIER VALUE CREATION

Fine Organics values its supplier relationships and recognises their critical role in our success. The Company strives to establish long-term partnerships with our suppliers based on mutual trust, transparency, and fair-trade practices. Our commitment to responsible sourcing and supplier diversity enables us to deliver innovative and high-quality products to our customers. This commitment also creates sustainable value for our suppliers.



**EMPLOYEES**

# INCLUSIVE DEVELOPMENT TO EMPOWER OUR PEOPLE

The culture at Fine Organics revolves around fostering respect, collaboration, and growth among employees. The Company aims to inspire our workforce to live by their personal values and purpose each day. This fosters a strong sense of pride within the organisation. We undertake significant initiatives for our people to nurture them to be effective contributors to our success. This also helps to create a lasting impact on our customers, our shareholders and the communities within which we operate.

## Our value proposition

At Fine Organics, we foster diversity and inclusion, employee well-being, and a positive workplace culture to ensure a comfortable and fair environment for everyone. Continuous learning and development for our employees are the top priorities at Fine Organics. We provide them with training on the latest technologies to encourage the development of innovative additives. Investing in our people is a key priority for us. We offer opportunities for skill and knowledge acquisition and promote career growth within the organisation.

We highly value the health and safety of our employees. The Company offers health and safety training to prevent workplace accidents and advocates a zero-incident philosophy to minimise hazards related to our operations. We are dedicated to upholding principles of human rights, which include non-discrimination, prevention of child labour and sexual harassment, and equal employment opportunities, among others. The company complies with all relevant laws and regulations.

# 825

EMPLOYEE STRENGTH

# >17%

WOMEN EMPLOYEES

# >10%

EMPLOYEES COMPLETED 25  
YEARS OF JOURNEY WITH US

# >7%

2<sup>ND</sup> GENERATION OF  
EMPLOYEES



## SHAREHOLDERS

## DRIVING INVESTOR VALUE WITH CONSISTENT FINANCIAL PERFORMANCE

As strong proponents of ensuring growth by integrating sustainability into all our endeavours, Fine Organics has consistently delivered value for our investors, and all other stakeholders.

We have an excellent track record of sound financial performance, steady revenue growth, and profitability. The Company has a diverse portfolio of products and a global presence. This helps us to reduce risk and exposure to any market, creating trust and loyalty among our shareholders.

### Our value proposition

#### Strong Financial Performance

Fine Organics has consistently delivered strong financial performance over the years. In 2022-23, the Company reported a revenue of ₹ 3,029 crores, a growth of 63% YoY. Our EBITDA for the year was ₹ 781 crores, a growth of 124% YoY.

#### Dividend pay-outs

Fine Organics has been delivering consistent dividends every year. In previous year the Company has paid ₹ 9 per equity share (180%) as a final dividend.

#### Cost optimisation

Fine Organics has implemented cost optimisation measures to improve its operational efficiency and reduce costs. This can help the Company to improve its margins and profitability.

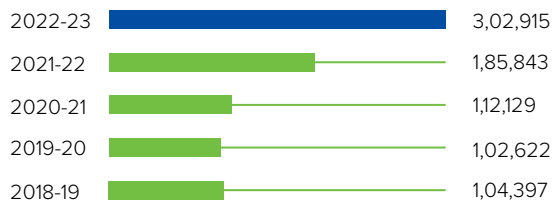


## Maximising our Financial Potential for Investors

A review of financial performance is necessary for companies to have a better understanding of their finances, plan their operations accordingly, and achieve their goals. At Fine Organics, we monitor any investment made in equipment or R&D. It is important to understand the utilisation of our resources and lower unwanted expenses.

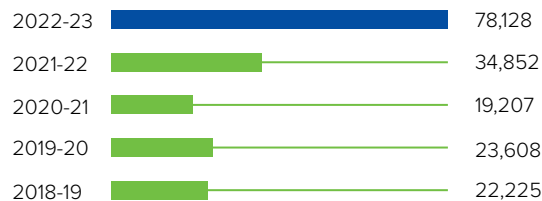
### REVENUE FROM OPERATIONS

(₹ in lakhs)

**31% CAGR** 


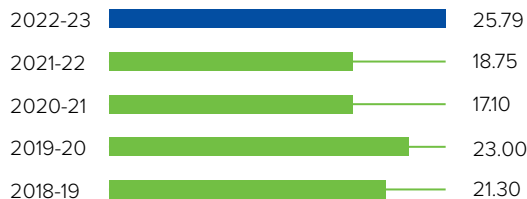
### EBITDA#

(₹ in lakhs)

**37% CAGR** 


### EBITDA MARGIN

(%)

**37% CAGR** 


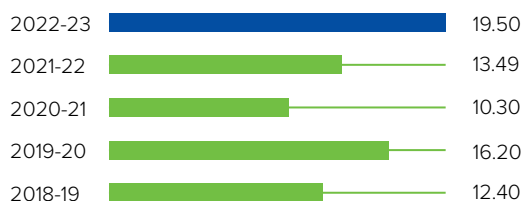
### PAT##

(₹ in lakhs)

**46% CAGR** 

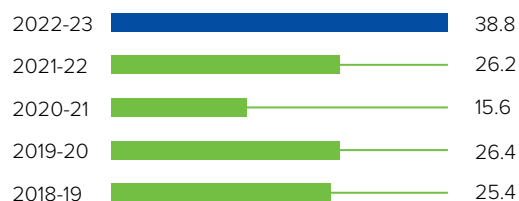

### PAT MARGIN

(%)

**46% CAGR** 


### RETURN ON NET WORTH

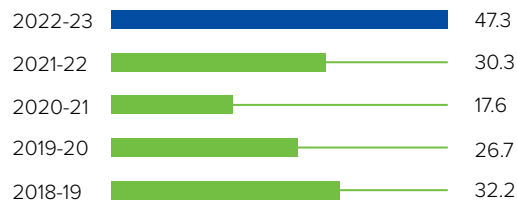
(%)

**11% CAGR** 


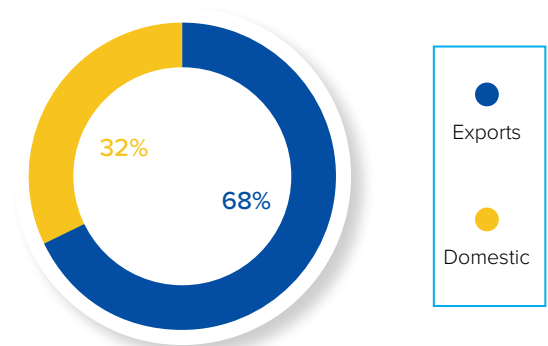


## ROCE<sup>###</sup>

10% CAGR  (%)

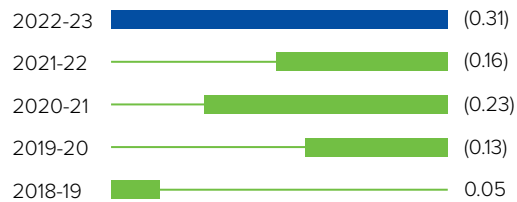


## REVENUE DISTRIBUTION



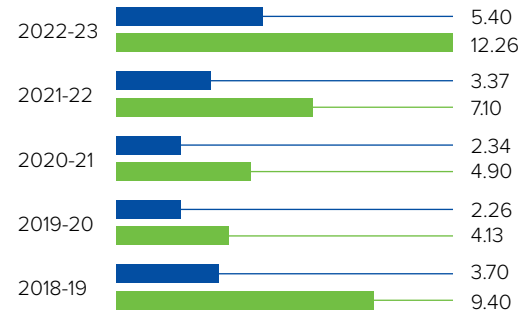
## DEBT EQUITY

(X)



## FIXED ASSET TURNOVER

(X)



■ Gross ■ Net

CAGR = Compound Annual Growth Rate

<sup>#</sup>EBITDA = Earnings Before Interest, Tax, Depreciation, and Amortisation Less Other Income

<sup>##</sup>PAT = Profit after Tax

<sup>###</sup>RoCE = Return on Capital Employed

Return on Net Worth = Net Profit After Taxes / Shareholders' Equity

Debt Equity = Net Cash and Cash Equivalent / Shareholders' Equity

Return on Capital Employed = Operating Ebit / (Shareholders Equity + Total Short-term and Long-Term Debt)

Fixed Asset Turnover (Gross) = Revenue from Operations / Gross Amount of Fixed Assets Including Intangible Assets and Cost of Land

Fixed Asset Turnover (Net) = Revenue from Operations / Net Amount of Fixed Assets including Intangible Assets and Cost of Land

\*Net Cash Position

**COMMUNITIES**

# SOCIALLY RESPONSIBLE ENVIRONMENTAL LEADERSHIP TO EMPOWER COMMUNITIES

There is no greater growth formula than to emphasise using sustainable technologies and processes to create value, not just for the business, but for the communities that a company operates in.

At Fine Organics, we prioritise community engagement and aim to create positive social and economic impact through sustainable and ethical operations. The Company supports various community development initiatives and is committed to being a responsible corporate.

## Our value proposition

- At Fine Organics, we understand that giving back to society is the most important aspect of every business entity. The Company stands responsibly and acts sustainably to reduce the negative social or health impact on the communities and minimise environmental impact.
- We support the community by providing employment opportunities and contributing to local economic development.
- We serve the community through initiatives and social responsibility programmes, in the areas of education, healthcare, and women’s empowerment.
- We promote responsible and sustainable practices throughout our supply chain. This helps us to support the livelihoods and well-being of suppliers who provide the raw materials for our products.

## Continued focus on Environment, Social and Governance (ESG)

*#Refer to BRSR report – Section B Management and Process Disclosures (Page: 100)*

At Fine Organics, we place strong emphasis on Environment, Social and Governance (ESG) practices. We have implemented various initiatives to promote responsible and sustainable practices across our operations.

The Company has invested in renewable energy sources, implemented energy-efficient practices, and reduced waste and emissions.

At Fine Organics, we provide employment opportunities and empower local communities to stand on their own and achieve their dreams. We have a dedicated Corporate Social Responsibility (CSR) team that works on various initiatives undertaken by the Company during the financial year.

Additionally, we have a strong focus on transparency and accountability, and have implemented various measures to ensure compliance with legal and regulatory requirements.

## Making a positive impact through our CSR programmes

#Refer to BRSR report – Section A General Disclosure (Page: 93)

Growth for one must be growth for all, for it to be sustainable and capable of adding value to the ecosystem. This is why it is essential for all corporates to mandatorily execute their social responsibilities through engaging and effective programmes that empower the communities in diverse ways. At Fine Organics, we have introduced many such initiatives in different areas:

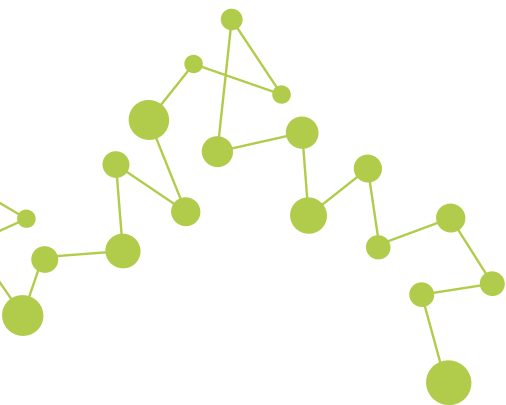
### Education

Education is every child's fundamental right. It can help improve lives and address issues such as poverty, equality, and access to education. At Fine Organics, we believe in educating every child as it can have a lasting impact on their future. The Company is constantly working towards the same through tie-ups with many educational societies across India.



## Healthcare

Good healthcare has a direct impact on the well-being of individuals and communities. At Fine Organics, we believe that with our initiatives towards healthcare, we are well-placed to help the local communities and improve public health. The Company connects with various NGOs to provide basic healthcare facilities to those who lack access.





## Women Empowerment

Empowering women means generating equal opportunity for them. This includes enabling them to make decisions and take control of their lives. We have been supporting many welfare institutions for women empowerment. These institutions conduct various training programmes and help women become financially independent.





## Promoting growth and sustainability through environmental responsibility

#Refer to BRSR report – Section B Management and Process Disclosures (Page: 100)

At Fine Organics, we are constantly working towards the betterment of environment. The Company has undertaken multiple initiatives in this regard.



### Environment-friendly plant-based raw materials and products

Majority of the Company's raw materials are vegetable based and obtained from various plant sources, which are natural and renewable. Therefore, the Company is able to manufacture and offer its final products as 'Green Additives' for most applicants.



### Wastewater management

The Company implements the 3R approach - Reduce, Reuse, and Recycle - across all of its production facilities to safeguard natural resources. By adopting the 3R principle, the Company can curtail its resource consumption, minimise waste production, and foster sustainability in its operations, thus curbing its environmental impact and supporting the fight against climate change. Notably, the Company prioritises the preservation and conservation of water resources above all. The Company has undertaken different measures to reduce its daily water usage, staff up-skilling and frequently monitoring the water consumption. Additionally, the Company uses scientifically built ETP & STP systems to treat all wastewater generated within plant. The treated water is then reused and recycled within the facilities. As a result, the Company conserves one of the most valuable natural resources, 'Water'.



### Use of energy-efficient products

The Company uses Variable Frequency Drive (VFD) for motors and pumps to get the desired performance at optimum consumption of energy. The Company has also installed LED lighting throughout its plant and office premises.



### Energy conservation

The Company uses renewal energy like solar energy in the form of 'sky pipes' across all its warehouses. These sky pipes work on the fundamental of utilising solar light as a resource for indoor lighting. Thus, during the daytime, the Company does not need to use any electrical power for LED lamps in the warehouses, reducing electricity utilisation and conserving energy.



### Reduce air pollution

The Company has shifted from using furnace oil to natural gas - one of the clean-burning fuel reducing CO<sub>2</sub> emission and eliminating SO<sub>2</sub> levels. This initiative has led to reduction in air emission. Thereby, achieving eco-friendly production facilities.



### Tree plantation

The Company has planted 845 trees, both within and around its facilities, which have several benefits, including helping sequester carbon dioxide and thereby reducing the Company's carbon footprint. Additionally, the Company has undertaken green belt development and landscaping both within and around its facilities. This initiative has led to the creation of attractive and well-maintained green areas that enhance the release of oxygen into the surrounding environment and improve aesthetics.



### Carpooling

The Company provides carpooling facilities to its employees. Thus, helping to reduce fuel consumption and CO<sub>2</sub> emissions as compared to using personal vehicles for commute.



### Plastic packaging & waste

The Company ensures a reduction in the use of plastic packing materials through alternate solutions. The plastic waste generated within the facility gets collected strategically and is disposed by sending it to authorised plastic recyclers. The Company gets a valid certificate from the authorised recyclers for the same. This helps to ensure that the plastic waste is treated suitably as per the Central & State



### Green building initiative

The Company, leveraging its past experience in procuring LEED certification, which demonstrates confidence in meeting the requirements for LEED certification across its upcoming greenfield projects. This will further enable the company to adopt sustainable practices, conserve resources, and achieve long-term sustainable growth.



## SDGs impacted



**REGULATORS**

# TRANSPARENCY DRIVEN SUSTAINABLE VALUE CREATION FOR REGULATORS

At Fine Organics, we prioritise regulatory compliance and transparent reporting. This approach has created value for regulators by promoting effective monitoring and adherence to relevant regulations. The Company’s ethical conduct and compliance with standards contribute to the realisation of the sustainable development goals.

## Our value proposition

At Fine Organics, we have implemented robust governance practices and internal controls to ensure compliance with all relevant regulations. These efforts have helped regulators monitor the Company’s activities effectively and mitigate potential risks, thereby enhancing the overall regulatory environment.

We focus on sustainability across our value chain and creating value for our stakeholders. This level of transparency helps regulators to evaluate the Company’s performance and make informed decisions about our regulatory requirements.

Overall, the Company’s focus on maintaining regulatory compliance, transparent reporting, and sustainable practices creates significant value for regulators.



## GOVERNANCE

# UNLOCKING ORGANISATIONAL VALUE THROUGH RESPONSIBLE GOVERNANCE AND LEADERSHIP

At Fine Organics, we prioritise regulatory compliance and transparent reporting. This approach has created value for regulators by promoting effective monitoring and adherence to relevant regulations. The Company's ethical conduct and compliance with standards contribute to the realisation of the sustainable development goals.

### Governance Framework

Fine Organics has a well-defined governance framework that directs us to a system of rules and regulations. These streamline the functioning of the organisation and ensure the sharing of accurate information regarding the financial and non-financial aspects.

Fine Organics has a diverse and experienced Board of Directors, various committees, and policies. These promote ethical behaviour and compliance with applicable laws and regulations. The board comprises both executive and non-executive directors who bring diverse skills and expertise to the table.

### Policies

Fine Organics follows the highest standards of ethical conduct and integrity, which play a critical role in any organisation. The Company's policies cover various areas, such as corporate social responsibility, code of conduct, whistle blower policy, sexual harassment policy, fair disclosure code, etc.

Strong corporate governance and policy strengthen the Company's potential by establishing a promising, trustworthy, and value-driven entity for our stakeholders. We have implemented several policies to ensure that our operations are ethical, compliant, and sustainable.

### Some supporting policies adopted by Fine Organics that add value to the organisation

- Archival Policy
- Code of Conduct for Board of Directors and Senior Management Personnel
- Corporate Social Responsibility Policy
- Determination of Materiality Policy
- Diversity of Board of Directors Policy
- Dividend Distribution Policy
- Materiality-Related Party Transactions Policy
- Nomination and Remuneration Policy
- Policy for Determining Material Subsidiaries
- Sexual Harasment Policy
- Whistle Blower Policy

BOARD OF DIRECTORS

# LEVERAGING SUSTAINABLE GROWTH THROUGH EXPERTISE



**Mr. Mukesh Shah**

*Chairman and Managing Director*

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



**Mr. Jayen Shah**

*Executive Director and CEO*

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



**Mr. Tushar Shah**

*Executive Director and CFO*

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



**Mr. Bimal Shah**

*Executive Director*

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



**Mr. Nikhil Kamat**

*Executive Director (June 27, 2022)*

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



**Mr. Prakash Apte**

*Independent Director*

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





### Mr. Mahesh Sarda

*Independent Director*

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



### Mr. Thiruvengadam Parthasarathil

*Independent Director*

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



### Mr. Kaushik Shah

*Independent Director*

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



### Ms. Pratima Umarji

*Independent Director*

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

# CORPORATE INFORMATION

## Board of Directors

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

## Board Committees

### Audit Committee

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

### Nomination & Remuneration Committee

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

### Corporate Social Responsibility Committee

<b>Mr. Jayen Ramesh Shah</b> , Chairman
<b>Mr. Prakash Krishnaji Apte</b>
<b>Mr. Kaushik Dwarkadas Shah</b>
<b>Mr. Mukesh Maganlal Shah</b>
<b>Mr. Tushar Ramesh Shah</b>

### Stakeholder's Relationship Committee

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

### Risk Management Committee

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

## Executive Committee

<b>Mr. Mukesh Maganlal Shah</b> , Chairman
<b>Mr. Jayen Ramesh Shah</b>
<b>Mr. Tushar Ramesh Shah</b>
<b>Mr. Bimal Mukesh Shah</b>
<b>Mr. Nikhil Dattatraya Kamat</b>

## Principal Bankers

Union Bank of India  
Citibank, N.A.

## Auditors

B Y & Associates,  
Chartered Accountants.

## Company Secretary and Compliance Officer

Ms. Pooja Bhavesh Lohar

## Registered Office

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

## Registrar & Transfer Agents

KFin Technologies Limited  
Selenium, Tower B, Plot 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad,  
Rangareddi 500032, Telangana  
CIN: L72400TG2017PLC117649  
Toll free number: 1-800-309-4001  
Email: einward.ris@kfintech.com  
Website: https://ris.kfintech.com

## Works

Additional MIDC, Ambernath (E) 421501  
Additional MIDC, Ambernath (E) 421506  
MIDC, Chemical Zone, Ambernath (W) 421501  
Khervai MIDC, Badlapur (E) 421503  
Millennium Business Park, MIDC, Mahape,  
Navi Mumbai 400710  
MIDC, Dombivli (E) 421204  
MIDC, Dombivli (E) 421203  
Additional MIDC, Patalganga-410220

# Management Discussion and Analysis

## INDIAN ECONOMIC LANDSCAPE

As per the economic survey for the F.Y. 2022-23, India has become the fifth-largest economy in the world in terms of exchange rates and also became the third-largest economy in the world in terms of Purchasing Power Parity (PPP). However, during the F.Y. 2022-23, the global economy faced numerous challenges, such as the Russia-Ukraine conflict, supply chain disruption, food grain crisis, climate change, and escalating commodity and fuel costs, leading to higher global inflation. All of these had a massive impact on India's growth story. Many central banks have increased their interest rates, putting additional strain on the country's banking system. However, the Indian Government and RBI undertook various measures to actively manage the situation and bring retail inflation below the upper tolerance target in November 2022. Despite these downturns, the Indian economy has been headstrong, emerging as the world's fastest-growing economy with a growth rate of 7.2% in F.Y. 2022-23, according to the International Monetary Fund (IMF).

This year's Union Budget aimed to strengthen India's economic status. Government's policies have progressively been geared towards promoting and expanding the economy's manufacturing outline, encouraging economic growth and employment. Additionally, there have been some supportive measures such as corporate tax rate reductions and fiscal incentives offered through the Production Linked Incentive (PLI) scheme. These have attracted domestic as well as international manufacturers to engage in industries like automotive, electronics & specialty chemicals.

According to predictions for a country of this size, the Indian economy has almost "recovered" what was lost, "renewed" what had halted, and "re-energised" what had stagnated during the pandemic and since the conflict in Europe in the F.Y. 2022-23.

### Outlook

After three intense years, the Indian economy is looking at better growth prospects over the next five years. According to CRISIL, GDP growth is expected to average 6.8% in the next 5 years (fiscal year 2024-28) on the back of structural improvements in the financial system. Additionally, with the ongoing pace of reforms and policies by the government that aims at resolving ground level challenges, will provide thrust and support a revival of the private sector pave way for an improved medium-term growth. Technological advancements, and other structural shifts such as emerging

trends in global supply-chain de-risking and green transition also hold greater promise.

(Source: <https://www.weforum.org/press/2019/01/challenges-and-opportunities-emerge-as-india-becomes-third-largest-consumer-market-by-2030/>, <https://www.crisil.com/en/home/newsroom/press-releases/2023/03/crisil-forecasts-indias-gdp-growth-at-6-percent-next-fiscal-corporate-revenue-to-log-double-digit-rise-again.html>)

## INDUSTRY OVERVIEW

### Specialty Chemicals

Specialty chemicals, some of which are the performance chemicals, are used as ingredients in various finished products and to improve manufacturing processes. They can be single-chemical formulations or entities whose composition prominently impacts the performance of the user's products. These chemicals are used based on their function and performance.

Some categories of specialty chemicals include applications in Adhesives, Cleaning Materials, Pigments, Personal Care, Constructions, Elastomers, Flavours, Foods, Fragrances, Lubricants, Paints and Coatings, Polymers, Surfactants, and Textiles. Other industrial sectors include Automotive, Aerospace, Agriculture, Manufacturing, etc.

Continuous R&D in the specialty chemicals field has aided the development of products with optimum and advanced features. This is one of the major factors driving the growth of the market. Most specialty chemicals are organic chemicals used in an extensive range of everyday products.

(Source: F&S Report, <https://www.alliedmarketresearch.com/specialty-chemicals-market>)

### Specialty Chemicals Industry - India

In spite of prevailing challenges in India, specialty chemicals industry has expanded exponentially in recent years and is anticipated to reach US\$ 64 billion by 2025 at a CAGR of 12.4%. This segment has been one of the fastest growing in the Indian manufacturing sector. The country has a potential to be a preferred manufacturing hub for specialty chemicals. This expansion can be attributed to the increasing demand from many end-user sectors such as foods, automobiles, packaging, clothing, construction, cosmetics, agriculture etc, along with favourable government policies. Some of these policies include the Petroleum, Chemicals, and Petrochemicals Investment Region (PCPIR) policy and Production Linked Incentive (PLI) schemes. Other growth

## Management Discussion and Analysis (Contd.)

factors are a growing domestic customer base and changes in consumer lifestyle. Strong process engineering and low-cost manufacturing capabilities, and a large labour pool in India will also contribute to the growth of the specialty chemicals business.

However, as pollution control regulations are becoming stricter and labour costs are increasing in other countries, manufacturers are looking to diversify their production and searching for alternatives. India has a distinct advantage in this regard due to multiple factors and this puts the country in a good position for substantial and rapid growth in the specialty chemicals segment. However, Government of India still needs to implement the right policies at the ground level.

(Source: <https://www.indianchemicalnews.com/opinion/indian-specialty-chemical-industry-poised-for-a-quantum-leap-13553>)

### Oleochemicals

Oleochemicals are primarily produced from natural raw materials derived from renewable vegetable oilseed crops. They are environmentally beneficial as they are biodegradable and naturally renewable. The surge in demand for green chemicals from end-user industries, and easy availability of raw materials are some of the important factors driving the demand for oleochemicals.

Oleochemicals are broadly utilised in personal care and cosmetic products, such as soaps, lotions, creams, and personal care products. In addition, their growing adoption as coatings, rubbers and adhesives in the construction industry is also contributing to the market growth.

During 2022-29, the global oleochemicals market is estimated to grow from US\$ 35.43 billion in 2022 to US\$ 54.43 billion by 2029, at a CAGR of 6.3%.

The market is buoyed by increasing consumer demand for daily use products such as organic soaps, foods, cosmetics, etc. Oleochemicals are also extensively used as, thickening agents, and emollients in the personal care and home care products. They are also gaining adoption in packaging of processed and ready-to-eat (RTE) food products. This, coupled with noteworthy evolution in the Food & Beverage (F&B) industry, is contributing to better growth prospects for the segment.

The tightening of environmental regulations and the fact that non-renewable resources are diminishing is also enabling oleochemicals to gain market share and replace the petroleum-based products in use currently. Many large producers are also switching to bio-based, eco-friendly products to meet the growing demand for sustainable products.

(Source: <https://www.fortunebusinessinsights.com/oleochemicals-market-106250>)

## INDUSTRY SEGMENT

### 1. Food Additives

Food additives have been in use for many years to preserve, flavour, blend, thicken, texture, and colour foods. They have played a significant role in decreasing serious nutritional deficiencies among consumers. Since ancient times, additives such as salt, spices, and sulphites have been used to preserve foods and make them more tasty and flavourful. Increased processing of foods in the 20<sup>th</sup> century brought about the need for new types of food additives. These ingredients also ensure the availability of flavourful, nutritious, safe, convenient, colourful, and inexpensive foods that meet consumer expectations.

Many modern products including snacks and other ready-to-eat foods require additives. Their usage has thus positively correlated with increasing demand for packaged/canned food.

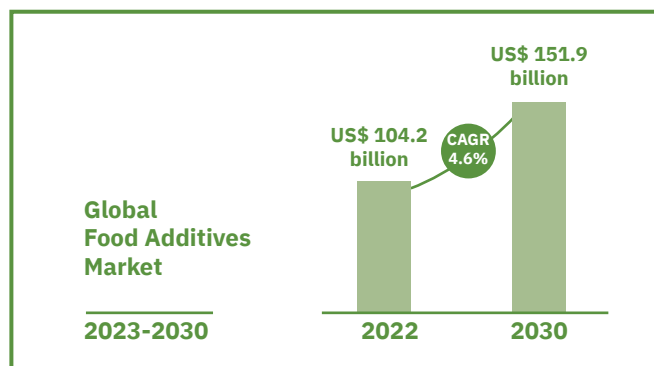
(Source: <https://www.who.int/news-room/fact-sheets/detail/food-additives>)

### Global Outlook

The food additives market size is expected to register a CAGR of 4.6% from 2023 to 2030. The global food additives market is driven by the increasing demand for processed, packaged, and convenience foods, particularly in developing countries.

Additionally, changing diet and lifestyles are driving the demand for packaged food & beverage worldwide. This is further fuelling the demand for additives used in food processing to improve their nutritional content and quality.

## Management Discussion and Analysis (Contd.)



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

### India Outlook

Changing lifestyles are increasing the demand for processed foods. There is also a growing consumer willingness to experiment with new unconventional flavours. As a result, the consumption of packaged and processed foods, cereals, alcoholic and non-alcoholic beverages, chocolates, confectionery, ice-cream, desserts, margarine, peanut butter, bakery goods, chewing gum, and ready-to-eat foods. Over the next few years, these trends are projected to help India's food additives market grow, registering at a CAGR of 6.5% during 2020-25.

Due to cultural and regional diversities, the food consumption pattern is not uniform in various parts of the country. These varying food preferences are also increasing the demand for additives.

There is an increased demand for food emulsifiers from food manufacturers to preserve the freshness, safety, taste, appearance, and texture of processed foods. India has been a prominent milk producing country. The booming demand for emulsifiers in the dairy industry is also fuelled further by the consumer demand for flavoured milk and reconstituted milk manufactured from milk powder, ice-cream, yogurts and other dairy products.

(Source: <https://www.techsciresearch.com/news/338-india-food-additives-market-to-register-growth-at-over-12-cagr.html>)

### Factors driving the food additives industry

- Growing demand for processed, packaged, and ready-to-eat convenience foods

- Growing demand for items that can be stored for a long time, such as pickles, sauces, sweets and savouries
- Growing disposable incomes and rapidly increasing urbanisation
- Increasing demand for premium ice creams, frozen desserts, and other dairy products
- Demand for food additives from hotels and restaurants to prevent spoilage

## 2. Plastics and Packaging

Additives are a crucial components of the plastics industry. The exclusive properties of plastics such as versatility, sturdiness, barrier properties, and weight are altered through creative additives. They are broadly used to modify the properties of plastic products during the compounding and processing stages. Plastic additives help to protect polymers in functional use against extreme weather conditions and exposure to UV light or water. Additives also provide protective characteristics like flame retardancy.

The processing and manufacturing of plastic has evolved over time primarily to promote a "circular" economy and successfully address the issues caused due to plastics waste management. Some of the primary trends noted in the plastics industry include encouraging the use of bio-based raw materials and maximising recycling of used plastics. Plastic additives now have a more important role to play.

(Source: [https://plastics-rubber.basf.com/global/en/plastic\\_additives.html](https://plastics-rubber.basf.com/global/en/plastic_additives.html))

### Global Outlook

The global plastic additives market was valued at US\$ 51.01 billion in 2022 and is anticipated to grow from US\$ 52.45 billion in 2023 to US\$ 83.3 billion in 2030, registering a CAGR of 5.3% between 2022 to 2030. This can be attributed to the increased demand from the packaging industry as it is used in various industrial and household applications.

Plastic additives have many applications in areas such as packaging, construction, automotives, consumer goods, agriculture, household products and healthcare. They are frequently utilised in the automotives and construction industries due to qualities such as greater impact strength, improved coupling, higher elongation,



## Management Discussion and Analysis (Contd.)

reduced brittleness, and increased plasticity. They have also received significant acceptance in the automotive industry to increase fuel efficiency by weight reduction. The demand for plastic additives is thus projected to remain stable backed further by the excellence in innovation, usability, and application.

Lifestyle changes, growing population, and rapid urbanisation triggered the growth of the packaging industry, boosting the global market. The global market is also driven by the increasing use of plastic in day-to-day life. Some of the other common applications of plastic additives include roofing, pipes, wires, cables, safety gears, household products, kitchenware, etc.

(Source: <https://www.alliedmarketresearch.com/plastic-additives-market> ; <https://www.marketresearchfuture.com/reports/plastic-additives-market-1753>)

### India Outlook

India is a significant consumer of plastic additives such as plasticisers, flame retardants, and stabilisers. Various finished goods, including wires and cables, pipes and fittings, packaging films, and automotive components mainly drive the country's demand for plastic additives. The high demand can be attributed to urbanisation, a growing middle class, robust economic growth, and efficient manufacturing centres. Plastic additives are also seeing increased use in various end-user industries such as packaging, automotives, consumer goods, construction, electronics, agriculture. The government has also framed strict regulatory policies for encouraging the use of bio-degradable plastics, which in turn are likely to boost demand for green plastic additives in India in the coming years.

(Source: <https://www.lucintel.com/India/plastic-additive.aspx>)

### Factors driving the plastics and packaging industry

- The growing demand for plastics in consumer goods and other everyday use
- The high demand for packaging-related applications and therefore, plastic additives
- Shift in consumer preference towards eco-friendly plastic products and increasing use in food packaging

### 3. Cosmetics and Pharmaceuticals

Cosmetics are described as “items with minimal impact on the human body for cleaning, beautifying, altering the appearance, or maintaining or promoting the skin or hair in good condition.” Additives like Emollients, Cosmetic Emulsifiers, Preservatives, Fragrances, Colourants, Surfactants, Water, Vitamins, and Antioxidants are used in cosmetics. They aid the manufacturing of products in different forms such as creams, gels, pastes, lotions, solutions, lipsticks, powders, and sprays. They provide these products with long-term physical stability for transport and storage and hinder germination through yeast and bacteria. They also help keep cosmetics fresh and safe for usage.

The primary product categories of the cosmetics market are skincare, haircare, makeup, perfumes, toiletries, oral cosmetics, and deodorants.

(Source: <https://www.fortunebusinessinsights.com/cosmetics-market-102614>)

### Global Outlook

The global cosmetic ingredients market is estimated to register growth at a CAGR of 5.3% during 2022-28.

One of the significant factors driving the market expansion is the widespread increase in the adoption of skincare and personal care products along with the rise in the global ageing population. In addition, cosmetic products are witnessing high demand due to better living standards, increased awareness around products, growing disposable incomes, rapid urbanisation, and increasing consumer interest in natural ingredients.

The global cosmetic ingredients market is primarily driven by the desire for better self-grooming and self-care to improve external appearance. One of the key elements influencing the use of cosmetics is the rise in awareness about one's internal intelligence and external beauty. Other factors driving the growth of the global cosmetics market include government regulations around the use of toxic chemicals and increased demand for products made from natural ingredients.

(Source: <https://www.globenewswire.com/en/news-release/2022/12/07/2569152/0/en/Cosmetic-Ingredients-Market-Size-Share-to-Surpass-42-9-Billion-by-2028-Vantage-Market-Research.html>)

## Management Discussion and Analysis (Contd.)

### India Outlook

In the Asian region, India is considered as one of the fastest-growing countries in the personal care market. It is forecast to grow at a double digit CAGR of 16.39% since 2020 to reach US\$ 28,985.33 million by 2026. There is an increased demand for cosmetic products due to various factors. Another important factor likely to propel the cosmetics market is the development of online retail and the rising interest of youth in skin care and other grooming products.

Indian cosmetics and beauty products are classified into five categories: body, face, hair, hand care, and colour cosmetics. One of the key elements shaping the demand for beauty and personal care goods in India is the growing emphasis on personal hygiene and health. Additionally, the Indian Government is working with private organisations on several initiatives to spread awareness about the importance of feminine and personal hygiene.

(Source: <https://www.businesswire.com/news/home/20210126005520/en/India-28.9-Billion-Cosmetics-Market-Competition-Forecast-Opportunities-FY2026---ResearchAndMarkets.com>)

### Factors driving the personal care industry

- Growing demand for various skin and hair care products
- Growing consumer awareness
- Increasing focus on improving and modifying the textural features of various ingredients used in the personal care and cosmetics industries
- Inclination towards natural products
- Growing importance of personal and feminine hygiene

## 4. Coating Additives

Additives are one of the raw materials used for coatings. Coating applications improve product quality and stability and offer maximised benefits for end-user applications. Although the usage levels of these additives are typically modest, the functional improvement they offer is noteworthy. Additives are used in the printing process. Printed surfaces often include materials such as plastic, cardboard, paper, and metals.

Coating additives are used in the Automotive, Industrial, Architectural, Wood, and Furniture industries. They are also used in construction paints for improving

substrates, impact resistance, viscosity, and surface effectiveness.

(Source: <https://www.irocoatingadditive.com/introduction-additives-paints-coatings/>)

### Global Outlook

The global market for coating additives is expected to reach US\$ 17 billion by the end of 2032 registering a CAGR of 5.9% from 2022 to 2032. The worldwide booming building and construction sector is projected to propel the global coating additives market. Coating additives are utilised in the construction industry to increase viscosity and surface effectiveness. Governments around the world are stepping up initiatives to decrease carbon emissions from construction operations.

(Source: <https://www.persistencemarketresearch.com/market-research/coating-additives-market.asp>)

### Indian Outlook

Paint and coating additives are primarily used to improve paint and coating performance and provide surface protection. The increased usage of these commodities for construction projects is likely to have a noteworthy impact on the growth of the coating additives market. Rapid industrialisation in a developing economy like India is also likely to propel the demand for these. It is expected to witness increasing production of paints and coatings in the application areas such as interior/exterior coatings, paints, industrial coatings, and other high-end protective coatings.

India is one of the largest consumer and producer of inks. The printing ink market in the country has registered strong growth in recent years due to the increased demand from key end-user segments such as package printing, publishing, and other commercial printing.

(Source: <https://www.technavio.com/report/coating-additives-market-industry-analysis>)

### Factors driving the coating additives industry

- Growing packaging sales are increasing consumption and demand for consumer goods like paints
- Growth in the market for environment-friendly coating additives due to the increasing influence of such products
- Higher production of paints and coatings due to their increasing application in construction, automotive, equipment manufacturing, and consumer durables

## Management Discussion and Analysis (Contd.)

### CHALLENGES AND THREATS

#### Lengthy Product Approval Process

The regulatory approvals obtained from different industry institutions are typically only valid for a specific time. In addition, regulatory compliances are frequently revised depending on the location, industry, end-use, and other factors. It might then take another three to five years for an end client to accept the additives once the immediate customer has given their approval. Only then will the manufacturer be authorised to supply the additives. To avoid costly and time-consuming validation procedures, end-users of additives are therefore inclined to purchase tested additives from trusted sources. This process creates a high entry barrier for major players as it requires extremely high standards of quality and consistency for manufacturing additives which are very important to the end users.

#### Supply Chain Disruption

The conflict between Russia and Ukraine has profoundly impacted the world logistics sector. This was at a time when the impact of the pandemic on storage capacity and container availability had just started to fade. The conflict slowed down trade, fuelled price hikes and commodity shortages, and led to disastrous food shortages across the world. The war also led to an increase in the price of several commodities, including fertiliser, food items, oil, and gas.

#### Vegetable Oil Prices

Vegetable oil prices are influenced by domestic and international demand-supply dynamics, as well as other climatic and crop-related variables. Extreme weather and the war in Ukraine have tightened global supplies of the foremost commonly used types of vegetable oil. In addition, the war has interrupted supplies and driven up costs.

#### Climate Conditions

Different vegetable oil seeds produce different amounts of oil depending on the weather. Bad weather conditions can affect availability of the crop leading to price increase of commodities, which may further influence farmers choices on the kinds and quantities of crops to plant. All this may ultimately influence the cost of the additives.

### BUSINESS OVERVIEW

Fine Organic Industries Limited (hereafter referred to as 'Fine Organics' or 'The Company') is a pioneer and the

largest producer of oleochemical-based additives rooted in India and is a strong player globally. The Company has developed a wide range of distinctive specialty additives for several applications. The Company is a leading producer of the widest range of additives for foods, polymers, personal care, coatings, feed nutrition etc.

There is an increased demand for additives produced from oleochemicals. Fine Organics, green additives have been commendably replacing potentially hazardous chemicals in a wide range of industries such as plastics, packaging, foods, cosmetics, rubbers, and coatings etc., without compromising on the performance. Further, growing consumer awareness around the environment has led to an inclination for 'green' and 'sustainable' products.

Fine Organics state-of-the-art production facilities are situated in Patalganga, Badlapur, Dombivli, and Ambernath. With a highly dedicated team of 25 scientists and technicians functioning in innovative R&D centre, the Company provides a platform for developing the most effective solutions possible in accordance with the needs of customers and clients. The Company provides specialised products and technical services to the end-user industry, reinforced by in-house manufacturing and design/engineering facilities, well-equipped R&D, and a techno-commercial approach.

In the preceding year raw material prices were high, owing to the geopolitical situations such as – Suez Canal blockage, supply chain turmoil and rise in trade prices. However, the Company procured the raw materials at market rate with maximum volume and utilised its capacities to serve the previous contracts. The Company has contracts ranging from three to six months with its suppliers.

In Q2 F.Y. 2022-23, suppliers in Europe and other geographies were unable to supply products owing to the persisting war between Ukraine and Russia, in addition to freight rates and supply chain constraints. At that point, Fine Organics served its customers and honoured every contract on a time bound manner, without increasing the price. This resulted in the appreciation from customers. In Q3 and Q4, normalisation was witnessed in the raw material prices, with the newer contracts being initiated with the normalised prices. Currently, all the facilities are working at optimum utilisation, except Patalganga which was commissioned in March 2022. Moreover, the Company has identified the land in Gujarat, paid the earnest money, and are currently awaiting for the allotment letter from the Gujarat Government.

## Management Discussion and Analysis (Contd.)

### Food Additives

A pioneer in the manufacturing and marketing of emulsifiers in India, Fine Organics caters to the food industry requirements with its emulsifiers and other functional additives. The Company has expanded its additive range to anti-fungal agents, bread improvers, beverage clouding agents, and other additives/blends. Additives for sustaining the quality and freshness of the food products also impart better product structure and increase the shelf life of food products. Its customer base comprises bakeries and manufacturers of ice creams, biscuits, dairy products, beverages, margarine, peanut butter, cakes, confectionery, chocolates, chewing gums etc.

### Plastic Additives

The diversity of oleochemistry has empowered Fine Organics to develop a wide range of additives for various types of polymers, rubbers and elastomers etc. These plastic additives provide several benefits: lubricant additives decrease surface friction between plastic film-to-film surfaces and film-to-metal surfaces; antistatic support in dissipating static charges to make plastic safer to handle; and anti-fogs recover visibility through plastic films.

### Specialty Additives for Cosmetics

The product range for CosPha (Cosmetic and Pharmaceuticals)

applications serves both functional additives and base ingredients. They are used in products made for skin care & hair care. This product range also helps in the manufacturing of products with diverse compositions like creams, gels, pastes, lotions, ointments etc.

### Feed Nutrition Additives

The range of unique feed additives aims to replace hazardous antibiotics that are provided to poultry for various commercial benefits. Among many benefits one of the benefits of the green supplements is that it improves antibiotic properties, reduces mortality rates, enhances fat digestibility and energy efficiency in poultry and cattles. In a nutshell, the Company's additives boost feed effectiveness, feed efficiency and impart numerous technical advantages to the end products to make it safer and nutritious.

### STANDALONE FINANCIAL HIGHLIGHTS

Particulars	2022-23	2021-22	Change (%)
Revenue from operations (₹ in lakhs)	3,02,914.62	1,85,842.83	63.00%
EBITDA (₹ in lakhs)	78,127.96	34,852.40	124.17%
EBITDA Margin (%)	25.79%	18.75%	37.53%
PAT (₹ in lakhs)	59,059.89	25,066.93	135.61%
PAT Margins (%)	19.50%	13.49%	44.55%

### KEY FINANCIAL RATIOS

Key Ratios	2022-23	2021-22	Variance (%)	Comments
Inventory Turnover (%) Net Credit Sales / Average Inventories	12.11	11.97	1.19%	The ratio has improved due to the efficient usage of working capital
Interest Coverage Ratio (%) (Earnings Before Interest and Taxes (-) Other Income / Finance Cost)	164.18	63.13	160.07%	The ratio has improved due to a reduction in borrowings as repayment of debts
Current Ratio (%) (Current Assets/ Current Liabilities)	5.5	3.56	54.31%	The ratio has improved due to the efficient usage of working capital
Debt Equity Ratio (%) (Total Debt/ Shareholders Equity)	0.02	0.06	-67.25%	An increase in Shareholders equity and reduction in borrowings due to repayment of debts have made the ratio improve
Debtors Turnover (%) (Net Sales/ Average Accounts Receivables)	7.49	7.33	2.12%	The ratio has improved due to the efficient usage of working capital
Operating Profit Margin (%) (Profit Before Interest and Taxes (-) Other Income/Net Sales)	24.21%	16.61%	45.76%	The ratio has improved on account of higher earnings due to better operating margin as compared to the previous financial year
Net Profit Margin (%) (Net Profit After Taxes/Net Sales)	19.50%	13.49%	44.55%	The ratio has improved on account of higher earnings due to better operating margins than the previous financial year and debt repayment
Return on Net-Worth (Net Profit After Taxes/ Average Shareholders Equity)	47.62%	29.54%	61.21%	Increase in ratio as the Company has earned more profit as compared to the previous year

## Management Discussion and Analysis (Contd.)

### RISK MANAGEMENT

Fine Organics, understands that the nature of its business may have many risk factors that can adversely affect the future operational and financial performance. The Company's risk governance team identifies and assesses all applicable risks, the strategic mitigation plans to minimise those risks, and maximise the business growth, through an integrated approach. The Company strives to add value to the life of every customer by managing the associated risks responsibly.

The Company's risk governance structure comprises the Risk Management Committee at the Board level, and risk management is taken care by the respective operative units. The Board level Risk Management Committee, chaired by the Lead Independent Director, reviews the overall risk management guidelines & framework, reviews and recommends risk limits as well as assesses the adequacy and effectiveness of the risk management policies and systems.

#### Economic or Market Risks

Fine Organics, business depends substantially on global economic conditions. A significant number of its export customers and the end users of the products are located and primarily operating in Europe, North and South America, Middle East, Africa, Australia and Asia. Some of them were adversely impacted by the economic downturn in these markets, disruption in banking and financial systems, unfavourable government policies, rising inflation, lowering of spending power and customer confidence and political uncertainty. This is even more complex considering different economic conditions in each country. The Company's business operations may be impacted due to global slowdown. The resultant impact could be credit market risk, weakening consumer and business confidence, fluctuating commodity prices, volatile exchange rates and other challenges.

#### Response

The Company constantly monitors the macro-environmental situation, making detailed and timely assessment to ensure business continuity. Fine Organics, wide range of products and impeccable global presence with diversified customer base helps the Company limit its risk related to a particular sector.

#### Competition Risks

The Company faces significant competition from several large players across all the product lines and markets in which it operates. Its competitors may develop enhanced products which could affect the market acceptance of certain products that the Company manufactures. This could adversely affect margins and profitability of the Company.

#### Response

The Company is highly reputed and recognised as one providing best-in-class products and develops unique specialty additives that are green and sustainable for a variety of applications connected to daily lives. Fine Organics, continues to develop new products and invests in better technology for the commercial production of newly developed products.

#### Commodity Price Risk

Agricultural commodity prices are very volatile, and affected by factors such as weather, government policies, global demographic changes, and competition from substitute products. India is a net importer of edible oils and imports around 60% of its consumption of edible oils such as Palm oil, Soybean oil and Sunflower oil. In sourcing the raw materials and selling finished products to various industries, price fluctuations in the commodities market could affect the profitability of the business.

#### Response

The Company is exposed to commodity price risk for its business operations. Currently, the Company does not engage in any direct commodity hedging activities. However, the internal systems through which the price of raw materials derived from commodities is monitored to the maximum possible extent. The Company also manages the associated commodity price risks through a long-term (wherever & whenever possible), periodical contracts with vendors and customers.

#### Raw Materials Unavailability

Since the Company manufactures products for specialty applications, it intends to procure raw materials from different vendors due to the large volumes. Also, it does not enter contracts for duration exceeding three to six months with any of the supplier base depending upon products, suppliers, and prevailing situation. Any disruption in the supply of raw materials and sudden, sharp, or prolonged changes in their prices can disrupt the Company's manufacturing operations. This may have a material adverse effect on the business and results of operations and impact profit margins.

#### Response

Since the Company has long-standing relationships with its carefully selected suppliers, it helps in minimising the risk of procuring raw materials of desired quality at the right prices.



## Management Discussion and Analysis (Contd.)

### Foreign Exchange Risks

Fine Organics, is exposed to foreign exchange risks emanating from business, assets and liabilities denominated in foreign currency. The export sales constitute approximately 68% of revenue from operation in value term. Most of the sales to overseas customers are denominated, predominantly in US\$ and Euro. The Company imports goods, primarily raw materials which is approximately 30% in value term of the total raw material procurement and mainly denominated in US\$.

#### Response

To hedge foreign currency exposure, the Company uses forward contracts as hedging instruments from time to time for exports as well as imports.

### Human resource risk

The Company's success is largely dependent on the efforts and abilities of its employees. Also, a big part of its future performance will be determined by its ability to sustain and also appoint the key management personnel. The loss of one or more of Key Management Personnel, or a reduction in their services, could have a negative impact on the business, financial condition, and results of operations. Failure to attract and retain the right talent will stifle the Company's growth even further.

#### Response

The Company has a competitive remuneration strategy in place, as well as an adequate incentives and recognition, to prevent such attrition. The Company also carries out employee training on a regular basis to keep their abilities up to date.

### Regulatory Risks

Food products and their ingredients, food contact packaging materials, pharma packaging, feed nutrition additives and cosmetic substances are subject to high regulatory standards. This helps protect consumers from health hazards in all countries where the Company manufactures or distributes its products. Similar regulations also apply to plastic additives used in manufacturing packaging materials used for food packaging and medical products. In addition to Indian laws, rules, and regulations, the Company must also comply with the laws, rules, and regulations in each

country where it sells products, like all chemical companies. Fine Organics, is also subjected to foreign, central, state, local laws and regulations related to pollution, environment, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Changes in environmental regulations could also inhibit or interrupt the Company's operations.

#### Response

The Company abides by the necessary requirements of all concerned regulatory bodies and environment-friendly manufacturing processes.

### Quality Risk

Additives, although used in very small quantities, are very critical in terms of performance in end-use material, be it foods, plastics, cosmetics, feeds coatings or any other products. This makes it imperative for the customer using the additive to validate its quality and performance thoroughly. In addition to performance, as many of these additives are used in food, feeds, cosmetics and food packaging materials, they also need to comply with stringent health and environment-related regulations globally. Any failure in quality standards may lead to loss of reputation and goodwill of the Company, order cancellations and customer attritions.

#### Response

The Company has remained focused on strengthening the quality standards through its in-house process development, automation, instrumentation and quality management. This helps in maintaining the highest level of quality and consistency.

### Environment, Health, and Safety (EHS)

The Company adheres to the safety, health, environmental, labour, workplace and related laws and regulations. Any failure to comply with any current, or future laws or regulations, could have a material adverse effect on the business, financial condition, and results of operations.

#### Response

The Company's strategic EHS policies aids it to mitigate this risk. The decisions are based on the framework that these policies suggest, thereby minimising such risks.

## **Management Discussion and Analysis (Contd.)**

### **HUMAN RESOURCES**

Fine Organics, recognises its employees as an asset for the success of the business and losing them could have an adverse effect on the Company's performance. It promotes and initiates skill development and preparedness against major challenges. This facilitates high employee morale and a healthy work environment.

The human capital is its most incredible tool that helps the Company in shaping a sustainable future. It is critical for the Companies smooth functioning. Hence, discovering talented people and retaining them is the key aim of the HR policy. As on March 31, 2023, the Company's workforce strength stood at 825.

### **INTERNAL CONTROL SYSTEM**

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

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

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

### **CAUTIONARY STATEMENTS**

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

# BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting their twenty-first Annual Report along with the audited Standalone as well as Consolidated financial statements for the financial year ended March 31, 2023.

## FINANCIAL RESULTS AND STATE OF AFFAIRS:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	for the year ended March 31, 2023	for the year ended March 31, 2022	for the year ended March 31, 2023	for the year ended March 31, 2022
<b>REVENUE &amp; PROFITS</b>				
Total Revenue from operations	3,02,914.62	1,85,842.83	3,02,307.66	1,87,625.92
Profit before Interest, Tax & Depreciation	84,537.63	38,172.37	89,346.11	39,653.96
Less: Interest & Finance Charges	446.69	505.64	457.39	510.91
Less: Depreciation	4,788.83	3,990.01	4,789.30	3,990.28
<b>Profit for the year before Tax</b>	<b>79,302.11</b>	<b>33,676.72</b>	<b>84,099.42</b>	<b>35,152.77</b>
Less: Provision for Taxation				
- Current	20,500.00	8,750.00	22,543.58	9,313.85
- Deferred	(257.78)	(140.21)	(254.39)	(131.99)
Short (Excess) provision for earlier years	-	-	-	-
<b>Net Profit/(Loss) after Tax</b>	<b>59,059.89</b>	<b>25,066.93</b>	<b>61,810.23</b>	<b>25,970.91</b>
Other Comprehensive Income	63.11	271.50	63.11	271.50
<b>Total Comprehensive Income</b>	<b>59,123.00</b>	<b>25,338.43</b>	<b>61,873.34</b>	<b>26,242.41</b>
<b>RETAINED EARNINGS</b>				
Opening Balance of Retained Earnings	93,360.71	71,666.38	94,250.11	71,540.99
Add: Profit for the year	59,059.89	25,066.93	61,810.23	26,091.64
Less: Appropriations:	-	-	-	-
Final Dividend	2,759.40	3,372.60	2,759.40	3,372.60
Transferred to Other Reserve/ Non-Controlling Interest	-	-	-	9.92
<b>Balance as at end of the Year</b>	<b>1,49,661.20</b>	<b>93,360.71</b>	<b>1,53,300.94</b>	<b>94,250.11</b>

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

On a consolidated basis, the revenue from operations increased to ₹ 3,02,307.66 lakhs in F.Y. 2022-23 from ₹ 1,87,625.92 lakhs in F.Y. 2021-22. The profit before tax increased to ₹ 84,099.42 lakhs in F. Y. 2022-23 from ₹ 35,152.77 lakhs in F.Y. 2021-22.

On a standalone basis, the revenue from operations increased to ₹ 3,02,914.62 lakhs in F.Y. 2022-23 from ₹ 1,85,842.83 lakhs in F.Y. 2021-22. The profit before tax increased to ₹ 79,302.11 lakhs in F. Y. 2022-23 from ₹ 33,676.72 lakhs in F.Y. 2021-22.

For more details on the Consolidated and Standalone financial results, please refer to the Management Discussion

and Analysis Report which forms a part of this Annual Report.

### SHARE CAPITAL:

During the year under review, there was no change in the share capital of the Company. The Paid-up share capital of the Company as on March 31, 2023, is ₹ 1,533.00/- lakhs divided into 3,06,59,976 equity shares of ₹ 5/- each.

### DIVIDEND:

Your Directors are pleased to recommend a Final Dividend of ₹ 9/- per equity share of the face value of ₹ 5/- each fully paid-up for the financial year ended March 31, 2023.

If the dividend, as recommended above, is declared by the Members at the ensuing Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 2,759.40 lakhs.

## BOARD'S REPORT (Contd.)

### TRANSFER TO RESERVES:

The closing balance of the retained earnings of the Company for the F.Y. 2022-23, after all appropriations and adjustments was ₹ 1,49,661.20 lakhs.

### SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES:

As on March 31, 2023, the Company has two subsidiaries i.e. Fine Organics (USA), Inc. and Fine Organics Europe BV and two joint venture companies i.e. Fine Zeelandia Private Limited and Fine Organic Industries (Thailand) Co. Limited.

Further, the Board in its meeting held on November 11, 2021 approved the termination of Joint Venture Agreement with Adcotech GmbH for the Company i.e. FineADD Ingredients GmbH subject to the completion of applicable regulatory formalities. The said Company is presently in the process of liquidation.

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

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

### DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profit of the Company for that period;

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Presently, the Board of Directors of the Company comprises 5 (five) Executive Directors and 5 (five) Non-Executive Independent Directors including one Independent Woman Director.

#### Cessation

Mr. Prakash Kamat, Chairman and Executive Director of the Company left for his heavenly abode on June 17, 2022, and ceased to be the Director of the Company from that date.

#### Appointment

Based on the recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors appointed Mr. Nikhil Kamat (DIN:00107233) as a Whole Time Director of the Company for a period of 5 years w.e.f. June 27, 2022, subject to the approval of shareholders. The shareholders of the Company at its Twentieth Annual General Meeting held on August 23, 2022, approved the appointment of Mr. Nikhil Kamat as the Whole Time Director for the above mentioned tenure.

#### Re-appointment

The following Directors were reappointed at the Twentieth Annual General Meeting of the Company held on August 23, 2022.

1. Mr. Mukesh Shah (DIN: 00106799) was appointed as a Managing Director of the Company for a period of 5 years with effect from November 06, 2017. Based on the recommendation of NRC and the Board of Directors, the shareholders of the Company at its Twentieth Annual

## BOARD'S REPORT (Contd.)

General Meeting held on August 23, 2022, approved the reappointment of Mr. Mukesh Shah as a Chairman and Managing Director of the Company for a further period of 5 years w.e.f. November 06, 2022.

2. Mr. Jayen Shah (DIN: 00106919) was appointed as a Whole Time Director and Chief Executive Officer of the Company for a period of 5 years with effect from November 06, 2017. Based on the recommendation of NRC and the Board of Directors, the shareholders of the Company at its Twentieth Annual General Meeting held on August 23, 2022, approved the reappointment of Mr. Jayen Shah as a Whole Time Director and Chief Executive Officer of the Company for a further period of 5 years w.e.f. November 06, 2022.
3. Mr. Tushar Shah (DIN: 00107144) was appointed as a Whole Time Director and Chief Financial Officer of the Company for a period of 5 years with effect from November 06, 2017. Based on the recommendation of NRC and the Board of Directors, the shareholders of the Company at its Twentieth Annual General Meeting held on August 23, 2022, approved the reappointment of Mr. Tushar Shah as a Whole Time Director and Chief Financial Officer of the Company for a further period of 5 years w.e.f. November 06, 2022.
4. Mr. Bimal Shah (DIN: 03424880) was appointed as a Whole Time Director of the Company for a period of 5 years with effect from November 06, 2017. Based on the recommendation of NRC and the Board of Directors, the shareholders of the Company at its Twentieth Annual General Meeting held on August 23, 2022, approved the reappointment of Mr. Bimal Shah as a Whole Time Director of the Company for a further period of 5 years w.e.f. November 06, 2022.
5. Mr. Prakash Apte (DIN: 00196106) completed his first term as Independent Director of the Company on November 12, 2022. On the recommendation of NRC and the Board of Directors, the shareholders of the Company at its Twentieth Annual General Meeting held on August 23, 2022, approved the reappointment of Mr. Prakash Apte as Independent Director of the Company for a second term of 5 years commencing from November 13, 2022.
6. Mr. Mahesh Sarda (DIN: 00023776) completed his first term as Independent Director of the Company on November 12, 2022. On the recommendation of NRC and the Board of Directors, the shareholders of

the Company at its Twentieth Annual General Meeting held on August 23, 2022, approved the reappointment of Mr. Mahesh Sarda as Independent Director of the Company for a second term of 5 years commencing from November 13, 2022.

7. Mr. Thiruvengadam Parthasarathi (DIN: 00016375) completed his first term as Independent Director of the Company on November 12, 2022. On the recommendation of NRC and the Board of Directors, the shareholders of the Company at its Twentieth Annual General Meeting held on August 23, 2022, approved the reappointment of Mr. Thiruvengadam Parthasarathi as Independent Director of the Company for a second term of 5 years commencing from November 13, 2022.
8. Ms. Pratima Umarji (DIN: 05294496) completed her first term as Independent Director of the Company on November 12, 2022. On the recommendation of NRC and the Board of Directors, the shareholders of the Company at its Twentieth Annual General Meeting held on August 23, 2022, approved the reappointment of Ms. Pratima Umarji as Independent Director of the Company for a second term of 5 years commencing from November 13, 2022.
9. Mr. Kaushik Shah (DIN 00124756) completed his first term as Independent Director of the Company on January 23, 2023. On the recommendation of NRC and the Board of Directors, the shareholders of the Company at its Twentieth Annual General Meeting held on August 23, 2022, approved the reappointment of Mr. Kaushik Shah as Independent Director of the Company for a second term of 5 years commencing from January 24, 2023.

Mr. Jayen Shah (DIN: 00106919) retires by rotation and being eligible has offered himself for re-appointment. A resolution seeking shareholders approval for his re-appointment forms part of the Notice. The brief details of Mr. Jayen Shah, who is proposed to be re-appointed as required under Secretarial Standard 2 (“SS-2”) and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the “Listing Regulations”) is being provided in the Notice convening the Annual General Meeting (“AGM”) of the Company.

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



**BOARD'S REPORT (Contd.)**

Pursuant to the provisions of Section 149(7) of the Act, the Independent Directors of the Company have submitted declarations stating that they meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder read with Regulation 16(1)(b) of the Listing Regulations and Regulation 25(8) of the Listing Regulations. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise, and proficiency and they hold the highest standards of integrity.

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

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel ('KMP') of the Company as on March 31, 2023, were: Mr. Mukesh Shah, Chairman and Managing Director; Mr. Jayen Shah, Whole Time Director and Chief Executive Officer; Mr. Tushar Shah, Whole Time Director and Chief Financial Officer; Mr. Bimal Shah, Whole Time Director, Mr. Nikhil Kamat, Whole Time Director and Ms. Pooja Lohor, Company Secretary.

**NUMBER OF BOARD MEETINGS:**

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

**COMMITTEES OF THE BOARD:**

As on the date of this report, the Board has the following committees:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Stakeholders Relationship Committee
- iv) Corporate Social Responsibility Committee
- v) Risk Management Committee.
- vi) Executive Committee
- vii) Strategic Growth Committee

All the recommendations made by the Board Committees including the Audit Committee, were accepted by the Board.

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

**ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD:**

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

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

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

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

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

**NOMINATION AND REMUNERATION POLICY:**

The Company has in place a Nomination and Remuneration Policy for the Directors, KMP and other employees pursuant

## BOARD'S REPORT (Contd.)

to the provisions of the Act and the Listing Regulations which is available on the website of the Company i.e. <https://www.fineorganics.com/investor-policies/>

### INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

### AUDITORS:

#### I. Statutory Auditors

M/s. B Y & Associates, Chartered Accountants, Mumbai (Firm Registration No. 123423W) whose term of office was until the conclusion of the 20<sup>th</sup> AGM of the Company were re-appointed as the Statutory Auditors of the Company at the 20<sup>th</sup> AGM held on August 23, 2022, for a further term of 3 years i.e. from the conclusion of the 20<sup>th</sup> AGM up to the conclusion of the 23<sup>rd</sup> AGM to be held in the year 2025. As per the provisions of Section 139 of the Act, M/s. B Y & Associates have confirmed that they are not disqualified from continuing as the Auditors of the Company. The report of the Statutory Auditors for the F.Y. 2022-23 alongwith notes to Schedules is a part of the Annual Report. The report of the Statutory Auditors does not contain any qualification, reservation or adverse remark.

#### II. Cost Accounts and Cost Auditors

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

The Board, on the recommendation of the Audit Committee has approved the appointment of M/s. Y. R. Doshi & Associates, Cost Accountants, Mumbai (Firm Registration No. 000286) as the Cost Auditors of the Company to audit the cost records for the F.Y. 2023-24. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration

payable to the Cost Auditors is required to be ratified by the shareholders. Accordingly, a resolution seeking ratification by the members for the remuneration is listed as Item No. 5 of the AGM Notice as an Ordinary Resolution.

#### III. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ks & Associates - Company Secretaries, Mumbai (Certificate of Practice Number 5163) to undertake the Secretarial Audit of the Company for the F.Y. 2023-24. Further, the report of the Secretarial Auditor for the F.Y. 2022-23, is appended as “**Annexure A**” to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

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

### RISK MANAGEMENT:

Risk Management is an integral part of the Company's operations. The Company evaluates risks that can impact its strategic, operational, compliance and reporting objectives. Mechanisms for the identification and prioritisation of risks include scanning the business environment and continuous monitoring of internal risk factors. Major risks identified by the Company's business and functions are systematically addressed through mitigating actions on a continuing basis. The Board of Directors has constituted Risk Management Committee (RMC). The RMC is chaired by an Independent Director. The RMC closely monitors risk management efforts and provides insights for effective Risk Management across our operations. A detailed note on risk management is given under the financial review section of the Management Discussion and Analysis of this Annual Report.

## **BOARD'S REPORT (Contd.)**

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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

### **RELATED PARTY TRANSACTIONS:**

All transactions with related parties (including material transactions) during the F.Y. 2022-23 were reviewed and approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval was obtained for RPTs which were of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus approval so granted were reviewed by Audit Committee on a quarterly basis. The particulars of contract or arrangements with related parties which fall within the purview of disclosure required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is enclosed in "**Annexure B**".

Details of RPTs entered into by the Company, in terms of Ind AS-24 are disclosed in notes to the standalone/consolidated financial statements forming part of this Annual Report.

### **CORPORATE SOCIAL RESPONSIBILITY:**

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

The Board of Directors has constituted the Corporate Social Responsibility Policy of the Company and it is available on the website of the Company i.e. <https://www.fineorganics.com/investor-policies/>

The Report on Corporate Social Responsibility (CSR) including the constitution of the Corporate Social Responsibility Committee and activities undertaken during the F.Y. 2022-23 as per Rule 8 of the Companies (CSR Policy) Amendment Rules, 2021 is enclosed as "**Annexure C**" to this Report.

### **ANNUAL RETURN:**

As per the requirements of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return for the F.Y. 2022-23 will be available on <https://www.fineorganics.com/investor-agm-documents/>

### **PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION:**

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

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

### **CORPORATE GOVERNANCE:**

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

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

### **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:**

Pursuant to Regulation 34(2)(f) of the Listing Regulations and SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, the requirement of submitting a Business Responsibility Report (BRSR) is discontinued after F.Y. 2021-22 and thereafter with effect from F.Y. 2022-23, the top one thousand listed entities based on market capitalisation shall submit a Business Responsibility and Sustainability report in the format specified by SEBI. The

## BOARD'S REPORT (Contd.)

Company being among the top one thousand listed entities has prepared its Business Responsibility and Sustainability Report which is presented in a separate section forming an integral part of this Annual Report. The BRSR indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'.

### DIVIDEND DISTRIBUTION POLICY:

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

### WHISTLE BLOWER POLICY AND VIGIL MECHANISM:

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

### PREVENTION OF SEXUAL HARASSMENT:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted policy on the Prevention of Sexual Harassment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to provide protection to the employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto. Separate Internal Complaints Committee has also been set up to redress complaints received on sexual harassment at head office as well as at all plant locations. The Committee conducts sensitisation workshops to inform the employees about their rights w.r.t. sexual harassment of women at the workplace. The Company has not received any complaint of sexual harassment during the F.Y. 2022-23.

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

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

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

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

### DEPOSITS FROM PUBLIC:

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

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

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

### ACKNOWLEDGEMENTS:

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

**For and on Behalf of the Board**

**Mukesh Shah**

Chairman and Managing Director  
Mumbai: May 24, 2023

## Annexure A

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

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

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

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

Based on our verification of the Company’s books, papers, minute books, forms and based on returns filed, Statutory Auditor’s Report, Audited & signed Annual Accounts for the financial year ended March 31, 2023, Board’s Report for the financial year ended March 31, 2023, and other records maintained by the Company and also the information provided by the Company, its Board of Directors, its officers, agents and authorised representatives as well as the Management Representations and Management Certifications made by the Company during the conduct of secretarial audit, we hereby report that in our opinion & as per our understanding & belief, the Company has, during the audit period covering the financial year ended on March 31, 2023, generally complied with the statutory provisions as mentioned hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and based on returns filed, Statutory Auditor’s Report, Audited & signed Annual Accounts for the financial year ended March 31, 2023, Board’s Report for the financial year ended March 31, 2023, and other records maintained by the Company and also the information provided by the Company, its Board of Directors, its officers, agents and authorised representatives as well as the Management Representations and Management Certifications made by the Company during the conduct of the secretarial audit, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under, wherever applicable for the referred financial year;

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



**Annexure A (Contd.)**

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, wherever applicable for the referred financial year;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, wherever applicable for the referred financial year;
- vi. We have relied on the representation made by the Company, its Board of Directors, its officers, agents & authorised representatives, Management Representation and based on, returns filed, Statutory Auditor's Report, Audited & signed Annual Accounts for the financial year ended March 31, 2023, Board's Report for the financial year ended March 31, 2023, for systems and mechanism put in place by the Company for Compliances under various other applicable Acts, Laws and Regulations to the Company & we have also examined compliance with the applicable clauses of the following:
  - Secretarial Standards with respect to the Board and General Meetings issued by the Institute of Company Secretaries of India.
  - We have also examined compliance with the applicable clauses of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited, for the referred financial year;

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

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

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors & Woman Director.

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

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

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

- In the board meeting dated May 27, 2022, the Board declared final dividend of ₹ 9 per equity share of ₹ 5 each fully paid up for the financial year ended March 31, 2022.
- During the financial year Shri Prakash D. Kamat (DIN: 00107015) ceased to be the Director of the Company due to his demise on June 17, 2022.
- In the board meeting dated June 27, 2022, the Board appointed Shri Nikhil D. Kamat (DIN: 00107233) as an additional Director of the Company.
- In the Annual General Meeting dated August 23, 2022, the Shareholders of the Company approved declaration of final dividend of ₹ 9 per equity share of ₹5 each, for the financial year 2021-22.
- In the Annual General Meeting dated August 23, 2022, the shareholders approved the reappointment of Shri Mukesh M. Shah (DIN:00106799), as Managing Director of the Company for the remaining period of his tenure who was liable to retire by rotation in the AGM.

**Annexure A (Contd.)**

- In the Annual General Meeting dated August 23, 2022, the shareholders approved ratification of the appointment of Shri Nikhil D. Kamat (DIN: 00107233), as Director of the Company.
- In the Annual General Meeting dated August 23, 2022, the shareholders approved the appointment of Shri Nikhil D. Kamat (DIN: 00107233), as Whole time Director of the Company.
- In the Annual General Meeting dated August 23, 2022, the shareholders approved the reappointment of Shri Mukesh M. Shah (DIN: 00106799) as Managing Director of the Company, approved reappointment of Shri Jayen R. Shah (DIN: 00106919) as Whole time Director & CEO of the Company, approved reappointment of Shri Tushar R. Shah (DIN: 00107144) as Whole time Director & CFO of the Company, approved reappointment of Shri Bimal M. Shah (DIN: 03424880) as Whole time Director of the Company.
- In the Annual General Meeting dated August 23, 2022, the shareholders approved the reappointment of Shrimati Pratima Umarji (DIN: 005294496) as an Independent Non-Executive Director of the Company, approved the reappointment of Shri Prakash Apte (DIN: 00196106) as an Independent Non-Executive Director of the Company, approved the reappointment of Shri Thiruvengadam Parthasarathi (DIN: 00016375) as an Independent Non-Executive Director of the Company, approved the reappointment of Shri Mahesh Sarda (DIN: 00023776) as an Independent Non-Executive Director of the Company, approved the reappointment of Shri Kaushik Shah (DIN: 00124756) as an Independent Non-Executive Director of the Company.

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of the board of directors of the listed entities</li> <li>• All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/circulars/guidelines issued by SEBI</li> </ul>	Yes	
3.	<b>Maintenance and disclosures on the website:</b> <ul style="list-style-type: none"> <li>• The Listed entity is maintaining a functional website</li> <li>• Timely dissemination of the document(s)/information under a separate section on the website</li> <li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website</li> </ul>	Yes	
4.	<b>Disqualification of Director:</b> None of the directors of the Company is disqualified under Section 164 of the companies Act, 2013 as confirmed by the listed entity.	Yes	
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b> <ul style="list-style-type: none"> <li>(a) Identification of material subsidiary companies</li> <li>(b) Disclosure requirement of material as well as other subsidiaries</li> </ul>	Yes	

**Annexure A (Contd.)**

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	Vide Nomination & Remuneration Committee Meeting held on May 16, 2022, & Board Meeting held on May 27, 2022.
8.	<b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	Vide Audit Committee Meeting held on February 11, 2022.
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.	N.A.	
12.	<b>Additional Non-compliances, if any:</b> No additional non-compliance was observed for any SEBI regulation/circular/guidance note etc.	N.A.	

**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of the financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **Ks & Associates**,  
Company Secretaries

**Kartik Shah**

C.P. No. 5163

Membership No. 5732

Peer Review Certificate No.: 1225/2021

UDIN: F005732E000351495

Mumbai: May 24, 2023

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

## Annexure 'A' to the Secretarial Audit Report

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices that followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have discussed & relied on the Management Representation about the Compliance of laws, rules and regulations and happening of events, etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis and based on Management Representations, certificate received from the Authorised Officers & Management of the Company & other documents received for applicability of relevant Acts, and registrations there under.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Ks & Associates,**  
Company Secretaries

**Kartik Shah**

C.P. No. 5163

Membership No. 5732

Peer Review Certificate No.: 1225/2021

UDIN: F005732E000351495

Mumbai: May 24, 2023

## Annexure B

### FORM NO. AOC-2

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

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

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

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

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

(a)	Name(s) of the Related Party & Nature of relationship	Fine Organics (USA) Inc. is a wholly owned subsidiary of the Company
(b)	Nature of contracts / arrangements / transaction	Sale of products
(c)	Duration of the Contracts / Arrangements / Transactions	F.Y. 2022-23
(d)	Salient terms of the contracts or arrangement or transactions including the value, if any	The transaction of sale of products with the aforesaid subsidiary is on arm's length basis and the aggregate value of such transaction during F.Y. 2022-23 was ₹ 41,180.01 lakhs.
(e)	Date(s) of approval by the Board, if any	Not Applicable
(f)	Amount paid as advances, if any	NIL

**For and on behalf of Board**

**Mukesh Shah**

Chairman & Managing Director

Mumbai: May 24, 2023



## Annexure C

### ANNUAL REPORT ON CSR ACTIVITIES

#### 1. Brief outline of CSR Policy of the Company

Your Company has developed a CSR framework in line with Section 135 of the Companies Act, 2013 read with Schedule VII thereto which focuses on Education, Healthcare, Women Empowerment and Eradicating extreme hunger and poverty etc. We partner with NGOs and social service institutions in delivering projects that leave a maximum impact on the lives of the people affected.

#### 2. Composition of the CSR Committee

Sr. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
I.	Mr. Jayen Shah	Chairman of the Committee / Whole Time Director and Chief Executive Director	2	2
II.	Mr. Prakash Apte	Member of the Committee / Independent Director	2	2
III.	Mr. Kaushik Shah	Member of the Committee / Independent Director	2	2
IV.	Mr. Mukesh Shah	Member of the Committee / Managing Director	2	1
V.	Mr. Tushar Shah	Member of the Committee / Whole Time Director and Chief Financial Officer	2	2

#### 3. Provide the web-link where the composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company

The web-link where the composition of CSR Committee is disclosed on the website is - <https://www.fineorganics.com/investor-committees/>

The web-link where CSR policy is disclosed on the website is - <https://www.fineorganics.com/investor-policies/>

The web-link where CSR Projects are disclosed on the website is - <https://www.fineorganics.com/corporate-social-responsibility/>

#### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

Not Applicable.

5. (a) Average Net Profit of the Company as per sub-section (5) of section 135: ₹ 23,739.52 lakhs
  - (b) Two percent of the Average Net Profit of the Company as per sub-section (5) of section 135: ₹ 474.80 lakhs
  - (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
  - (d) Amount required to be set off for the financial year, if any: NIL
  - (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 474.80 lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 473.00 lakhs
  - (b) Amount spent in administrative Overheads: ₹ 5.05 lakhs
  - (c) Amount spent on Impact Assessment, if applicable: Not applicable
  - (d) Total amount spent for the financial year [(a)+(b)+(c)]: ₹ 478.05 lakhs

## Annexure C (Contd.)

### (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount (₹ in lakhs)	Date of Transfer	Name of the fund	Amount (₹ in lakhs)	Date of Transfer
478.05	NA	NA	NA	NA	NA

### (f) Excess amount for set-off, if any:

Sr. no.	Particulars	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	474.80
(ii)	Total amount spent for the Financial Year	478.05
(iii)	Excess amount spent for the Financial year [(ii)-(i)]	3.25
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding Financial years [(iii)-(iv)]	3.25

### 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial years:

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in lakhs)	Amount spent in the Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (₹ in lakhs)	Deficiency, if any
					Amount (₹ in lakhs)	Date of Transfer		
1	2019-20	NA	NA	Nil	NA	NA	Nil	Nil
2	2020-21	404.47	Nil	40.50	NA	NA	Nil	Nil
3	2021-22	163.92	25.00	138.92	NA	NA	25.00	Nil

### 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount in the Financial Year: No

### 9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) section 135: Not Applicable

#### Mukesh Shah

Chairman and Managing Director  
(Member of CSR Committee)

Mumbai: May 24, 2023

#### Jayen Shah

Whole Time Director and CEO  
(Chairman of CSR Committee)

## Annexure D

### INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2022-23:

Sr. No	Name	Designation	Ratio of remuneration of director to the median remuneration	% increase/ (decrease)
1	Mr. Prakash Kamat*	Former Chairman and Whole Time Director	10.06	NA
2	Mr. Mukesh Shah	Executive Chairman and Managing Director	60.08	31.43
3	Mr. Jayen Shah	Whole Time Director and Chief Executive Officer	60.08	31.43
4	Mr. Tushar Shah	Whole Time Director and Chief Financial Officer	60.08	31.43
5	Mr. Bimal Shah	Whole Time Director	60.08	31.43
6	Mr. Nikhil Kamat**	Whole Time Director	15.02	NA
7	Mr. Prakash Apte	Independent Director	3.67	38.77
8	Mr. Kaushik Shah	Independent Director	3.57	37.09
9	Mr. Mahesh Sarda	Independent Director	3.49	39.32
10	Mr. Parthasarathi Thiruvengadam	Independent Director	3.49	37.18
11	Ms. Pratima Umarji	Independent Director	3.25	32.53
12	Ms. Pooja Lohor	Company Secretary	-	28.42

\* On account of his demise, he ceased to be a Director of the Company w.e.f. June 17, 2022.

\*\* Appointed as a Whole Time Director of the Company for a period of 5 years w.e.f. June 27, 2022.

#### Notes:

- Remuneration to Executive Directors includes a commission paid for the financial year 2022-23.
- Remuneration to Independent Directors includes sitting fees and the Commission paid for the financial year 2022-23.
- Number of permanent employees on the rolls of the Company as on March 31, 2023: 825
- The remuneration to Directors is within the overall limits approved by the shareholders. Yes
- The median remuneration is ₹ 7.76 lakhs for the financial year 2022-23.
- The percentage increase in the median remuneration of employees in the financial year 2022-23 is 32.08%
- Employee whose remuneration was in excess of the remuneration of the highest-paid Director during the financial year 2022-23: None

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

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	18.11
Average increase in remuneration of managerial personnel	17.22

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

**For and on behalf of the Board**

**Mukesh Shah**

Chairman & Managing Director

Mumbai: May 24, 2023

## Annexure E

### CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

#### ENERGY CONSERVATION:

##### Water Conservation:

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

Steam condensate recovery is a process to reuse the water and sensible heat contained in the discharged condensate. This led to significant savings in energy, chemical treatment, and water usage. The TDS (Total Dissolved Solids) of Boiler feed water is reduced by using condensate-recovered water. This system also minimises DO (Dissolved Oxygen) content leading to preventing the corrosion problems of the system and thus, reducing maintenance costs.

The steam is generated by the Boiler which we are using for pipeline tracing & to heat the pipelines, we also collect the Condensate of the same to reuse in Boiler Feed. During the process of Condensation, there is a loss of some steam which is also been trapped & reused to heat the Freshwater supply by the heat exchange principle, leading to achieve an increase in latent heat of Freshwater from Room temperature to a little higher temperature. Due to this technology, we are able to reduce the Fuel consumption required to heat the Freshwater feed used for the Boiler when operated in a Continuous process.

#### TECHNOLOGY ABSORPTION:

- 1) **Granulator** : Due to this technology we were able to develop Dust free solid physical form of our products leading to prevention of dusting issues at the manufacturing sites.
- 2) **Atomizer**: A technique for obtaining fine powder grades of 50u to 150u particle size, suitable to cater to desired end applications.

- 3) **Encapsulator**: Development of Encapsulation technology to get final product grade with required end application.
- 4) **Pastillator**: The development of this technology allow us to produce the Physical form of Solid products in form of pastilles to meet the requirements of our Customers Globally for the desired end applications.
- 5) **HVLS (High Volume Low Speed) Fans**: HVLS fans work on the principle of low energy consumption cooling method. Placing these fans in our facility areas like Warehouse, Thermopack, Boiler, etc. where there is a heat accumulation due to the process. These fans enable the cross-ventilation & help in the reduction of the temperature by 5 to 6 degrees Celsius leading to improvement in workers comfortability with enhanced productivity. It has a lower cost of maintenance and also minimum energy consumption leading to sustainable development.

#### Expenditure incurred on Research and Development of the Company during the financial year 2022-23:

(₹ in lakhs)

Capital	1,612.34
Recurring	638.90
<b>Total</b>	<b>2,251.24</b>

#### FOREIGN EXCHANGE EARNINGS AND OUTGO:

##### Foreign exchange earnings and outgo are as follows:

(₹ in lakhs)

Foreign Exchange Earnings and Outgo	2022-23	2021-22
Foreign Exchange Outgo	77,097.46	44,376.67
Foreign Exchange Earnings	2,05,502.70	1,04,111.67

For and on behalf of the Board

**Mukesh Shah**

Chairman and Managing Director  
Mumbai: May 24, 2023

# CORPORATE GOVERNANCE REPORT

## I. COMPANY'S PHILOSOPHY

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

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

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

## II. BOARD OF DIRECTORS

### (a) Composition and Category of Directors

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

The Board of Directors of the Company is an ideal mix of knowledge, perspective, expertise, divergent thinking and experience. The profile of each of the Directors can be found on <https://www.fineorganics.com/investor-bod/> the composition of

the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 (the "Act") read with the Rules issued there under.

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

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

### (c) Number of Board Meeting

During the financial year ended on March 31, 2023, five board meetings were held on:

- May 27, 2022,
- June 27, 2022,
- August 09, 2022,
- November 10, 2022, and
- February 09, 2023

The maximum interval between any two meeting was well within the maximum gap allowed of one hundred and twenty days. The 20<sup>th</sup> Annual General Meeting (AGM) of the Company was held on August 23, 2022, through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in accordance with the relevant circulars issued by the MCA and SEBI.

The names and categories of the Directors on the Board, their attendance at the Board Meeting held



**CORPORATE GOVERNANCE REPORT (Contd.)**

during the year under review and at the last AGM, the name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2023, are given herein below.

Sr. No.	Name of the Director and category	Number of Board Meeting attended during F.Y. 2022-23	Whether attended last AGM held on August 23, 2022	No. of Directorships in other public limited companies	*No. of committee positions held in other public limited companies		Directorship in other listed entity (Category of Directorship)	
					Chairperson	Member	Name of the Company	Category of Directorship
A	Promoter and Executive Directors							
1	Mr. Mukesh Shah (Chairman and Managing Director) (DIN:00106799)	5	Yes	-	-	-	-	-
2	Mr. Jayen Shah (Chief Executive Officer) (DIN:00106919)	5	Yes	-	-	-	-	-
3	Mr. Tushar Shah (Chief Financial Officer) (DIN:00107144)	5	Yes	-	-	-	-	-
4	Mr. Bimal Shah (DIN:03424880)	5	Yes	-	-	-	-	-
5	Mr. Nikhil Kamat (DIN:00107233)	3	Yes					
B	Non-Executive Independent Directors							
6	Mr. Prakash Apte (DIN:00196106)	5	Yes	5	3	5	Kotak Mahindra Bank Limited GMM Pfaudler Limited Blue Dart Express Limited	Independent Director Independent Director Independent Director
7	Mr. Kaushik Shah (DIN:00124756)	5	Yes	-	-	-	-	-
8	Mr. Mahesh Sarda (DIN:00023776)	5	Yes	1	-	1	-	-
9	Mr. Thiruvengadam Parthasarathi (DIN:00016375)	4	Yes	5	0	3	Centum Electronics Limited The Western India Plywoods Limited	Independent Director Non-Executive Director
10	Ms. Pratima Umarji (DIN:05294496)	5	Yes	-	-	-	-	-

## **CORPORATE GOVERNANCE REPORT (Contd.)**

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

\* Membership Includes Chairpersonship.

### **(d) Board Procedure**

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

### **(e) Performance Evaluation of Board and its Committees**

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

Committees and Directors.

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

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

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

### **(f) Independent Directors**

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

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

The Company affirms that it has received a declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6)

## CORPORATE GOVERNANCE REPORT (Contd.)

of the Act read with Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, the Independent Directors fulfill the conditions of independence specified in the Act and the Listing Regulations and are independent of the management. Further, the Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold the highest standards of integrity.

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

### (g) Meeting of Independent Directors

Pursuant to Regulation 25(3) of the Listing Regulations, the Company's Independent Directors met on March 27, 2023, without the presence of Non-Independent Directors or members of Management. At this meeting, the Independent

Directors reviewed the following:

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

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

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

### (h) Matrix of skills/expertise/competencies of the Board of Directors

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

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

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

**CORPORATE GOVERNANCE REPORT (Contd.)**

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

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

**(i) Details of equity shares of the Company held by the Directors as on March 31, 2023, are given below:**

The number of equity shares of face value of ₹ 5 each of the Company held by the Directors as on March 31, 2023, is as under:

Name	Category	Number of equity shares held
Mr. Mukesh Shah	Promoter and Executive Director	17,64,045
Mr. Jayen Shah	Promoter and Executive Director	34,23,627
Mr. Tushar Shah	Promoter and Executive Director	36,99,182
Mr. Bimal Shah	Promoter and Executive Director	18,10,227
Mr. Nikhil Kamat	Executive Director	19
Mr. Prakash Apte	Non-Executive Independent Director	--
Mr. Mahesh Sarda	Non-Executive Independent Director	--
Mr. Thiruvengadam Parthasarathi	Non-Executive Independent Director	--
Ms. Pratima Umarji	Non-Executive Independent Director	--
Mr. Kaushik Shah	Non-Executive Independent Director	--

**(j) Inter - Se Relationship Between Directors:**

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

**(k) Familiarisation Programme**

Pursuant to Regulation 25(7) of the Listing Regulations, the Company conducts a familiarisation programme for the Independent Directors to provide them with an opportunity to be familiar with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company.

The details of the familiarisation programme are disclosed on the website of the Company at the web link <https://www.fineorganics.com/investor-familiarization-programme/>

**(I) Code of Conduct:**

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

All the Board Members and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct. A declaration to this effect duly signed by the CEO forms part of this Report.

## CORPORATE GOVERNANCE REPORT (Contd.)

### III. COMMITTEES OF THE BOARD OF DIRECTORS

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

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

The Company has constituted various Committees in compliance with the provisions of the Act and the Listing Regulations. The Company Secretary acts as the Secretary of all Board Committees. There are seven Board Committees as on March 31, 2023, which comprises five statutory Committees and two other Committees that has been formed, considering the needs of the Company, details of which are as follows:

Name of the Committee	Audit Committee
<b>Extract of Terms of Reference</b>	<ol style="list-style-type: none"> <li>1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;</li> <li>2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;</li> <li>3. Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:               <ol style="list-style-type: none"> <li>(a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;</li> <li>(b) Changes, if any, in accounting policies and practices and reasons for the same;</li> <li>(c) Major accounting entries involving estimates based on the exercise of judgment by the management;</li> <li>(d) Significant adjustments made in the financial statements arising out of audit findings;</li> <li>(e) Compliance with listing and other legal requirements relating to financial statements;</li> <li>(f) Disclosure of any related party transactions; and</li> <li>(g) Modified opinion(s) in the draft audit report;</li> </ol> </li> <li>4. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;</li> <li>5. Approval or any subsequent modifications of transactions of the Company with the related parties;</li> <li>6. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;</li> <li>7. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;</li> <li>8. Discussing with internal auditors on any significant findings and follow up there on.</li> </ol>



**CORPORATE GOVERNANCE REPORT (Contd.)**

<b>Composition and Meeting Details</b>	<b>Name of Directors</b>	<b>No. of Meeting attended</b>
	Mr. Mahesh Sarda (Chairman)	5
	Mr. Prakash Apte	5
	Mr. Kaushik Shah	5
	Mr. Thiruvengadam Parthasarathi	5
	Mr. Jayen Shah	5
	Mr. Tushar Shah	5
	<p>The Committee met five times during the year under review.</p> <p>The Committee meetings were held on May 26, 2022, May 27, 2022, August 09, 2022, November 10, 2022, and February 09, 2023.</p> <p>The maximum interval between any two meeting was well within the maximum gap allowed of one hundred and twenty days.</p> <p>The necessary quorum was present for all the Audit Committee meeting.</p> <p>On the invitation of the Committee, the representatives of the Finance Department, the Statutory Auditors and Internal Auditors and in certain cases, other senior officials of the Company were present in its meeting.</p> <p>Mr. Mahesh Sarda, Chairman of the Audit Committee was present at the previous AGM of the Company held on August 23, 2022.</p>	
<b>Name of the Committee</b>	<b>Nomination and Remuneration Committee</b>	
<b>Extract of Terms of Reference</b>	<ol style="list-style-type: none"> <li>Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;</li> <li>Formulating criteria for evaluation of the performance of the independent directors and the Board;</li> <li>Devising a policy on Board diversity;</li> <li>Identifying persons who qualify to become director or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every directors performance;</li> <li>Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;</li> <li>Recommend to the board, all remuneration, in whatever form, payable to the senior management.</li> </ol>	
<b>Composition and Meeting Details</b>	<b>Name of Directors</b>	<b>No. of Meeting attended</b>
	Mr. Thiruvengadam Parthasarathi (Chairman)	2
	Ms. Pratima Umarji	2
	Mr. Mahesh Sarda	2
	Mr. Prakash Kamat (On account of his demise, he ceased to be a member of the Committee w.e.f. June 17, 2022)	-
	Mr. Mukesh Shah (Appointed as a member of the Committee w.e.f. June 27, 2022)	-

## CORPORATE GOVERNANCE REPORT (Contd.)

	<p>The Committee met twice during the year under review. The Committee meetings were held on May 16, 2022, and June 27, 2022.</p> <p>The necessary quorum was present for the Nomination and Remuneration Committee meetings.</p> <p>The performance evaluation of Independent Directors was based on various criteria, inter alia, including attendance at Board and Committee meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of the industry and global trends, etc. During the year under review, the Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology is effective for the evaluation of the performance of the Board and Committees and Individual Directors.</p> <p>Mr. Thiruvengadam Parthasarathi, Chairman of the Nomination and Remuneration Committee was present at the previous AGM of the Company held on August 23, 2022.</p>														
<b>Name of the Committee</b>	<b>Stakeholders Relationship Committee</b>														
<b>Extract of Terms of Reference</b>	<ol style="list-style-type: none"> <li>1. Resolving the grievances of the security holders of the listed entity including complaints related to the transfer/transmission of shares, non-receipt of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meeting etc.</li> <li>2. Review of measures taken for effective exercise of voting rights by shareholders.</li> <li>3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.</li> <li>4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.</li> <li>5. Issue of duplicate certificates and new certificates on split/consolidation/renewal.</li> <li>6. Carrying out any other function as may be decided by the Board or prescribed under the Act the Listing Regulations as amended, or by any other regulatory authority.</li> </ol>														
<b>Composition and Meeting Details</b>	<table border="1"> <thead> <tr> <th><b>Name of Directors</b></th> <th><b>No. of Meeting attended</b></th> </tr> </thead> <tbody> <tr> <td>Ms. Pratima Umarji (Chairperson)</td> <td>4</td> </tr> <tr> <td>Mr. Prakash Apte</td> <td>4</td> </tr> <tr> <td>Mr. Kaushik Shah</td> <td>4</td> </tr> <tr> <td>Mr. Mukesh Shah</td> <td>4</td> </tr> <tr> <td>Mr. Jayen Shah</td> <td>4</td> </tr> <tr> <td>Mr. Tushar Shah</td> <td>4</td> </tr> </tbody> </table> <p>The Committee met four times during the year under review. The Committee meetings were held on May 26, 2022, August 09, 2022, November 10, 2022, and February 09, 2023.</p> <p>Ms. Pratima Umarji, Chairperson of the Stakeholders Relationship Committee was present at the previous AGM of the Company held on August 23, 2022.</p>	<b>Name of Directors</b>	<b>No. of Meeting attended</b>	Ms. Pratima Umarji (Chairperson)	4	Mr. Prakash Apte	4	Mr. Kaushik Shah	4	Mr. Mukesh Shah	4	Mr. Jayen Shah	4	Mr. Tushar Shah	4
<b>Name of Directors</b>	<b>No. of Meeting attended</b>														
Ms. Pratima Umarji (Chairperson)	4														
Mr. Prakash Apte	4														
Mr. Kaushik Shah	4														
Mr. Mukesh Shah	4														
Mr. Jayen Shah	4														
Mr. Tushar Shah	4														

**CORPORATE GOVERNANCE REPORT (Contd.)**

<b>Name of the Committee</b>	<b>Corporate Social Responsibility Committee</b>													
<b>Extract of Terms of Reference</b>	<ol style="list-style-type: none"> <li>1. To formulate and recommend to the Board, the CSR Policy;</li> <li>2. To formulate and recommend to the Board, the Annual Action Plan;</li> <li>3. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken for approval of the Board;</li> <li>4. To monitor the CSR policy and the CSR activity and report to the Board from time to time;</li> <li>5. Review various proposals and identify the eligible entities/agencies for allocation of CSR amount;</li> <li>6. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;</li> <li>7. Monitor and review periodically the CSR activities and submit the reports to the Board in respect of the CSR activities undertaken by the Company;</li> <li>8. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Act and the rules framed thereunder.</li> </ol>													
<b>Composition and Meeting Details</b>	<table border="1"> <thead> <tr> <th><b>Name of Directors</b></th> <th><b>No. of Meeting attended</b></th> </tr> </thead> <tbody> <tr> <td>Mr. Jayen Shah (Chairman)</td> <td>2</td> </tr> <tr> <td>Mr. Prakash Apte</td> <td>2</td> </tr> <tr> <td>Mr. Kaushik Shah</td> <td>2</td> </tr> <tr> <td>Mr. Mukesh Shah</td> <td>1</td> </tr> <tr> <td>Mr. Tushar Shah</td> <td>2</td> </tr> </tbody> </table>	<b>Name of Directors</b>	<b>No. of Meeting attended</b>	Mr. Jayen Shah (Chairman)	2	Mr. Prakash Apte	2	Mr. Kaushik Shah	2	Mr. Mukesh Shah	1	Mr. Tushar Shah	2	<p>The Committee met twice during the year under review. The Committee meetings were held on April 08, 2022, and August 09, 2022.</p>
<b>Name of Directors</b>	<b>No. of Meeting attended</b>													
Mr. Jayen Shah (Chairman)	2													
Mr. Prakash Apte	2													
Mr. Kaushik Shah	2													
Mr. Mukesh Shah	1													
Mr. Tushar Shah	2													
<b>Name of the Committee</b>	<b>Risk Management Committee</b>													
<b>Extract of Terms of Reference</b>	<ol style="list-style-type: none"> <li>1. Formulating a detailed risk management policy which shall include: <ol style="list-style-type: none"> <li>(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;</li> <li>(b) Measures for risk mitigation including systems and processes for internal control of identified risks;</li> <li>(c) Business continuity plan;</li> </ol> </li> <li>2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;</li> <li>3. To monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems;</li> <li>4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;</li> <li>5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;</li> <li>6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.</li> </ol>													

**CORPORATE GOVERNANCE REPORT (Contd.)**

<b>Composition and Meeting Details</b>	<b>Name of Committee Members</b>	<b>No. of Meeting attended</b>
	Mr. Prakash Apte (Chairman)	3
	Mr. Thiruvengadam Parthasarathi	3
	Mr. Jayen Shah	3
	Mr. Nikhil Kamat	3
	Ms. Sonali Bhadani	3
	The Committee met thrice during the year under review. The Committee meetings were held on May 26, 2022, October 07, 2022, and March 29, 2023.	
	The necessary quorum was present for all the Risk Management Committee meetings.	
<b>Name of the Committee</b>	<b>Strategic Growth Committee</b>	
<b>Extract of Terms of Reference</b>	<ol style="list-style-type: none"> <li>To review and approve the medium-term and long-term strategic business development plans, both organic and inorganic;</li> <li>To formulate and implement an expansion strategy for the Company;</li> <li>To review strategies for the objectives decided with respect to financial, technical, operational and any other significant matters affecting the development of the Company;</li> <li>To review on the implementation and progress of matters referred to above.</li> </ol>	
<b>Composition and Meeting Details</b>	<b>Sr. no.</b>	<b>Name of Directors</b>
	1	Mr. Mukesh Shah (Chairman)
	2	Mr. Jayen Shah
	3	Mr. Tushar Shah
	4	Mr. Thiruvengadam Parthasarathi
	5	Mr. Prakash Apte
	The Committee was constituted by the Board of Directors on February 09, 2023. No committee meeting was held during the F.Y. 2022-23.	
<b>Name of the Committee</b>	<b>Executive Committee</b>	
<b>Extract of Terms of Reference</b>	<ol style="list-style-type: none"> <li>To approve the opening and/or closing of bank accounts with any bank and make necessary changes in the operations of the existing bank accounts.</li> <li>To authorise the Company's officials to execute, sign, submit and file any applications, affidavits, undertakings or any other writings before any Magistrate, Court of Law, Tribunal, Government Authorities and judicial/non-judicial Bodies and any other authority and also to represent the Company before the said Magistrate, Court of Law, Tribunal, Government Authorities judicial/non-judicial bodies and other Authority.</li> <li>To approve execution of any agreements, undertakings, letters, writings, deeds, contracts, tenders and any document, which may be required to be executed by the Company from time to time for management of its day-to-day affairs and authorise officials of the Company to execute and submit such documents with concerned authorities.</li> <li>To grant such other authorisations and approvals to any official of the Company or any other person on behalf of the Board of Directors as may be required for day-to-day management of the Company's business.</li> </ol>	

**CORPORATE GOVERNANCE REPORT (Contd.)**

Composition and Meeting Details	Name of Directors	No. of Meeting attended
	Mr. Prakash Kamat (On account of his demise, he ceased to be a member of the Committee w.e.f. June 17, 2022)	
Mr. Mukesh Shah (Chairman)		3
Mr. Jayen Shah		3
Mr. Tushar Shah		3
Mr. Bimal Shah		2
Mr. Nikhil Kamat (Appointed as a member of the Committee w.e.f. June 27, 2022)		2
The Committee met thrice during the year under review. The Committee meetings were held on May 13, 2022, August 10, 2022, and February 13, 2023.		

Other details of the Stakeholders Relationship Committee

**i. Name and Designation of Compliance Officer**

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

Name: Ms. Pooja Lohor

Designation: Company Secretary and Compliance Officer

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

Tel: +91 (22) 2102 5000

Fax: +91 (22) 21028899 / 21026666

Email: investors@fineorganics.com

**ii. Status of Shareholder Complaints**

Details of investor complaints received and redressed during the F.Y. 2022-23 are as follows:

Nature of Complaints	Received during the year	Resolved during the year	Pending during the year
Non-receipt of Dividend etc.	8	8	0

**IV. REMUNERATION OF DIRECTORS**
**Remuneration to Executive Directors paid during the Financial Year 2022-23:**

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

Details of remuneration of the Executive Directors approved by the Board and paid during the Financial Year 2022-23 are given below:

(₹ in lakhs)

Name of Executive Directors	Designation	Salary and perquisites	Commission	Total Amount
Mr. Prakash Kamat	Former Chairman and Whole Time Director (On account of demise, he ceased to be a Director w.e.f. June 17, 2022)	77.00	-	77.00
Mr. Mukesh Shah	Chairman (Appointed as a Chairman w.e.f. June 27, 2022) and Managing Director (Re-appointed w.e.f. November 06, 2022, for a period of 5 years)	360.00	100.00	460.00



**CORPORATE GOVERNANCE REPORT (Contd.)**

(₹ in lakhs)

Name of Executive Directors	Designation	Salary and perquisites	Commission	Total Amount
Mr. Jayen Shah	Whole Time Director and Chief Executive Officer (Re-appointed w.e.f. November 06, 2022, for a period of 5 years)	360.00	100.00	460.00
Mr. Tushar Shah	Whole Time Director and Chief Financial Officer (Re-appointed w.e.f. November 06, 2022, for a period of 5 years)	360.00	100.00	460.00
Mr. Bimal Shah	Whole Time Director (Re-appointed w.e.f. November 06, 2022, for a period of 5 years)	360.00	100.00	460.00
Mr. Nikhil Kamat	Whole Time Director (Appointed as a Director w.e.f. June 27, 2022)	90.00	25.00	115.00

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

**Remuneration to Non-executive Directors paid during the Financial Year 2022-23:**

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

(₹ in lakhs)

Sr. No.	Name of Non-Executive Directors	Sitting Fees	Commission	Total Amount
1.	Mr. Prakash Apte	8.10	20.00	28.10
2.	Mr. Mahesh Sarada	6.75	20.00	26.75
3.	Mr. Thiruvengadam Parthasarathi	6.75	20.00	26.75
4.	Ms. Pratima Umarji	4.85	20.00	24.85
5.	Mr. Kaushik Shah	7.35	20.00	27.35

Besides the remuneration stated as above, none of the Non-executive and Independent Directors of the Company have any other pecuniary relationship with the Company or relationship with the managerial personnel.

**CORPORATE GOVERNANCE REPORT (Contd.)**
**V. GENERAL BODY MEETING**
**A) Annual General Meeting**

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

Financial Year	Date	Time	Location	Special Resolution passed
2019-20	September 18, 2020	11:00 a.m.	The meeting was conducted through VC / OAVM pursuant to the circulars issued by the MCA.	NIL
2020-21	August 24, 2021	11:00 a.m.	The meeting was conducted through VC / OAVM pursuant to the circulars issued by the MCA.	NIL
2021-22	August 23, 2022	11:00 a.m.	The meeting was conducted through VC / OAVM pursuant to the circulars issued by the MCA.	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Nikhil Kamat as a Whole Time Director of the Company.</li> <li>2. Re-Appointment of Mr. Mukesh Shah as a Managing Director of the Company.</li> <li>3. Re-appointment of Mr. Jayen Shah as a Whole Time Director and Chief Executive Officer of the Company.</li> <li>4. Re-appointment of Mr. Tushar Shah as a Whole Time Director and Chief Financial Officer of the Company.</li> <li>5. Re-appointment of Mr. Bimal Shah as a Whole Time Director of the Company.</li> <li>6. Re-appointment of Mr. Prakash Apte as an Independent Non-Executive Director of the Company.</li> <li>7. Re-appointment of Mr. Thiruvengadam Parthasarathi as an Independent Non-Executive Director of the Company.</li> <li>8. Re-appointment of Mr. Mahesh Sarda as an Independent Non-Executive Director of the Company.</li> <li>9. Re-appointment of Ms. Pratima Umarji as an Independent Non-Executive Director of the Company.</li> <li>10. Re-appointment of Mr. Kaushik Shah as an Independent Non-Executive Director of the Company.</li> <li>11. Commission to Non-Executive Directors of the Company (other than Managing Director and Whole Time Directors).</li> </ol>

**B) Extraordinary General Meeting**

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

**CORPORATE GOVERNANCE REPORT (Contd.)****C) POSTAL BALLOT**

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

**VI. MEANS OF COMMUNICATION**

<b>Stock Exchange Intimations</b>	All the material events or information as per Regulation 30 of the Listing Regulations and other intimations, as required, are disseminated to the Stock Exchanges by filing them with the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') through their respective online portals. They are also displayed on the website of the Company <a href="https://www.fineorganics.com/investor-relations/">https://www.fineorganics.com/investor-relations/</a>
<b>Quarterly Results/ Annual Results</b>	<p>The unaudited quarterly results are announced within forty- five days of the close of each quarter, other than the last quarter. The audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations. The aforesaid financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meetings at which these are considered and approved.</p> <p>The results are usually published in Financial Express, English newspaper having country-wide circulation and in Pratahkal, Marathi newspaper having circulation in Mumbai where the registered office of the Company is situated.</p>
<b>Presentations</b>	Presentations made to the institutional investors/analysts are intimated to the Stock Exchanges within the prescribed time period under the Listing Regulations and are simultaneously hosted on the website of the Company, the web-link of which is - <a href="https://www.fineorganics.com/investor-presentations/">https://www.fineorganics.com/investor-presentations/</a>
<b>Annual Report</b>	The Annual Report of the Company for the F.Y. 2022-23 is being emailed to the members whose email addresses are available with the depositories as per section 136 of the Act and Regulation 36 of the Listing Regulations. Other members, who have not registered their email addresses, are requested to register their Email ID at the earliest and ask for a soft copy of the Annual Report. In accordance with General Circular No.20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No.21/2021 dated December 14, 2021, Circular No.02/2022 dated May 05, 2022 and General Circular No.10/2022 dated December 28, 2022, issued by Ministry of Corporate Affairs (MCA), the Company is not printing copies of the Annual Report. The Annual Report of the Company is available on the Company's website, the web link of which is - <a href="https://www.fineorganics.com/investor-annual-report/">https://www.fineorganics.com/investor-annual-report/</a>
<b>Website</b>	All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted on Company's website- <a href="https://www.fineorganics.com">https://www.fineorganics.com</a>
<b>Designated Exclusive Email ID</b>	The Company has designated the Email id i.e. <a href="mailto:investors@fineorganics.com">investors@fineorganics.com</a> for investor grievances. This Email id has been displayed on the Company's website- <a href="https://www.fineorganics.com">https://www.fineorganics.com</a>

**CORPORATE GOVERNANCE REPORT (Contd.)**
**VI. GENERAL SHAREHOLDER INFORMATION**

<b>Annual General Meeting</b>	<p>The Company has decided to hold its 21<sup>st</sup> Annual General Meeting (the “AGM”) on Thursday, August 24, 2023, at 11:00 am through VC / OAVM. The shareholders may note that the Ministry of Corporate Affairs, vide its General Circular No. 14/2020 dated April 08, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 05, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 02/2022 dated May 05, 2022 and No.10/2022 dated December 28, 2022, has continued with the relaxation and permitted the Companies to conduct their AGMs, through VC/OAVM till September 30, 2023.</p> <p>Guidelines for participation in the Companys 21<sup>st</sup> AGM are laid out in the Notice convening the meeting and have also been uploaded on the website of the Company viz. <a href="https://www.fineorganics.com/investor-agm-documents/">https://www.fineorganics.com/investor-agm-documents/</a> As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard 2, particulars of the Director seeking re-appointment at this AGM are given in the Annexure to the Notice of the AGM.</p>										
<b>2023-24 (Tentative)</b>	<p>The financial year of the Company starts on the 1<sup>st</sup> day of April and ends on the 31<sup>st</sup> day of March of next year. Our tentative calendar for declaration of results for the F.Y. 2023-24 is as given below:</p> <table border="1"> <thead> <tr> <th>Quarter Ended</th> <th>Release of Results</th> </tr> </thead> <tbody> <tr> <td>First Quarter Results</td> <td>on or before August 14, 2023</td> </tr> <tr> <td>Second Quarter and Half Yearly Results</td> <td>on or before November 14, 2023</td> </tr> <tr> <td>Third Quarter Results</td> <td>on or before February 14, 2024</td> </tr> <tr> <td>Annual Results</td> <td>on or before May 30, 2024</td> </tr> </tbody> </table> <p>In addition, the Board may meet on other dates as and when required.</p>	Quarter Ended	Release of Results	First Quarter Results	on or before August 14, 2023	Second Quarter and Half Yearly Results	on or before November 14, 2023	Third Quarter Results	on or before February 14, 2024	Annual Results	on or before May 30, 2024
Quarter Ended	Release of Results										
First Quarter Results	on or before August 14, 2023										
Second Quarter and Half Yearly Results	on or before November 14, 2023										
Third Quarter Results	on or before February 14, 2024										
Annual Results	on or before May 30, 2024										
<b>Dividend Payment Date</b>	The Final Dividend of ₹ 9/- per equity share, has been recommended by the Board of Directors of the Company for the financial year ended March 31, 2023, and if approved at the ensuing AGM will be paid to the eligible Members on and from 6 <sup>th</sup> day from the conclusion of the said AGM.										
<b>Day &amp; Date of Book Closure/Record Date</b>	Thursday, August 17, 2023, to Thursday, August 24, 2023, both days inclusive.										
<b>Name, Address and Stock Code of Stock Exchange.</b>											
<b>BSE Limited</b>	<b>National Stock Exchange of India Limited</b>										
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Stock Code: 541557	Plot No. C/l, “6” Block, Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai – 400051 Stock Code: FINEORG										
<b>Annual Listing Fees to Stock Exchanges</b>	Listing fees for the F.Y. 2023-24 have been paid to the Stock Exchanges as on the date of this report.										
<b>ISIN:</b>	INE686Y01026										

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

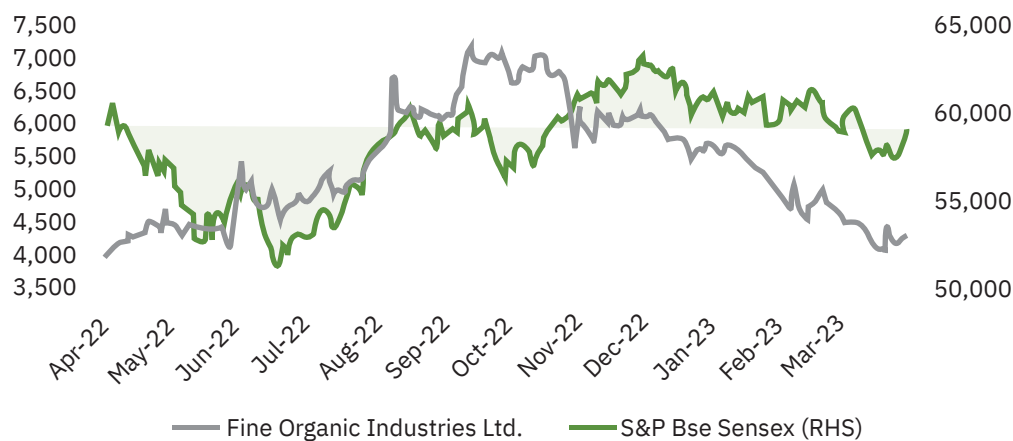
High/Low in each month of financial year 2022-23 on the BSE Limited and National Stock Exchange of India Limited:

Month	BSE			NSE		
	High Price	Low Price	Total Number of shares traded	High Price	Low Price	Total Number of shares traded
Apr-22	4,742.85	3,971.25	40,871	4740.00	3,972.40	5,89,968
May-22	5,032.45	4,028.00	98,545	5,043.90	4,021.80	14,33,283
June-22	6,139.00	4,421.40	1,88,391	6,139.90	4,422.50	44,57,045
July-22	5,567.20	4,785.00	94,958	5,564.60	4,780.00	12,87,465
Aug-22	6,909.35	5,387.00	1,06,854	6,844.95	5,386.50	21,12,482

## CORPORATE GOVERNANCE REPORT (Contd.)

Month	BSE			NSE		
	High Price	Low Price	Total Number of shares traded	High Price	Low Price	Total Number of shares traded
Sep-22	7,326.45	6,048.00	1,76,138	7,328.75	6,042.70	22,03,994
Oct-22	7,316.00	5,710.00	1,11,475	7,321.15	5,690.00	11,70,885
Nov-22	6,674.85	5,600.00	1,32,168	6,750.00	5,611.65	17,92,795
Dec-22	6,300.00	5,418.65	68,998	6,298.00	5,412.15	6,86,652
Jan-23	5,809.95	4,963.55	52,065	5,809.00	4,960.00	4,56,800
Feb-23	5,197.95	4,420.55	1,09,798	5,244.00	4,421.10	11,33,065
Mar-23	4,714.45	4,030.65	1,24,248	4,712.00	4,040.00	12,33,722

### Performance in comparison to broad-based indices



### Registrar & Share Transfer Agents (RTA):

<b>Name and Address:</b>	KFin Technologies Limited Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India – 500 032.
<b>Toll-free No.:</b>	1-800-309-4001
<b>E-mail:</b>	einward.ris@kfintech.com
<b>Website:</b>	<a href="https://www.kfintech.com">https://www.kfintech.com</a>

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

In accordance with SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020, all share transfers need to be carried out in the dematerialised form with effect from April 01, 2021,

compulsorily. Hence, no transfer of shares in physical form is allowed.

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

**Share Capital Audit:** The issued and paid up share capital is reconciled on a quarterly basis with the



**CORPORATE GOVERNANCE REPORT (Contd.)**

details of share capital admitted on National Securities Depository Limited (“NSDL”), Central Depository Services (India) Limited (“CDSL”) and held in physical form by the shareholders. The quarterly audit of the Company's share capital is carried out by a Practicing Company Secretary with the object of reconciling the

total share capital admitted with NSDL and CDSL and held in physical form, with the total issued and listed capital of the Company. The certificate of share capital audit received from the concerned Practicing Company Secretary is submitted to BSE and NSE and is also placed at the meeting of the Board of Directors on a quarterly basis.

**Distribution of Equity Shareholding as on March 31, 2023:**

Category (Amount)	No. of Cases	% of Shareholders Total	No. of Shares	Amount (In ₹)	% of Amount
1-5000	1,19,582	99.77	20,32,453	1,01,62,265	6.63
5001- 10000	119	0.10	1,74,011	8,70,055	0.57
10001- 20000	61	0.05	1,68,783	8,43,915	0.55
20001- 30000	12	0.01	58,454	2,92,270	0.19
30001- 40000	10	0.01	72,782	3,63,910	0.24
40001- 50000	8	0.01	71,636	3,58,180	0.23
50001- 100000	18	0.01	2,56,210	12,81,050	0.83
100001 & Above	50	0.04	2,78,25,647	13,91,28,235	90.76
<b>Total</b>	<b>1,19,860</b>	<b>100.00</b>	<b>3,06,59,976</b>	<b>15,32,99,880</b>	<b>100.00</b>

**Categories of Equity Shareholding Pattern as on March 31, 2023:**

Sr. No.	Description	Shares	% Equity
1	Promoters and Promoter Group	2,29,94,501	75.00
2	Mutual Funds	35,98,699	11.74
3	Foreign Portfolio – Corp	14,81,557	4.83
4	Resident Individuals	20,75,222	6.77
5	Alternative Investment Fund	1,02,441	0.33
6	Bodies Corporate	2,14,888	0.70
7	HUF	67,661	0.22
8	Non-Resident Indians	76,227	0.25
9	Qualified Institutional Buyer	6,185	0.02
10	Trusts	123	0.00
11	Non-Resident Indian Non-Repatriable	38,531	0.13
12	Clearing Members	3,862	0.01
13	NBFC	60	0.00
14	Director (Other than Promoter)	19	0.00
	<b>TOTAL</b>	<b>3,06,59,976</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity:**

The Company has established connectivity with CDSL and NSDL for dematerialisation of shares. As on March 31, 2023, Equity shares representing 100% of paid-up capital were in dematerialised form.

Description	Shares	% to Equity
No. of Shares held in dematerialised form in NSDL	2,94,80,522	96.15
No. of Shares held in dematerialised form in CDSL	11,79,454	3.85
<b>Total</b>	<b>3,06,59,976</b>	<b>100.00</b>

## CORPORATE GOVERNANCE REPORT (Contd.)

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

The Company has not issued any global depository receipts or American depository receipts or warrants or any convertible instruments in the past and hence, as on March 31, 2023, the Company does not have any outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments.

**Factory Address/ Plant Locations:** The Company's plants are located at Ambernath, Badlapur, Dombivli, Patalganga in Maharashtra.

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

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

### Shareholders may correspond with the Registrar and Transfer Agents at:

#### KFin Technologies Limited

Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India – 500 032.

Contact Person: Mr. Umesh Pandey

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

Email: einward.ris@kfintech.com

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

The Company has designated investors@fineorganics.com as an exclusive email ID for investors to register their complaints. This email address is prominently displayed on the Company's website for easy access and communication

Shareholders would have to correspond with the respective Depository Participants for shares held in dematerialised form for transfer/ transmission of

shares, change of address, change in bank details, etc.

### The Compliance Officer can also be contacted at:

#### Ms. Pooja Lohor

Company Secretary and Compliance Officer

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

Ghatkopar East, Mumbai - 400 077 India

Tel: +91 (22) 2102 5000

Fax: +91 (22) 21028899 /21026666

Email: investors@fineorganics.com

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

## VII. OTHER DISCLOSURES

### Related Party Transactions

During the financial year ended March 31, 2023, there were no materially significant transactions or arrangements entered between the Company and its Promoters, Directors or their relatives or the Management, subsidiaries, related parties, etc. that may have a potential conflict of interests with the Company at large. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee.

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

### Loans and advances

The Company has not given any loans and advances to firms/companies in which directors are interested during the F.Y. 2022-23.

### Policy for determining 'material' subsidiaries

The Company has no material subsidiary in the F.Y. 2022-23. The Company has formulated a policy for determining material subsidiaries in terms of the Listing Regulations. This Policy has been posted on the website of the Company at the Web link: <https://www.fineorganics.com/investor-policies/>

## **CORPORATE GOVERNANCE REPORT (Contd.)**

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

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

### **Compliance with mandatory requirements**

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

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

### **Discretionary Requirements**

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

- a) There is no audit qualification in the Company's financial statements for the year ended March 31, 2023.
- b) The Internal Auditors of the Company report to the Audit Committee and participate in the meetings of the Audit Committee of the Board of Directors of the Company and present their internal audit observations to the Audit Committee.

### **Auditors Fees**

During the F.Y. 2022-23, total fees of ₹ 55 lakhs were paid to the statutory auditors by the Company for all services to the listed company on a consolidated basis. Additionally, the statutory auditors of the Company are also the statutory auditors of our JV company viz., Fine Zeelandia Private Limited and have been paid an amount of ₹ 4 lakhs for their services.

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

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and

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

The Company has not received any complaints of sexual harassment during the F.Y. 2022-23. The Company has in place a Policy on the Prevention of Sexual Harassment at Workplace ('POSH') and the same is uploaded on the website of the Company at <https://www.fineorganics.com/investor-policies/>

### **Code of Conduct for Prevention of Insider Trading**

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

The Company has appointed the Company Secretary as the Compliance Officer to ensure compliance with the said Code by all the Directors and employees likely to have access to unpublished price-sensitive information.

### **Vigil Mechanism/Whistle-Blower Policy for Directors and Employees**

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

## CORPORATE GOVERNANCE REPORT (Contd.)

### Acceptance of recommendations of Committees by the Board of Directors

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

### Disclosure of commodity price risks and commodity hedging activities.

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

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

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

The Company did not raise any funds through preferential issues or qualified institutional placement during the F.Y. 2022-23.

### Details of material subsidiaries of the listed entity:

Not Applicable

Name of the Material Subsidiary of the Company: NA

Date of Incorporation: NA

Place of Incorporation: NA

Date of Appointment of Statutory Auditors for the above material subsidiary: NA

### Certificate on Corporate Governance and Directors

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

The Company has also received the certificate from M/s. Ks & Associates, Company Secretaries and appended hereto, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI, MCA or any such statutory authority.

### Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

The disclosures with respect to the demat suspense account / unclaimed suspense account are not applicable to the Company for the F.Y. 2022-23.

# **ANNEXURE TO CORPORATE GOVERNANCE REPORT OF FINE ORGANIC INDUSTRIES LIMITED**

## Declaration regarding Affirmation of Code of Conduct

All the members of the Board and the Senior Management Personnel of the Company have for the year ended March 31, 2023, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For and on Behalf of the Board**

**Jayen Shah**

Director and Chief Executive Officer

Mumbai: May 24, 2023



# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

**The Board of Directors of Fine Organic Industries Limited**

Fine House, Off M. G. Road, Ghatkopar East, Mumbai - 400077

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

In our opinion and to the best of our information and according to the verification (including Directors Identifications Number (DIN) status & Director Master Data at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mukesh Maganlal Shah	00106799	May 24, 2002
2	Jayen Ramesh Shah	00106919	May 24, 2002
3	Tushar Ramesh Shah	00107144	May 24, 2002
4	Bimal Mukesh Shah	03424880	April 01, 2011
5	Nikhil Dattatraya Kamat	00107233	June 27, 2022
6	Mahesh Pansukhlal Sarda	00023776	November 13, 2017
7	Prakash Krishnaji Apte	00196106	November 13, 2017
8	Pratima Madhukar Umarji	05294496	November 13, 2017
9	Thiruvengadam Parthasarathi	00016375	November 13, 2017
10	Kaushik Dwarkadas Shah	00124756	January 24, 2018

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

For **Ks & Associates,**  
Company Secretaries,

**Kartik Shah**

Membership No. 5732

Certificate of Practice No. 5163

Peer Review Certificate No.: 1225/2021

UDIN: F005732E000351550

Mumbai: May 24, 2023

## **PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE:**

To

The Members,

### **Fine Organic Industries Limited**

We have examined the compliance of conditions of corporate governance by Fine Organic Industries Limited ('the Company') to the year ended on March 31, 2023, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation').

### **Management Responsibility**

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

### **PCS Responsibility**

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and from the representations made by the Company, Board of Directors and authorised persons as well as from the Management Representations made by the Company during the conduct of audit and from the records maintained by the Company and from Board's Report on Corporate Governance and based on the Annual Report of the Company for the financial year ended March 31, 2023, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations wherever applicable during the financial year ended March 31, 2023.

We further 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 affairs of the Company.

### **Restriction on use**

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

For **Ks & Associates,**

Company Secretaries

**Kartik Shah**

Membership No. 5732

Certificate of Practice No. 5163

Peer Review Certificate No.: 1225/2021

UDIN: F005732E000351572

Mumbai: May 24, 2023

# Business Responsibility & Sustainability Report



## SECTION **A** GENERAL DISCLOSURES

### I. DETAILS OF THE LISTED ENTITY

1. Corporate Identity Number (CIN) of the listed entity:	L24119MH2002PLC136003
2. Name of the listed entity:	Fine Organic Industries Limited (‘The Company’)
3. Year of incorporation:	May 24, 2002
4. Registered office address:	Fine House, Anand ji Street, Off M G Road, Ghatkopar East, Mumbai: 400077, Maharashtra, India
5. Corporate address:	Fine House, Anand ji Street, Off M G Road, Ghatkopar East, Mumbai: 400077, Maharashtra, India
6. E-mail:	info@fineorganics.com
7. Telephone:	+91 (22) 2102 5000
8. Website:	<a href="https://www.fineorganics.com/">https://www.fineorganics.com/</a>
9. Financial year for which reporting is being done:	2022-23
10. Name of the Stock Exchange(s) where shares are listed:	<ul style="list-style-type: none"> <li>• National Stock Exchange of India Limited (NSE) NSE Scripcode: FINEORG</li> <li>• BSE Limited – BSE Scripcode: 541557</li> </ul>
11. Paid-up capital:	₹ 1,533 lakhs
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	<ul style="list-style-type: none"> <li>• Name: Ms. Pooja Lohor</li> <li>• Designation: Company Secretary and Compliance Officer</li> <li>• Telephone No: +91 (22) 2102 5000</li> <li>• E-mail ID: investors@fineorganics.com</li> </ul>
13. Reporting boundaries are the disclosures under this Report made on a standalone basis (i.e., only for the Company) or on a consolidated basis (i.e., for the Company and all the entities which form a part of its consolidated financial statements, taken together):	Disclosures under this report have been made on a standalone basis for the Company

**II. PRODUCTS/SERVICES**

**14. Details of business activities (accounting for 90% of the turnover):**

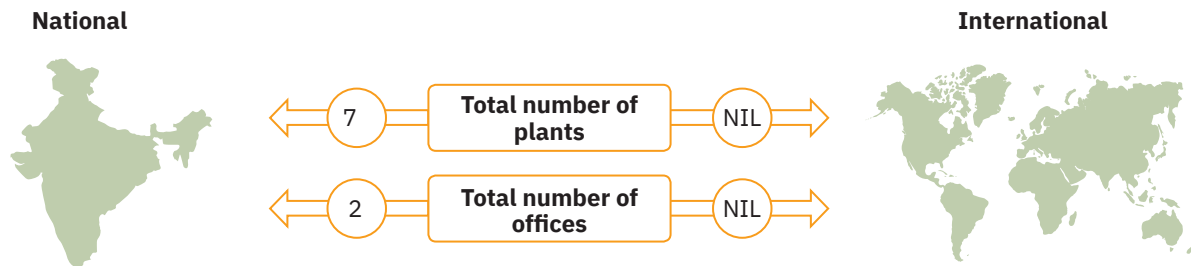
S. No.	Description of main activity	Description of business activity	% of the turnover of the entity
1.	Manufacturing of additives	The Company is India's leading specialty performance additives manufacturer used in plastics, foods, rubbers, coatings, cosmetics, feed nutrition and other specialty applications.	100%

**15. Products/Services sold by the Company (accounting for 90% of the Company's turnover):**

S. No.	Products/Services	NIC Code	% of total turnover contributed (2022-23)
1.	specialty performance additives	20119	100%

**III. OPERATIONS**

**16. Number of locations where plants and/or operations/offices of the Company are situated:**



**17. Markets served by the Company:**

**a. Number of locations**



**b. What is the contribution of exports as a percentage of the total turnover of the Company?**

Approximately 65% of the Company's total turnover is generated through exports.

**c. Please provide a brief on the Company's various types of customers.**

The Company caters to a wide variety of customers in the foods, cosmetics, coatings, rubbers, plastics, polymers and feed nutrition and other industries.

## IV. EMPLOYEES

### 18. Details as at the end of the financial year 2022-23:

#### a. Employees and workers (including differently abled):



S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1	Permanent (D)	397	262	65.99%	135	34.01%
2	Other than Permanent (E)	10	9	90.00%	1	10.00%
3	<b>Total employees (D + E)</b>	407	271	66.58%	136	33.42%
<b>Workers</b>						
4	Permanent (F)	423	418	98.82%	5	1.18%
5	Other than Permanent (G)	189	182	96.30%	7	3.70%
6	<b>Total workers (F + G)</b>	612	600	98.04%	12	1.96%

#### b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently abled Employees</b>						
1	Permanent (D)	0	0	0.00%	0	0.00%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	<b>Total differently abled employees (D+E)</b>	0	0	0.00%	0	0.00%
<b>Differently abled Workers</b>						
4	Permanent (F)	0	0	0.00%	0	0.00%
5	Other than Permanent (G)	0	0	0.00%	0	0.00%
6	<b>Total differently abled workers (F+G)</b>	0	0	0.00%	0	0.00%

Note: At present, the Company does not have any differently abled employees. However, the Company does not discriminate against them, and the same policies are applicable to every employee, even at the time of recruitment.

### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and the percentage of females	
		No. (B)	% (B/A)
 Board of Directors	10	1	10.00%
 Key Management Personnel	6	1	16.67%

## 20. Turnover rate for permanent employees and workers

(Disclose trends for the past three years)

	2022-23			2021-22			2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.00%	2.22%	4.07%	6.29%	4.72%	5.77%	4.40%	5.98%	5.04%
Permanent Workers	1.43%	0.00%	1.41%	1.54%	0.00%	1.52%	2.33%	0.00%	2.29%

## V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

### 21. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by listed entity	Does the Company, indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Fine Organics (USA), Inc.	Subsidiary company	100.00%	Yes
2	Fine Organics Europe BV	Subsidiary company	100.00%	Yes
3	Fine Zeelandia Private Limited	Joint venture company	50.00%	Yes
4	Fine Organic Industries (Thailand) Co., Limited.	Joint venture company	45.00%	Yes

Note: FineADD Ingredients GmbH is in the process of liquidation.

## VI. CSR DETAILS

### 22. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: (Yes/No)

Yes, in accordance with Section 135 of the Companies Act, 2013, read with Schedule VII thereto, the Company has built a CSR framework that focuses on:



Education



Healthcare



Woman empowerment



Environmental conservation etc.

(ii) Turnover ₹ 1,858.43 crore





(iii) Net worth ₹ 946.94 crore

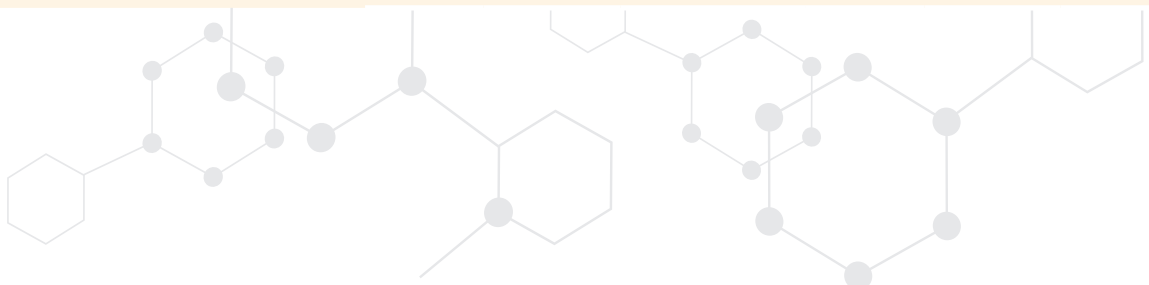
\*Turnover and net worth amount as on March 31, 2022



**VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES**

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**



Stakeholder group from whom complaint received	Grievance redressal mechanism in place (yes/no) (if yes, then provide weblink for the grievance redress policy)	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaints with pending resolution at the end of the year	Remarks	Number of complaints filed during the year	Number of complaints with pending resolution at the end of the year	Remarks
 Communities	Yes, a framework is in place to contact the community to understand their concern and resolve their issues	Nil	Nil	Nil	Nil	Nil	Nil
 Shareholders	Yes, <a href="https://www.scores.gov.in/scores/Welcome.html">https://www.scores.gov.in/scores/Welcome.html</a> <a href="https://www.fineorganics.com/contact-us/">https://www.fineorganics.com/contact-us/</a>	8	0	Complaints received from shareholders during the year pertaining to non-receipt of dividend and Annual Report	12	0	Complaints received from shareholders during the year pertaining to non-receipt of dividend and Annual Report
 Employees & workers	Yes, <a href="https://www.fineorganics.com/investor-policies/">https://www.fineorganics.com/investor-policies/</a>	Nil	Nil	Nil	Nil	Nil	Nil
 Customers	Yes <a href="https://www.fineorganics.com/contact-us/">https://www.fineorganics.com/contact-us/</a>	Nil	Nil	Nil	Nil	Nil	Nil
 Value chain partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil
 Others (please Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil



## 24. Overview of the Company's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business. Please provide rationale for identifying the same, alongside the approach undertaken to adapt or mitigate the risk and its financial implications, as per the following format.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1.	Extended product approval process 	R	<ul style="list-style-type: none"> <li>The regulatory approvals received from different industry/institutions are generally granted for a limited duration.</li> <li>The regulatory compliances are regularly revised depending on the geographical region, industry, end-users and other factors.</li> <li>Generally, it takes three to five years to get approvals on the additives before a manufacturer gets the nod as an additive supplier to major organisations. This means the additive end-users are likely to source tested additives from established suppliers to avoid expensive and lengthy validation tests. This process creates an entry barrier for a Company before venturing into new customers, geographies and applications.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on improving communications with all relevant stakeholders locally and internationally.</li> <li>Proper understanding of applicable regulation to make the approval process faster.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced revenue due to loss of business.</li> </ul>
2.	Vegetable oil prices 	R	<ul style="list-style-type: none"> <li>Price of vegetable oils depend upon the global as well as domestic demand-supply output &amp; climate/crop conditions.</li> <li>Changes in the duties made by the Indian Government and importing countries may result in price volatility and fluctuations.</li> </ul>	<ul style="list-style-type: none"> <li>Invest in commodities to help prepare for sudden price fluctuations in the market, and maintain a future repository of raw materials that will help survive the volatility of resource.</li> <li>Maintain robust relationship with our key suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Increased cost of raw materials, resulting in lower margins and impacting the bottom-line.</li> </ul>
3.	Industry growth 	O	<ul style="list-style-type: none"> <li>Increased use of plant-based green additives in industries like biopolymers &amp; bioplastic processing, personal care &amp; home care products as a replacement for other synthetically based additives, helps the Company to be innovative and environment friendly.</li> </ul>		<ul style="list-style-type: none"> <li>Anticipated growth in the green additives market globally, may result in more sustainable business and increased revenue.</li> </ul>

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
4.	Customer specification 	O	Build trust and consistency in business by catering to the customers specific needs and providing customised solutions.	-	<ul style="list-style-type: none"> <li>• Increased revenue through tailor made products.</li> <li>• Strong quality check system in place for consistent outcome</li> </ul>
5.	Impact of climate change 	R	The business may face challenges due to adverse weather conditions and climate change, as these factors can have an impact on crop production. Since vegetable oils, which are key raw materials for the industry, are derived from agriculture, any negative effects on crops can affect their availability. Additionally, climate change and related natural disasters like floods, cyclones, and droughts can introduce volatility in raw material prices, potentially influencing farmers decisions. Such disruptions can also impact supply chains, production facilities, and even change customer demand and preferences.	<ul style="list-style-type: none"> <li>• Sustainable sourcing from developed key supplier can mitigate risks for the Company by ensuring a stable and reliable supply of raw materials while promoting environmental stewardship and resilience.</li> <li>• Enhancing green chemistry by reducing the use and generation of hazardous substances</li> <li>• Shifting to the use of alternate energy-efficient fuels can reduce the climate change risk for the Company by minimising air emissions, promoting cleaner energy sources, and reducing the Company's overall carbon footprint.</li> </ul>	The Company does not enter into supply contract that are longer than 12 months, thereby exposing to risk of increase in raw material prices and decrease in profitability. Climate change related to regulatory amendment could result in increased regulatory compliances, failure to comply with the same could result in reputation risk.



## SECTION B MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure questions	P	P	P	P	P	P	P	P	P	
	1	2	3	4	5	6	7	8	9	
<b>Policy and management processes</b>										
1. a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	▶	Yes								
b. Has the policy been approved by the Board? (Yes/No)	▶	Yes*								
c. Weblink of the policies, if available.	▶	<a href="https://www.fineorganics.com/investor-policies/">https://www.fineorganics.com/investor-policies/</a> **								
2. Whether the Company has translated the policy into procedures. (Yes/No)	▶	Yes								
3. Do the enlisted policies extend to value chain partners? (Yes/No)	▶	Yes, we expect our value chain partners to adhere to the policies.								
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.	▶	<p>P1 : ISO 9001, SEDEX, ECOVADIS, KOSHER, HALAL &amp; FSSC 22000, COSMOS Ecocert</p> <p>P2 : ISO 9001, SEDEX, FSSC 22000, FSSAI, ECOVADIS, REACH, JOSPHA, GMP+, EFFCI &amp; RSPO</p> <p>P3 : SEDEX &amp; ECOVADIS</p> <p>P4 : ISO 9001, KOSHER, HALAL, FSSC 22000, GMP+, EFFCI &amp; RSPO, COSMOS Ecocert</p> <p>P5 : SEDEX &amp; ECOVADIS</p> <p>P6 : ECOVADIS &amp; SEDEX</p> <p>P7 : ISO 9001, FSSAI, HALAL, FSSC 22000, ECOVADIS &amp; GMP+</p> <p>P8 : ISO 9001, SEDEX, FSSC 22000, FSSAI, ECOVADIS, REACH, JOSPHA, GMP+, EFFCI, KOSHER, HALAL &amp; RSPO, COSMOS Ecocert</p> <p>P9 : ISO 9001, SEDEX, FSSC 22000, FSSAI, ECOVADIS, REACH, JOSPHA, GMP+, EFFCI, KOSHER, HALAL &amp; RSPO, COSMOS Ecocert</p>								
5. Specific commitments, goals and targets set by the Company with defined timelines, if any.	▶	Yes, the Company's Sustainability Goals encompass climate change, energy, greenhouse gases, renewable energy, tree plantation, water, and packaging waste life cycle assessment. It has adopted a clear roadmap and vision to positively impact society in the years to come. The Company intends to regularly review the performance of these goals and keep track of progress in the same direction.								
6. Performance of the Company against the specific commitments, goals and targets along with reasons in case the same not met.	▶	Various committees led by the Management and Board of Directors frequently evaluate how effectively each principle is being implemented.								

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

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

## Governance, Leadership and Oversight

### 7. Statement by the Director responsible for the Business Responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).

#### Our People, Our Planet.

The Company has established itself as an entity that takes business responsibility seriously, while strongly emphasising ESG as enlightened citizens. It understands that companies which perform ethically and create value for society may achieve long-term success.

The Company's Oleochemicals-derived additives and product solutions assist its customers in achieving their sustainability objectives and help them in preparing for the future. To this end, 88% of the Company's raw materials are green – derived from vegetable origin.

The employees diligently work towards the Company's mission and vision. In turn, the Company shows appreciation for their efforts by improving their compensation and increasing the workforce by adding more like-minded employees.

To foster a sense of security and belongingness among its employees, the Company has extended health and insurance coverage, along with financial support. The Company acknowledges its role in improving the lives of the communities in which it operates, and is committed to continuing these efforts in the years ahead.

The Company recognises its responsibility towards the people and planet, and will always continue working towards taking care of it.

**Over the period, the Company has made a number of operational improvements as well as applied best practices to ensure that its manufacturing activities are sustainable:**



#### Environment-friendly plant-based raw materials and products:

Majority of the Company's raw materials are vegetable based and obtained from various plant sources, which are natural and renewable. Therefore, the Company is able to manufacture and offer its final products as 'Green Additives' for most applications.



#### Wastewater management:

The Company implements the 3R approach - Reduce, Reuse, and Recycle - across all of its production facilities to safeguard natural resources. By adopting the 3R principle, the Company can curtail its resource consumption, minimise waste production, and foster sustainability in its operations, thus curbing its environmental impact and supporting the fight against climate change. Notably, the Company prioritises the preservation and conservation of water resources above all. The Company has undertaken different measures to reduce its daily water usage, staff up-skilling and frequently monitoring the water consumption. Additionally, the Company uses scientifically built ETP & STP systems to treat all wastewater generated within plant. The treated water is then reused and recycled within the facilities. As a result, the Company conserves one of the most valuable natural resources, 'Water'. Except for small scale unit of Badlapur (Member of CETP), all remaining manufacturing units operate as Zero Liquid Discharge units. The Company does not discharge a single drop of effluent, leading to zero-waste impact on the environment.



**Use of energy-efficient products:**

The Company uses Variable Frequency Drive (VFD) for motors and pumps to get the desired performance at optimum consumption of energy. The Company has also installed LED lighting throughout the plant and office premises.



**Energy conservation:**

The Company uses renewal energy like solar energy in the form of 'sky pipes' across all its warehouses. These sky pipes work on the fundamental of utilising solar light as a resource for indoor lighting. Thus, during the daytime, the Company does not need to use any electrical power for LED lamps in the warehouses, reducing electricity utilisation and conserving energy.



**Reduce air pollution:**

The Company has shifted from using furnace oil to natural gas - one of the clean-burning fuel reducing CO2 emission and eliminating SOx levels. This initiative has led to reduction in air emission. Thereby, achieving eco-friendly production facilities.



**Tree plantation:**

The Company has planted 845 trees, both within and around its facilities, which have several benefits, including helping sequester carbon dioxide and thereby reducing the company's carbon footprint. Additionally, the Company has undertaken green belt development and landscaping both within and around its facilities. This initiative has led to the creation of attractive and well-maintained green areas that enhance the release of oxygen into the surrounding environment and improve aesthetics.



**Carpooling:**

The Company provides carpooling facilities to its employees. Thus, helping to reduce fuel consumption and CO2 emissions as compared to using personal vehicles for commute.



**Plastic packaging & waste:**

The Company ensures a reduction in the use of plastic packing materials through alternate solutions. The plastic waste generated within the facility gets collected strategically and is disposed by sending it to authorised plastic recyclers. The Company gets a valid certificate from the authorised recyclers for the same. This helps to ensure that the plastic waste is treated suitably as per the Central & State regulatory compliance requirements. The Company also encourage its employees to decrease use of plastic materials leading to reduction in plastic waste generation which directly or indirectly impacts the environment.





**Green building initiative:**

The Company, leveraging its past experience in procuring LEED certification, demonstrates confidence in meeting the requirements for LEED certification across its upcoming greenfield projects. This will further enable the company to adopt sustainable practices, conserve resources, and achieve long-term sustainable growth through initiatives such as green chemistry and sourcing from sustainable practices.

**Looking Ahead**

- The Company is poised to embark on its next phase of growth with an innate sense of gratitude for the ‘Fine’tastic 50 years’ it had so far. Through these decades, the team has learned that they can surpass their present achievements in the future with consistent efforts and dedication. The Company is committed to maintain strong resilience as it pursues further growth.
- The Company holds pride in its ability to tackle the adversities with perseverance. To achieve the same, the Company is driven by its strength, core values, beliefs, and more importantly, the trust gained from its customers, associates and stakeholders.
- The Company acknowledges and highly regards its employees, customers and other stakeholders who enrich its experience, drive excellence and enable success. The Company is optimistic about taking on the challenges of its future journey, with the support of its customers and other stakeholders, focusing on areas that are important for its people and the planet.
- In conclusion, as a member of the industry, the Company places a strong emphasis on promoting the reduction of GHG emissions through the implementation of various initiatives outlined above. By prioritising sustainability, the Company strives to manufacture environment friendly products, while maintaining a harmonious relationship with surrounding biodiversity and society, aligning with ESG principles. These efforts reflect the Company's commitment to responsible business practices and a sustainable future.

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies)**

- DIN Number: 00106799
- Name: Mukesh Shah
- Designation: Chairman and Managing Director










**9. Does the Company have a specified Committee of the Board/Director responsible for decision-making on sustainability-related issues? (Yes/No). If yes, provide details.**

Yes, the Company has formed an internal committee at the management level to supervise the decision-making and execution of sustainability-related matters. This committee consists of senior members representing different key functions within the Company and is headed by Mr. Mukesh Shah, the Chairman and Managing Director. The Committee’s primary responsibility is to oversee the implementation of sustainability initiatives throughout the organisation, ensuring their seamless integration into the Company's operations and processes.

**10. Details NGRBCs review by the Company:**

Subject for review	Indicate whether review was undertaken by Director/Committee of the Board/any other Committee									Frequency: Annually/half-yearly/quarterly/any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Performance against the above policies and follow-up action</b>	Business Responsibility policies of the Company are periodically examined by its Senior Leadership Team, which includes the Managing Director, on a periodic basis or as needed. The effectiveness of the policies is evaluated throughout this assessment, and policies and procedures are updated as necessary.																	
<b>Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances</b>	The Company complies with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the Chief Executive Officer of the Company.												Quarterly					

**11.**

	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Has the Company carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.</b>	<div style="text-align: center;">          </div> <p>The Company's Senior Management and Board Committees regularly review the respective charters and policies through internal auditing, which monitors the policies, projects, and performance of the corporate responsibility and sustainability aspects.</p>								

**12. If the answer to the above question (1) is 'No' i.e., not all principles are covered by a policy, please specify the reasons: All the principles are covered by the policies**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The Company does not consider the principles material to its business (Yes/No)									
The Company is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The Company does not have the financial or human and technical resources available for the task (Yes/No)	N.A.								
The Company plans to do in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as ‘Essential’ and ‘Leadership’ indicators.

- 1 Principle**

Business should conduct and govern itself with ethics, transparency and accountability
- 2 Principle**

Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- 3 Principle**

Business should promote the well-being of all employees
- 4 Principle**

Business should respect the interests of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- 5 Principle**

Business should respect and promote human rights
- 6 Principle**

Business should respect, protect and make efforts to restore environment
- 7 Principle**

Business, when engaged in influencing public and regulatory policy/policies, should do so in a responsible manner
- 8 Principle**

Business should support inclusive growth and equitable development
- 9 Principle**





Business should engage with and provide value to their customers and consumers in a responsible manner



**PRINCIPLE 1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

**Essential Indicators**

**1. Percentage coverage by training and awareness programs on any of the Principles during the financial year:**

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	% Age of persons in respective category covered by the awareness programs
 <b>Board of Directors</b>	Yes	During the year, the Company's Board of Directors (including its committees) invested time on various updates comprising matters relating to business, regulations and governance parameters	100.00%
 <b>Key Managerial Personnel</b>	3	POSH/insider trading training/quality management system training	100.00%
 <b>Employees other than BoD and KMPs</b>	6	POSH/insider trading training/quality management system training/fire safety training/skill development/technical and commercial training/various certification related training	90.00%
 <b>Workers</b>	5	POSH/safety training/skill development/human rights/fire safety training/various certification related training	90.00%

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the Company or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the Company shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the Company's website):**

There were no complaints filed against the Company's directors or KMPs during the preceding financial years.

Monetary				
NGRBC	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine		Nil		
Settlement				
Compounding Fee				

Monetary			
NGRBC	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil		
Punishment			

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action was appealed.

Case details	N.A.	Name of the regulatory/enforcement agencies/judicial institutions

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and also provide a weblink to the policy, if any.

The Company is dedicated to following all applicable laws, rules, and regulations, as well as maintaining the highest levels of business ethics. It promotes a culture of high integrity, transparency, and adheres to the highest ethical and moral standards. A separate Code of Conduct applies to the Company's Directors and Senior Management. The Code of Conduct for the Board of Directors and Senior Management Personnel is available on the Weblink: <https://www.fineorganics.com/investor-policies/>

The Company has an Anti Bribery & Anti-Corruption policy. It has also adopted a Whistle Blower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail this mechanism. Whistle Blower Policy is available on Weblink: <https://www.fineorganics.com/investor-policies/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery.

	2022-23	2021-22
 <b>Directors</b>	Nil	Nil
 <b>KMPs</b>	Nil	Nil
 <b>Employees</b>	Nil	Nil
 <b>Workers</b>	Nil	Nil

**6. Details of complaints with regard to conflict of interest:**

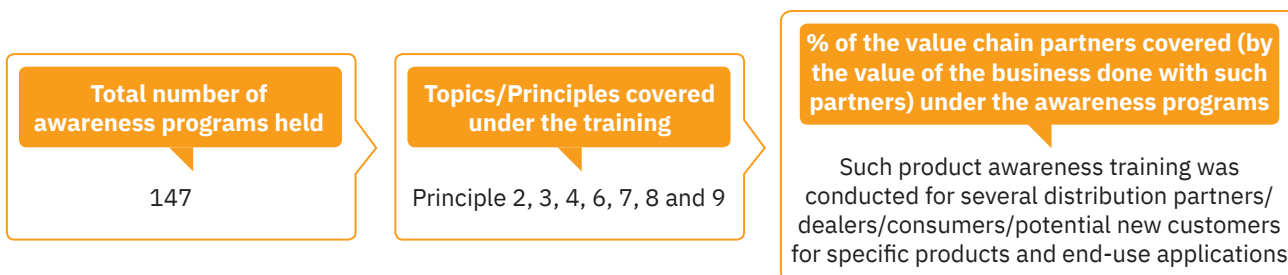
	2022-23		2021-22		
	Number	Remarks	Number	Remarks	
<b>Number of complaints received in relation to issues of Conflict of Interest of Directors</b>	Nil	N.A.	Nil	N.A.	<b>Number of complaints received in relation to issues of Conflict of the KMPs</b>

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable.

**Leadership Indicators**

**1. Awareness programs conducted for value chain partners on any of the Principles during the financial year:**



**2. Does the Company have processes in place to avoid/manage Conflicts of Interests involving members of the Board? (Yes/No). If yes, provide details of the same.**

Yes, every Director of the Company discloses his/her interest in the Company and/or his/her Conflict of Interests in other companies or corporate bodies, firms or other association of individuals. Any changes to such interests are also duly communicated, annually or upon any change.

The Company has in place a Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions which are applicable to our board members. Transactions with the board members or any entity in which such board members are concerned or interested are required to be approved by the Audit Committee and the Board of Directors. In such cases, the interested directors abstain themselves from the discussions at the meeting. The weblink of the above mentioned policies are mentioned below: <https://www.fineorganics.com/investor-policies/>



Further, a declaration is also taken annually from the Directors under the Code of Conduct confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and the role therein. The Senior Management also affirms annually that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at large. In the Meetings of the Board, the Directors abstain from participating in the items in which they are concerned or interested.



**PRINCIPLE 2** Businesses should provide goods and services in a manner that is sustainable and safe

**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the Company, respectively.**

	2022-23	2022-23	<b>Details of improvements in environmental and social impacts</b>  The Company's R&D investments are focused on developing sustainable technologies and green chemistries.
 <b>R&amp;D</b>	100.00%	100.00%	
 <b>Capex</b>	100.00%	100.00%	

Note: The Company's R&D efforts are customer centric and emphasise on improving production processes and creating downstream products. The focus areas include food, plastic, feed nutrition, personal care/home care/coatings etc. and other applications. The Company is also conducting research into new technologies for chemical processing to minimise energy costs. The R&D products relevant in the scope of environmental and social impacts include new additives like green surfactants & additives for biodegradable plastics etc.

2. a. **Does the Company have procedures in place for sustainable sourcing?**

The specialty performance additives produced by the Company are made from natural raw materials, such as vegetable oils. The Company sources almost 70% of its raw materials from the local vendors, from the crops grown locally, thus reducing the carbon footprint generated by transportation. The Company also ensures that the raw materials sourced are not overburdening or exploiting natural resources and that they follow Government and regulatory guidelines.

Additionally, the Company's engineering and project team develops its utilities and critical equipments. The Company sources materials and services from selected fabricators and engineers and customises designs to suit the Company's business processes instead of importing from other countries.

- b. **If yes, what percentage of inputs were sourced sustainably? (Yes/No)**

As a manufacturer of Special Additives, we use various oleo chemical based raw material, which account for 85% of our input. Moreover, these raw materials are derived from sustainable sources and 70% of them are procured from local vendors. This approach has not only strengthened our sustainable sourcing targets but has also helped us to reduce our carbon footprint.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:**



The Company produces consumable additives that fulfill the technical requirements of the final products in various industries such as food and beverages, plastics/polymers, cosmetics, pharmaceuticals, rubbers, feed nutrition, coatings etc. As a result, there is no possibility of recycling the products at the end of the value chain. Therefore, there is no possibility of recycling our the products at the end of the value chain.



### Plastics (including packaging)

As part of its sustainable operations, the Company adheres to Extended Producer Responsibility (EPR) guidelines, which encompass the management of plastic packaging waste. The Company ensures the safe disposal of both pre-consumer and post-consumer plastic packaging waste through the EPR approach. All plastic waste generated by the Company's manufacturing units is sent to authorised recyclers for the purpose of recycling.



### E-waste

The E-waste generated from all the manufacturing units of the Company is sent to authorised recycler for recycling.



### Hazardous waste (ETP Sludge, and waste oil etc.)

The hazardous waste generated from the manufacturing units of the Company is sent to Mumbai Waste Management Limited (MWML) agency, for necessary treatment and disposal. All our manufacturing units are registered member of MWML.

#### 4. Whether Extended Producer Responsibility (EPR) is applicable to the Company's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, we are in compliance with the Plastic Waste Management 2016 Rules & Amendments. For plastic packaging waste generation, we have completed the EPR registration for the group company under Brand Owners (PIBOs) category covering all manufacturing units. The Companies waste collection plan is in line with EPR plan submitted to Central Pollution Control Board (CPCB). As a Brand Owner, our aim is to meet the EPR target as per our brand owner registration certificate issued by CPCB on annual basis.

## PRINCIPLE 3

**Businesses should respect and promote the well-being of all employees, including those in their value chains**

### Essential Indicators

#### 1. a. Details of measures undertaken for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	262	262	100.00%	262	100.00%	NA	NA	262	100.00%	145	55.34%
Female	135	135	100.00%	135	100.00%	135	100.00%	NA	NA	92	68.15%
<b>Total</b>	<b>397</b>	<b>397</b>	<b>100.00%</b>	<b>397</b>	<b>100.00%</b>	<b>135</b>	<b>34.00%</b>	<b>262</b>	<b>65.99%</b>	<b>237</b>	<b>59.70%</b>
<b>Other than Permanent Employees</b>											
Male	9	9	100.00%	9	100.00%	N.A.	N.A.	9	100.00%	3	33.33%
Female	1	1	100.00%	1	100.00%	1	100.00%	N.A.	N.A.	1	100.00%
<b>Total</b>	<b>10</b>	<b>10</b>	<b>100.00%</b>	<b>10</b>	<b>100.00%</b>	<b>1</b>	<b>10.00%</b>	<b>9</b>	<b>90.00%</b>	<b>4</b>	<b>40.00%</b>

**b. Details of measures for the well-being of workers:**

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)

**Permanent Workers**

<b>Male</b>	418	418	100.00%	418	100.00%	NA	NA	418	100.00%	N.A.	N.A.
<b>Female</b>	5	5	100.00%	5	100.00%	5	100.00%	N.A.	N.A.	N.A.	N.A.
<b>Total</b>	423	423	100.00%	423	100.00%	5	1.18%	418	98.82%	N.A.	N.A.

**Other than Permanent Workers**

<b>Male</b>	182	182	100.00%	182	100.00%	N.A.	N.A.	182	100.00%	N.A.	N.A.
<b>Female</b>	7	7	100.00%	7	100.00%	7	100.00%	N.A.	N.A.	N.A.	N.A.
<b>Total</b>	189	189	100.00%	189	100.00%	7	3.70%	182	96.30%	N.A.	N.A.

**2. Details of retirement benefits, for current FY and previous FY.**

Benefits	2022-23			2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
<b>PF</b>	92.91%	100.00%	Yes	92.60%	100.00%	Yes
<b>Gratuity</b>	100.00%	100.00%	Yes	100.00%	100.00%	Yes
<b>ESI</b>	12.82%	100.00%	Yes	13.17%	100.00%	Yes
<b>Others – please specify</b>				N.A.		

**3. Accessibility of workplaces**

Are the premises/offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, please mention whether any steps are being taken by the Company in this regard.

Yes, the operating locations of the Company have accessibility for differently abled employees, workers and visitors. The Company has elevators and all the necessary infrastructure to support differently abled workers and employees. Further, wheelchair facility is also available on the premises.

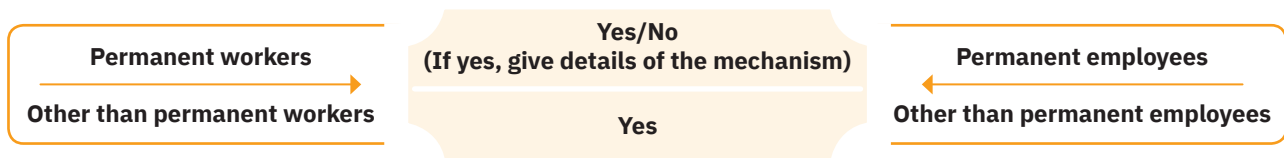
**4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a weblink to the policy.**

Yes, the organisation provides equal opportunity to each individual and does not discriminate on the basis of color, religion, sex, nationality, ancestry, age, marital status, sexual orientation or disability.

**5. Please provide information in brief on return to work and retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return-to-work rate	Retention rate	Return-to-work rate	Retention rate
Male	100.00%	100.00%	100.00%	100.00%
Female	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**



Yes, the Company promotes open communication, encouraging employees and workers to initially address their concerns with their respective Head of Department (HOD). If the issue remains unresolved, they are encouraged to report their complaints or problems to the HR department or the plant in-charge. Victims or witnesses of sexual harassment or discrimination have the option to raise a complaint, either with their name or anonymously with Internal Complaint Committee (ICC). Such complaints are directed to the respective HOD, who takes further action to address and resolve the matter with the assistance of the ICC.

To ensure the reporting of genuine concerns or grievances, the Audit Committee has been assigned the responsibility of establishing a vigil mechanism. The Company adheres to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act of 2013, which is in place to address complaints related to sexual harassment. Moreover, the Company has appointed an external member in the Internal Complaint Committee who is a lawyer with expertise in the Prevention of Sexual Harassment (POSH) and Protection of Children against Sexual Offences Acts (POCSO).

**7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:**

2022-23			2021-22		
Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)

- Total permanent employees**
- Male
- Female
  
- Total permanent workers**
- Male
- Female

The Company does not have any recognised employees/workers association. However, the Company has a long-standing and healthy relationship with its employees wherein 7.81% of employees are of the second generation and 11.23% of employees have been working with Company for 25 years or more. For 2021-22, 8.33% of employees are of the second generation and 12.63% have completed 25 years.

Further, if any conflict arises, the head of the respective department seats and discusses the matter and resolves the same through mutual consent.

## 8. Details of training given to employees and workers:

	2022-23					2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Male</b>	262	245	93.51%	210	80.15%	239	230	96.23%	212	88.70%
<b>Female</b>	135	120	88.89%	97	71.85%	119	105	88.23%	100	84.03%
<b>Total</b>	397	365	91.94%	307	77.33%	358	335	93.57%	312	87.15%
<b>Workers</b>										
<b>Male</b>	418	418	100.00%	418	100.00%	375	375	100.00%	375	100.00%
<b>Female</b>	5	5	100.00%	5	100.00%	5	5	100.00%	5	100.00%
<b>Total</b>	423	423	100.00%	423	100.00%	380	380	100.00%	380	100.00%

## 9. Details of performance and career development reviews of employees and workers:

Category	2022-23			2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
<b>Male</b>	262	262	100.00%	239	239	100.00%
<b>Female</b>	135	135	100.00%	119	119	100.00%
<b>Total</b>	397	397	100.00%	358	358	100.00%
<b>Workers</b>						
<b>Male</b>	418	418	100.00%	375	375	100.00%
<b>Female</b>	5	5	100.00%	5	5	100.00%
<b>Total</b>	423	423	100.00%	380	380	100.00%

## 10. Health and safety management system:

**a** Please mention whether an occupational health and safety management system has been implemented by the Company. (Yes/No). If yes, what is the coverage of this system?

Yes, the Occupational Health and Safety Practices has been implemented by the Company in all manufacturing facilities, offices and R&D Laboratory, to safeguard its employees and workers.

**b** What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the Company?

In order to prevent injuries, incidents in the workplace, and disruptions to business operations, the Company has implemented a robust process for risk management. The Company regularly reviews and eliminates risks pertaining to operations. The Company provides Mock drills, conducts Safety Audits and trainings to minimise the risks.

<p><b>c</b> Whether the Company processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)</p>	<p>Yes, the Company promotes a reporting culture where workers are encouraged to report any accidents or near-miss incidents that may occur during work. After a thorough investigation of the incident, the Company determines the cause and takes necessary measures to prevent similar incidents in the future. Additionally, workers are provided with various safety training programs to ensure a safe working environment within the facility.</p>
<p><b>d</b> Do the employees/workers of the Company have access to non-occupational medical and healthcare services? (Yes/No)</p>	<p>Yes, the Company ensures that all its sites have access to non-work-related medical and healthcare services. These services can be offered on-site or through collaborations with reputable nearby medical facilities. Moreover, all facilities are equipped with ambulances or emergency vehicles, and well-trained first-aid personnel are available round the clock to address any emergency scenarios that may arise. To meet the medical requirements of its employees and workers, the Company has also implemented Medclaim Compensation Policy that covers the expenses of non-work-related medical and healthcare services.</p>

**11. Please provide details of safety-related incidents, in the following format:**

Safety Incidents/Numbers	Category	2022-23	2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the Company to ensure a safe and healthy workplace.**

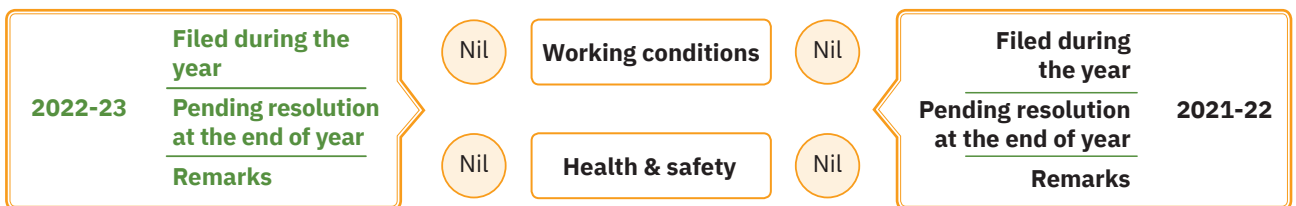
For the Company, the safety of employees and workers takes precedence over everything else. The safety team conducts regular training sessions, inspections, and drills to ensure that all workers are properly trained to respond to emergency situations while adhering to safety guidelines. The Company closely monitors the health and safety performance of all our plants and conduct thorough investigations with root cause analysis to address any incidents that occur. In addition, annual medical assessments are also conducted for all staff members and workers to ensure that they are fit for their job responsibilities. To this end, the Company provide:

- Totally enclosed process and pneumatic system that controls all parameters of any safety failures
- Interlocking mechanisms in process reactors and equipments triggering by indications of high/low pressure, high temperature, and high/low flow to ensure safe operations
- Safety pressure valves on reactors and equipments to protect the safety of employees and the environment by preventing excessive pressure build-up
- Properly insulated reactors to nullify charges of static discharge



- Flame-proof light fixtures installed at necessary areas to minimise the risk of accidental damage
- Emergency handling equipment such as SCBA sets, fire extinguishers, gas masks, PPEs, NH3 protection kits, dump pits, and respirators to ensure the safety of employees in case of emergencies
- Complete Effluent Treatment Plant (ETP) system consisting of Primary, Secondary, and Tertiary treatment followed by ATFD to effectively treat industrial effluent. The treated water is fully recycled and used for the cooling tower and scrubber system.
- Full-fledged Sewage Treatment Plant (STP) system in place to treat domestic wastewater and the treated water, is recycled and used for gardening purposes
- The water availability in fire tank reservoir, which supplies water to fire hydrant and sprinkler, is fully maintained.
- The water availability in fire tank reservoir is 100% maintained which supplies water to fire hydrant and sprinkler system.
- Dyke wall to all above-ground storage tanks provided away from the process plant; with only authorised people allowed to enter in these areas. All storage tank are away from processing plant and only authorised people are allowed in this area.
- Lightening arrestors on all chimneys and buildings provided to prevent any hazard due to lightening.
- Fencing and caution notes and hazard identification signage boards, safety posters and stickers are displayed at all required places.
- Installation of required safety equipments, gas and smoke detection system, automatic fire alarm, fire hydrant system with fixed monitor at tank farm area and automatic water sprinkler system etc. Similarly safety equipments and automatic water sprinkler system install at essential areas.
- Regular workplace monitoring and maintenance to ensure proper implementation of safety measures.
- Wind direction indicators (windsocks) at required places within facility.
- Safety showers and eye wash stations provided at the production and also at ammonia storage tonner area.
- Walkie-talkies, P.A. system, Tele-Communication and mobile phones are provided to be used for prompt communication in case of emergency.
- Emergency sirens, installed at the main gate and all required locations within plants.
- Continuous training programs and induction trainings to all employees on general safety, chemical safety and process safety are provided.
- Made all manufacturing process are Solvent-free.
- Well-equipped medical centre with onboard doctors for consultation and emergency first aid along with an ambulance available at major facilities and emergency vehicles available at minor facilities, to handle any medical emergencies.

**13. Number of complaints on the following made by employees and workers:**



**14. Assessments for the year:**



**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

N.A.

During the year, zero accidents were reported. However, the Company keeps an eye on the working conditions through regular checks.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, the Company provides its employees with a comprehensive life insurance and health insurance policy. Additionally, in the unfortunate event of an employee's death, the Company also offers gratuity to provide financial support to their family and dependents.

**2. Provide the measures undertaken by the Company to ensure that statutory dues are deducted and deposited by the value chain partners.**

The Company conducts its business with integrity and expects its value chain partners to operate in a trustworthy manner, fulfilling their obligations and promptly paying their statutory dues. Furthermore, the Company expects its partners to comply with its code of conduct, business responsibility policies, and shared values.

**PRINCIPLE 4** Businesses should respect the interests of and be responsive to all its stakeholders

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the Company.**

The Company identifies any individual, group, or institution that has a direct or indirect impact on its operations or business chain as a key stakeholder. This includes customers, shareholders, suppliers, communities, government and regulatory authorities, and employees. The Company conducts regular mapping exercises to identify and engage with its stakeholders.

**2. List of stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified under vulnerable & marginalised group (Yes/No)	Channels of communication (email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (annually/half-yearly/quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Customer meet, online survey, e-mails, and an online grievance mechanism	Ongoing	Product information, feedback, grievances, product-related queries and regulatory compliances, change in the price of products
Shareholders	No	Press releases, email, media releases, annual general meeting, stock exchange intimations, website uploads	Quarterly, Half-yearly, Annual, as and when required	Financial performance, key risks and mitigation, operational highlights, share price appreciation, dividend distribution
Suppliers	No	Events, roadshows, emails, video conference, website	Quarterly and annually (as and when required)	Timely delivery, payment terms & conditions, quality of goods procured
Communities	Yes	Partnership with local charities, community visits	Ongoing	CSR, community complaints, awareness program, community development
Government and regulatory authorities	No	Annual report and regulatory filings facility inspections one-on-one meetings	Annual & Periodic	Compliance and good Governance practice
Employees	No	One-to-one interactions, email, senior management meet, internal communication platforms	Ongoing	Career development, salary and other perquisites, work ethics, policy communication, team building etc.

## Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics. If consultation is delegated, how is the feedback from such consultations provided to the Board.**

Stakeholder consultation is a continuous activity and it is driven by the Company's leadership at various platforms. At business unit levels, there is a continuous dialogue with different stakeholders and the same is also presented to the Board.

2. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

The Company is actively engaged in Corporate Social Responsibility (CSR) initiatives aimed at improving the lives of disadvantaged, vulnerable, and marginalised communities. It has identified these communities and focuses its efforts to provide them with support and assistance.

The Company organised seminars, workshops, and conferences in various states, including Maharashtra, Gujarat, Punjab, and Haryana. These events are designed to educate farmers on modern dairy practices, antibiotic-free poultry farming, and adopting green solutions to improve animal health. By imparting this knowledge, the Company aims to provide farmers with new opportunities for improving their earnings while also offering healthier dairy products and poultry meat to consumers, thus improving their health in turn.

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the Company, in the following format:**

Category	2022-23			2021-22		
	Total (A)	No. employees /workers covered (B)	% (B/A)	Total (C)	No. employee /workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	397	362	91.18%	358	258	72.07%
Other than permanent	10	10	100.00%	11	11	100.00%
Total employees	407	372	91.40%	369	269	72.90%
<b>Workers</b>						
Permanent	423	423	100.00%	380	380	100.00%
Other than permanent	189	189	100.00%	183	183	100.00%
Total workers	612	612	100.00%	563	563	100.00%





## 2. Details of minimum wages paid to employees and workers, in the following format:

Category	2022-23					2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent	397	1	0.25%	396	99.74%	358	0	0.00%	358	100.00%
Male	262	1	0.38%	261	99.62%	239	0	0.00%	239	100.00%
Female	135	0	0.00%	135	100.00%	119	0	0.00%	119	100.00%
<i>Other than Permanent</i>	10	0	0.00%	10	100.00%	10	0	0.00%	10	100.00%
Male	9	0	0.00%	9	100.00%	10	0	0.00%	10	100.00%
Female	1	0	0.00%	1	100.00%	0	0	0.00%	0	0.00%
<b>Workers</b>										
<i>Permanent</i>	423	0	0.00%	423	100%	380	0	0.00%	380	100.00%
Male	418	0	0.00%	418	100%	375	0	0.00%	375	100.00%
Female	5	0	0.00%	5	100%	5	0	0.00%	5	100.00%
<i>Other than Permanent</i>	189	164	86.77%	25	13.23%	183	162	88.52%	21	11.48%
Male	182	164	90.11%	18	9.89%	177	162	91.52%	15	8.47%
Female	7	0	0.00%	7	100.00%	6	0	0.00%	6	100.00%

## 3. Details of remuneration/salary/wages, in the following format:

The Company has paid managerial remuneration in compliance with the necessary approvals required by Section 197 read with Schedule V of the Act. The Company has in place a Nomination and Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the Listing Regulations, which is available on weblink of the Company provided below.

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

	Male		Female	
	Number	Median remuneration /salary/wages of respective category	Number	Median remuneration /salary/wages of respective category
 <b>Board of Directors (BoD)</b>	9	₹ 96,00,000	1	₹ 24,85,000
 <b>Key Managerial Personnel (other than BODs)</b>	-	NA	1	₹ 20,33,534
 <b>Employees other than BoD and KMP</b>	262	₹ 11,36,744	135	₹ 11,15,195
 <b>Workers</b>	418	₹ 5,01,341	5	₹ 4,54,442

**4. Do you have a focal point (individual/committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Company's head of human resources is in-charge of handling matters or impacts related to human rights. The Company expects all of its key stakeholders to observe and abide by the policy's guiding principles as well as any and all applicable laws and regulations of the other countries in which it conducts business.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has embraced a framework that prioritises strong governance and ensures timely payment of salaries to all of its employees and workers. The primary goal is to offer equal opportunities to individuals seeking association with the organisation.

Employees have the platform to report any issues they encounter to either the human resource department or the higher authorities within the Company.

The Company is dedicated to establishing workplaces that are devoid of any form of discrimination or harassment, irrespective of gender, religion, age, or sexual orientation. The Company has implemented comprehensive policies and procedures to prevent child labor and sexual harassment across its operational sites. This includes thorough verification of age-related documents before confirming employment.

To address complaints regarding sexual harassment, an Internal Complaint Committee (ICC) has been established. Furthermore, the Company has appointed a specialised lawyer as an external member of the Internal Committee, with expertise in the Prevention of Sexual Harassment ("POSH").

The Company strongly believes in fostering two-way communication. Employees and workers are encouraged to initially share their concerns with their respective Heads of Department (HODs). If the concern remains unresolved, they are welcome to bring forward their complaints or issues to the HR department and the designated plant in-charge.

**6. Number of Complaints on the following made by employees and workers:**

The Company received no complaints about child labour, forced labour, involuntary labour, or sexual harassment throughout the year.

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
<b>Sexual Harassment</b>	Nil	Nil	N.A.	Nil	Nil	N.A.
<b>Discrimination at Workplace</b>	Nil	Nil	N.A.	Nil	Nil	N.A.
<b>Child Labour</b>	Nil	Nil	N.A.	Nil	Nil	N.A.
<b>Forced Labour/ Involuntary Labour</b>	Nil	Nil	N.A.	Nil	Nil	N.A.
<b>Wages</b>	Nil	Nil	N.A.	Nil	Nil	N.A.
<b>Other Human rights-related Issues</b>	Nil	Nil	N.A.	Nil	Nil	N.A.

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and its corresponding regulations, the Company maintains a strict zero tolerance policy towards sexual harassment in the workplace. A comprehensive Prevention of Sexual Harassment policy has been implemented with the aim of safeguarding employees and effectively addressing any complaints or related issues that may arise. Furthermore, an Internal Complaints Committee has been established specifically to handle and resolve cases of sexual harassment.

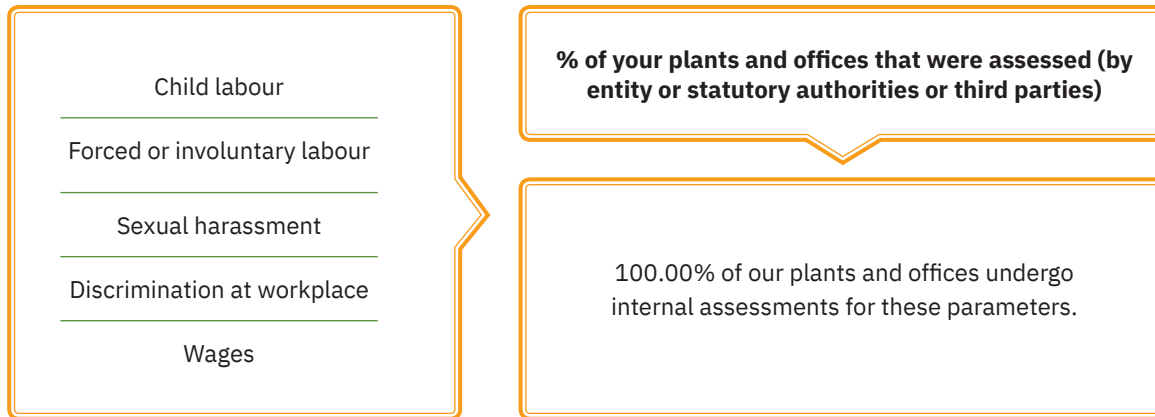
The Company ensures equal opportunities for all individuals, regardless of their race, ethnicity, nationality, gender, language, age, sexual orientation, religion, marital status, socio-economic status, or special abilities, at every level of employment.

To promote awareness and understanding of discrimination and harassment issues, all new employees and workers undergo an awareness program upon joining the organisation. Additionally, the policy is shared throughout the entire company for easy reference and accessibility.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

The Company incorporates human rights requirements into its business agreements and contracts whenever applicable and relevant.

**9. Assessments for the year:**



**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

No complaints were filed during the financial year.

**Leadership Indicators**

**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

The Company did not receive any grievances/complaints on human rights violations and hence no process(es) were modified/introduced to address the same.

**2. Details of the scope and coverage of any human rights due diligence conducted.**

The Company takes human rights seriously and is committed for creating awareness and promoting human rights among its employees. To achieve this goal, the Company regularly conducts training and awareness programs to educate and sensitise its employees about human rights. These programs are not just initiated but are also continuously monitored for their effectiveness. The Company understands the importance of identifying and addressing any adverse impact of its processes on human rights and strives to ensure that its employees adhere to the highest ethical standards. Regular training programs help the Company to keep a check on the functionality of its processes and ensure that they align with the principles of human rights. By raising awareness among employees, the Company ensures that they understand their rights and responsibilities and work towards creating a safe and inclusive workplace. The Company's commitment for promoting human rights through regular training and awareness programs demonstrates its dedication to ethical practices and responsible business conduct.



**3. Is the premise/office of the Company accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, the registered office and plants of the Company have elevators and wheelchair facilities.

**PRINCIPLE 6** Businesses should respect and make efforts to protect and restore the environment

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity in the following format:**

2022-23 (GJ) (Current Financial Year)	Parameter	2021-22 (GJ) (Previous Financial Year)
1,06,964.13	Total electricity consumption (A) only grid	1,05,756.57
2,33,697.98	Total fuel consumption (B) (PNG, FO, LDO, Diesel)	2,03,007.56
0	Energy consumption through other sources (C)	0
3,40,662.11	Total energy consumption (A+B+C)	3,08,764.14
0.0000112 GJ/Rs. 11.25 KJ/Rs.	Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.0000166 GJ/ Rs. 16.61 KJ/Rs.

**Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Yes/No) If yes, please name the external agency.**

No

**2. Does the Company have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No



**3. Provide details of the following disclosures related to water in the following format:**

Parameter	2022-23	2021-22
	(Current Financial Year)	(Previous Financial Year)
<b>Water withdrawal by source (in kilo liters)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water (Supplied by Maharashtra Industrial Development Corporation MIDC)	1,15,211	1,03,418
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilo litres) (I + ii + iii + iv + v)</b>	<b>1,15,211</b>	<b>1,03,418</b>
<b>Total volume of water consumption (in kilo litres)</b>	<b>1,05,264</b>	<b>96,659.5</b>
<b>Water intensity per rupee of turnover (Water consumed/turnover)</b>	<b>0.0035L/Rs.</b>	<b>0.0052 L/Rs.</b>

**Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Yes/No) If yes, please name the external agency.**

No.

**4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes.

Out of the total of seven manufacturing units, six have already implemented Zero Liquid Discharge (ZLD) facilities. The only exception is a small-scale manufacturing (SSI) unit, which currently discharges treated effluent into CETP for further disposal.

Water usage is not involved in the manufacturing process. The utility effluent undergo treatment in the Effluent Treatment Plant (ETP), and the treated effluent is subsequently recycled as makeup water for cooling towers or other utility needs. Thereby achieving Zero Liquid Discharge (ZLD).

The ETP consists of primary, secondary and tertiary treatment are followed by the ATFD.

The sewage undergoes treatment in the Sewage Treatment Plant (STP). The STP consists of primary, secondary and tertiary treatment followed by UV treatment step. The treated sewage is then put to use for gardening purposes. The bio sludge generated during the treatment process is utilised as manure. In the case of smaller units, sewage is collected in septic tanks and subsequently directed to soak pits.

**5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:**

Parameter	Please specify unit	2022-23	2021-22
NOx*	MT/year	6.46	0
SO2**	MT/year	6.84	7.24
Particulate matter (PM)	MT/year	14.11	7.58
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA

\*The Company did not measure NOx emissions for the year 2021-22. However, we have conducted calculations to determine the NOx emissions for the year 2022-23.

\*\* The company measure SO<sub>2</sub> emission through external authorised laboratories.

**Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Yes/No) If yes, name of the external agency.**

No

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	2022-23 <i>(Current Financial Year)</i>	2021-22 <i>(Previous Financial Year)</i>
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>(Metric tonnes of CO<sub>2</sub> Equivalent)</i>	13,732.48	11,869.81
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>(Metric tonnes of CO<sub>2</sub> Equivalent)</i>	23,472.68	23,207.69
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.0000012 T CO <sub>2</sub> eq/Rs.	0.000002 T CO <sub>2</sub> eq/Rs
		0.0012 Kg CO <sub>2</sub> eq/Rs.	0.002 Kg CO <sub>2</sub> eq/Rs

**Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Yes/No) If yes, name the external agency.**

No.

**7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.**

All our manufacturing units uses PNG as a fuel which is clean burning fuel and reduces GHG emissions as compared to other fossil fuel.

**8. Provide details related to waste management by the Company, in the following format:**

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Plastic waste and packaging waste* (A)	36.62	70.00
E-waste (B)	5.05	0.66
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E) (Nos.)	0	56
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) Waste oil, ETP sludge & salts, process sludge	1,024.69	890.77
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	0	0
<b>Total (A+B + C + D + E + F + G+ H)</b>	<b>1,066.36</b>	<b>1,017.23</b>

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

**Category of waste**

(i) Recycled** - Plastic and Packaging waste, process waste, E waste, Waste oil	792.67	741.45
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>792.67</b>	<b>741.45</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

**Category of waste**

(i) Incineration	-	-
(ii) Landfilling*** ETP sludge & salts	273.69	219.98
(iii) Other disposal operations	-	-
<b>Total</b>	<b>273.69</b>	<b>219.98</b>

\*: Plastic waste is pre-consumer packaging waste and waste generated from raw material packaging. The quantities have reduced significantly in 2022-23 due to reduction in utilisation of shrink wrap and bulk ordering of raw materials.

\*\* : Recycled through SPCB authorised recyclers or Treatment, Storage and Disposal Facility (TSDF)

\*\*\*: Safe disposal through TSDF

**Note: Indicate if any independent assessment/evaluation/assurance was carried out by an external agency? (Y/N) If yes, name of the external agency.**

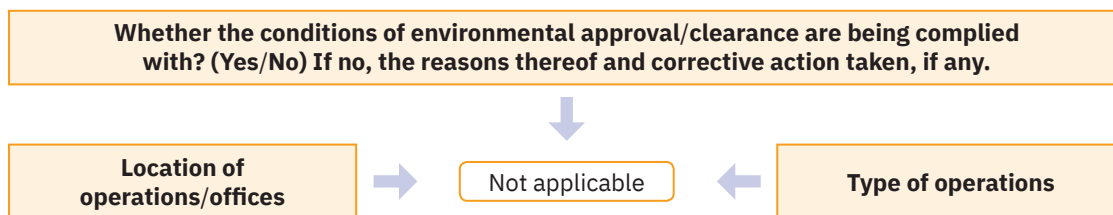
No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by the Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

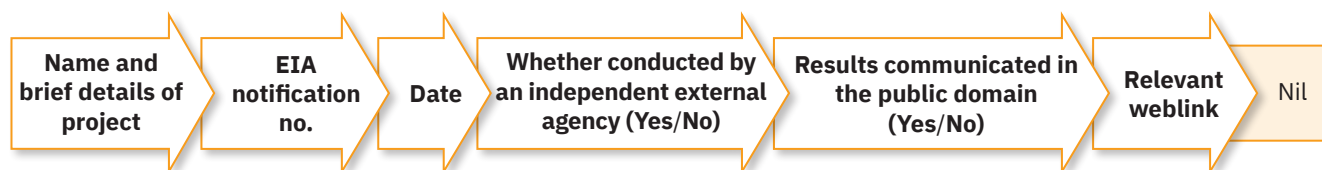
The Company produces environment friendly additives using raw materials derived from vegetable oil. As a result, the waste generated during the manufacturing process is non-hazardous. By transitioning from furnace oil to cleaner piped natural gas, the Company has eliminated the generation of boiler ash. Effective waste management and waste minimisation are key priorities across all of the Company's manufacturing sites. The Company maintains inventories to monitor and reduce waste generation, and the handling of solid and hazardous waste is in compliance with Consent to Operate and Hazardous Waste Authorisation regulations.

75% of the waste generated by the Company is either recycled or reprocessed authorised recyclers or the use of a TSD (Treatment, Storage, and Disposal Facility). Certificates from recyclers are diligently maintained for E-waste. In case of Plastic packaging waste, it is full filled in accordance with Extended Producer Responsibility (EPR) guidelines. Additionally, the Company has implemented a buy-back mechanism to handle battery waste. Used batteries are returned to the suppliers, and proper inventories are maintained to ensure effective management of this waste stream. Process waste is safely disposed through Mumbai Waste Management Limited. (MWML).

**10. If the Company has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:**

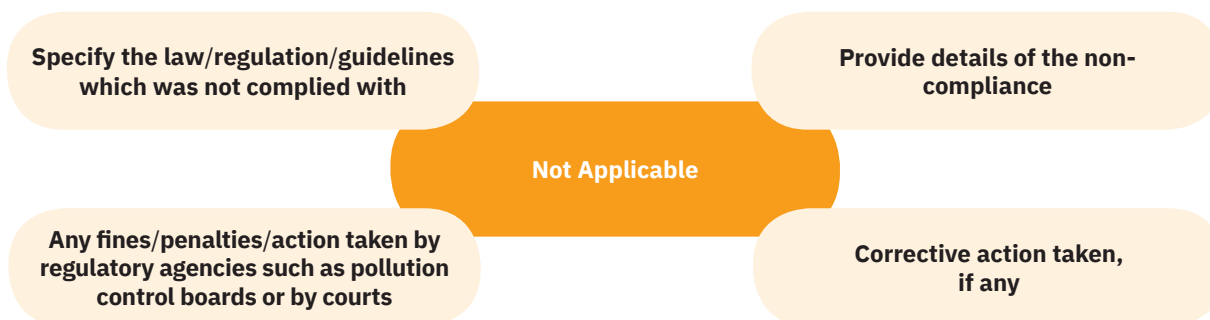


**11. Details of environmental impact assessments of projects undertaken by the Company based on applicable laws, in the current financial year:**



**12. Is the Company compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Yes/No). If not, provide details of all such non-compliances, in the following format:**

Yes, the Company complies with all the mentioned acts and rules.



## Leadership Indicators

- 1. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the Company on biodiversity in such areas, along with prevention and remediation activities.**

The manufacturing units are located well within notified industrial area. Therefore, there is no impact of the Company operations on the biodiversity.

- 2. If the Company has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives, as per the following format.**

Initiatives undertaken	Details of the initiative ( <i>Web-link, if any, may be provided along-with summary</i> )	Outcome of the initiative
Shift to use clean fuel	Replaced furnace oil to piped natural gas	Reduction in CO <sub>2</sub> (GHG scope 1 emissions) and SO <sub>2</sub> levels (air emissions)
Energy conservation system	Installations of Variable Frequency Drives (VFDs) for motors and pumps across manufacturing units Installed LED lighting in the facility, administrative areas and streets	Reduction in energy usage. Lower power bills
Use of solar energy	Installed solar sky pipes and solar street lamp at manufacturing units	Reduction in electricity consumption and scope 2 emissions
Zero liquid discharge (ZLD) and recycle of treated effluent	All manufacturing units are Zero liquid discharge except one SSI unit which is a member of CETP	Nearly 85% of the treated effluent (maximum possible) are recycled for utility makeup, thereby reducing fresh water consumption
Rainwater harvesting system	Rainwater harvesting system installed at most of our plants	Ground water recharge and reduction in freshwater consumption
Waste utilisation	Process sludge and waste oil are recycled through authorised vendors	Reduction in waste going to landfill or treatment facility

- 3. Does the Company have a business continuity and disaster management plan? Provide details within 100 words/weblink.**

The Company undertakes a materiality assessment aimed at evaluating financial, environmental, and social risks and opportunities that could potentially affect its business and stakeholders. This assessment covers various areas such as environmental capital, social capital, human capital, business model and innovation, leadership, and governance. The assessment aims to measure the impact of these areas on two dimensions: the business and the stakeholders.

To mitigate the materiality risks and impacts while enhancing business opportunities, the Company has implemented operational checks and controls, an institutional setup, and management review. These measures are in place to monitor and control potential risks and impacts.

In addition, the Company has developed a risk management plan that provides guidelines for conducting a comprehensive risk assessment aimed at identifying potential disasters and analysing their impact on the business. To ensure preparedness for any such disaster, the Company has put in place a robust emergency response plan, which enable us to forecast and mitigate any disaster with required action steps.



**PRINCIPLE 7**

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/associations.**

7

**b. List the top 10 trade and industry chambers/associations based on the total members of the body that the Company is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/associations	The reach of trade and industry chambers/associations (State/National)
1.	Federation of Indian Export Organisations (FIEO)	National
2.	Indo-German Chamber of Commerce	International
3.	Basic Chemicals, Cosmetics & Dyes Export Promotion Council (Chemexcil)	National
4.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
5.	Oil Technologists Association of India (OTA)	National
6.	Protein Foods & Nutrition Development Association of India	National
7.	Regulatory Representatives and Managers Association	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.**

Not Applicable.

**PRINCIPLE 8** Businesses should promote inclusive growth and equitable development

**Essential Indicators**

- 1 **Details of Social Impact Assessments (SIA) of projects undertaken by the Company based on applicable laws, in the current financial year.** Not applicable.
- 2 **Provide information on project(s) relevant to any ongoing Rehabilitation and Resettlement (R&R) being undertaken by the Company.** Not applicable.
- 3 **Describe the mechanisms to receive and redress grievances of the community.** Not applicable, as all our manufacturing units are located within notified industrial areas. Other grievance mechanisms relevant to the Company are elucidated elsewhere in this report.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

	2022-23	2021-22
Directly sourced from MSMEs/small producers	~20%	~20%
Sourced directly from within the district and neighbouring district	~60%	~60%

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (SIA) (Reference: Question 1 of Essential Indicators above).**

Not applicable.

**2. Provide the following information on CSR projects undertaken by the Company across the designated aspirational districts as identified by Government bodies.**

The Company interacts with external NGOs in the implementation of its CSR projects. The CSR Committee oversees and monitors the implementation of all projects, so that the beneficiaries get the most out of them. However, the Company did not undertake any such CSR projects in designated aspirational districts identified by Government bodies.

The weblink where the Company’s CSR Projects are disclosed: <https://www.fineorganics.com/sustainability/social/>

3.

**Does the Company have a preferential procurement policy where it gives preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**

(a)

The Company recognises and follows domestic and international standards and guidelines regarding its procurement activities. Furthermore, the Company keeps an eye on industry norms and trends to keep its operations aligned with the same. It is not biased towards its suppliers in terms of the procurement policy, whether or not they belong to marginalised/vulnerable groups.

**Which marginalised/vulnerable groups does the Company procure from?**

(b)

Local sourcing is a critical component of the Company's supply chain development. The Company is enthusiastic about sourcing and promoting goods and services from local suppliers who adhere to the same social and environmental standards as the Company. It works with them and supports them in a forward-thinking manner.

**What percentage of total procurement (by value) does it constitute?**

(c)

The Company supports the growth of local vendors and its vendor pool includes medium and small-sized businesses which are located close to its manufacturing facilities. These programs support national priorities such as 'Make in India' and 'Atmanirbhar Bharat'. In terms of value, domestic sourcing accounts for almost 70% of the Company's total products sourced, while 30% of the products are sourced through imports.

**4. Details of beneficiaries of CSR Projects:**

The approximate project-wise % of beneficiaries from vulnerable and marginalised groups is as mentioned below:

Sr. No.	CSR projects	No. of persons benefitted from CSR projects	Percentage of beneficiaries from vulnerable and marginalised groups
1	Indo Swiss Centre of Excellence - Vocational training centre	Constructing a vocational training centre to provide different skill-based vocational training programs	The project will mainly serve the vulnerable and marginalised groups
2	Chembur Golf Welfare Foundation - Education support to children of Caddies	50+	100
3	Cultural Society for Tribals – Educational activities for tribals	250+	100
4	Bhaktivedanta Hospital - Sri Chaitanya Seva Trust	Supported the hospital in construction of a new oncology operation theatre for the treatment of cancer patients	Most of the patients belong to the vulnerable and marginalised groups
5	Bhagini Nivedita Gramin Vigyan Niketan	200+	100
6	Ghatkopar South Indian Education Trust - Scholarships for underprivileged school students	370	100
7	Samarthanam, Trust for the Disabled - Infrastructure development support to specially abled students	100+	100
8	Girija Welfare Association - Support to senior citizens home	150+	100
9	Shri Ghatkopar Brahman Samaj - Health support to underprivileged	500+	100
10	MAHAN Trust - Hospital for tribal population	Supporting the tribal hospital for their operating expenses and constructing dormitory hall for patients and their relatives	100

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

**Essential Indicators**

**1. Describe the mechanisms set up by the Company to address consumer complaints and feedback.**

The Company places high emphasis on client satisfaction since it adheres to a customer-centric philosophy. As a result, customer satisfaction surveys are undertaken on a regular basis (as part of ISO quality standards) to assess consumer satisfaction with products and related services. The Company's greatest strength is its focus on providing the highest possible and consistent quality in a timely manner. Furthermore, the Company's professionals provide timely and superior quality solutions and technical services to the best of their abilities with regards to any customer requirements.

**2. Turnover of products and services as percentage of turnover from all products and services that carry information about**

As a percentage of total turnover	
<b>Environmental and social parameters relevant to the product</b>	
Safe and responsible usage	N.A.
Recycling and/or safe disposal	

**3. Number of consumer complaints with respect to the following categories:**

	2022-23		Remarks	2021-22		Remarks
	Received during the year	Pending resolutions at end of the year		Received during the year	Pending resolutions at end of the year	
Data privacy	Nil	N.A.	No complaints were received during the year	Nil	N.A.	No complaints were received during the year
Advertising	Nil	N.A.	No complaints were received during the year	Nil	N.A.	No complaints were received during the year
Cyber-security	Nil	N.A.	No complaints were received during the year	Nil	N.A.	No complaints were received during the year
Delivery of essential services	Nil	N.A.	No complaints were received during the year	Nil	N.A.	No complaints were received during the year
Restrictive trade practices	Nil	N.A.	No complaints were received during the year	Nil	N.A.	No complaints were received during the year
Unfair trade practices	Nil	N.A.	No complaints were received during the year	Nil	N.A.	No complaints were received during the year
Other	Nil	N.A.	No complaints were received during the year	Nil	N.A.	No complaints were received during the year

#### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for Recall
<b>Voluntary Recalls</b>	Nil	N.A.
<b>Forced Recalls</b>	Nil	N.A.

#### 5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a weblink of the policy.

Risk Management is an integral part of the Company's operations. The Board of Directors has constituted Risk Management Committee (RMC) to identify risk elements in different areas of operations and develop policies for actions to mitigate the risks. The Company considers cyber security as a key risk and to eliminate this risk, it takes adequate measures by implementing cyber security policy. This includes state-of-the-art firewall solutions, network segmentation, user awareness program, and many other measures.

#### 6. Provide details of any corrective actions taken/underway on issues relating to advertising, and delivery of essential services, cyber security and data privacy of customers, re-occurrence of instances of product recalls, penalty/action taken by regulatory authorities on the safety of products/services.

Since there were no complaints, there was no need for any corrective action.

### Leadership Indicators

#### 1. Channels/platforms from where information on products and services of the Company can be accessed (provide weblink, if available).

Weblink: <https://www.fineorganics.com/category-listing/>

#### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company provides technical data sheet, safety data sheet and regulatory data sheet for every product sold to its customers.

#### 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company keeps its customers informed through various modes of communications i.e. emails and phone calls.

#### 4. Does the Company display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable). If yes, please provide details in brief.

**Did the Company carry out any survey with regards to consumer satisfaction on major products/services of the Company, significant locations of operation of the Company, or the Company as a whole? (Yes/No)**

Yes, the Company ensures the reliability of the information displayed on the product label, in accordance with industry requirements and regulatory guidelines. Customers have technical datasheets (TDS), safety data sheets (SDS), and regulatory documents (like PRD and PCD) (all in accordance with applicable regulatory requirements national and international) to their access. If a customer comes up with any requirements or enquiries, they can get the answers on the Company's website or from the Company sales person working with these customers and taking adequate support from regulatory, quality & other concerned departments.

#### 5. Please provide the following information relating to data breaches:

a) **Number of instances of data breaches along with impact:** NIL

b) **Percentage of data breaches involving personally identifiable information of customers:** NIL

## FORM AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures.

### PART A SUBSIDIARIES

(Rs. in lakhs)

Sr. No.	Name of Subsidiary Company	Fine Organics (USA) Inc.	Fine Organics Europe BV
1	The date since when subsidiary was acquired	July 29, 2013	February 10, 2016
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period. (Financial Year ended on)	December 31, 2022	December 31, 2022
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD 82.22	EURO 89.61
4	Share Capital	0.63	14.31
5	Reserves and Surplus	5,239.86	6,267.09
6	Total Assets	24,407.32	9,925.54
7	Total Liabilities	24,407.32	9,925.54
8	Investments	-	-
9	Turnover	36,695.72	18,193.83
10	Profit Before Taxation	5,850.85	5,055.28
11	Provision for Taxation	1,043.72	999.86
12	Profit After Taxation	4,807.13	4,055.42
13	Proposed Dividend	-	-
14	Extent of Shareholding (in Percentage)	100.00%	100.00%

#### Notes:

- Names of Subsidiaries which are yet to commence operations: N.A
- Names of Subsidiaries which have been liquidated or sold during the Year: N.A
- The management certified unaudited accounts of "Fine Organics (USA) Inc." and "Fine Organics Europe BV" for the year ended March 31, 2023, has been considered for preparation of consolidated financial statements of the Company for the F.Y. 2022-2023. Accordingly, the above-mentioned figures are as per the Financial Statements for the year ended March 31, 2023.

### PART B ASSOCIATES AND JOINT VENTURES

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

(Rs. in lakhs)

Sr. No.	Name of Associates or Joint Ventures	Fine Zeelandia Private Limited	Fine Organic Industries (Thailand) Co., Ltd
1.	Latest Audited Balance Sheet date	March 31, 2023	December 31, 2022
2.	Date on which the associate or joint venture was associated or acquired	December 1, 2014	May 31, 2021
3.	No. shares of associate or joint ventures held by the company on the year end	40,284,250	449,970.75
i.	Amount of investment in associates or joint venture	4,028.43	1,050.34
ii.	Extent of holding (in percentage)	50.00%	45%
4.	Description of how there is significant influence	Joint Venture	Joint Venture
5.	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated
6.	Net worth attributable to shareholding as per latest audited balance sheet	2874.45	595.08
7.	Profit or (Loss) for the year	(316.86)	(38.77)
I.	Considered in consolidation	(160.57)	(17.44)
II.	Not considered in consolidation	(156.29)	(21.33)

- Names of Associates or Joint Ventures which are yet to commence operations: Fine Organic Industries (Thailand) Co., Ltd.
- Names of Associates or Joint Ventures which have been liquidated or sold during the year: FineADD Ingredients GmbH is under the Process of liquidation.
- The management certified unaudited accounts of "Fine Organic Industries (Thailand) Co., Ltd" for the year ended March 31, 2023 has been considered for preparation of consolidated financial statements of the Company for the F.Y. 2022-2023. Accordingly, the above-mentioned figures are as per the Financial Statements for the year ended March 31, 2023. Further, the Group has not considered the losses in excess of its investment in the Joint Venture.

For and on behalf of Board of Directors

**Fine Organic Industries Limited**

**Mukesh Shah**  
Chairman & Managing Director  
DIN: 00106799

**Jayen Shah**  
Director & CEO  
DIN: 00106919

**Tushar Shah**  
Director & CFO  
DIN: 00107144

**Pooja Lohor**  
Company Secretary  
Membership No. A28397

Mumbai: May 24, 2023



# Independent Auditor's Report

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

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

1. We have audited the accompanying Standalone Financial Statements of **Fine Organic Industries Limited** (herein referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (Collectively referred to as "the Standalone Financial Statements").
2. 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 (herein referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (herein referred to as "Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023.

### Basis for Opinion

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

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

### Key Audit Matters

4. 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.
5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

#### A. Revenue Recognition

For the year ended March 31, 2023, the Company has recognized revenue from contracts with customers amounting to INR 3,02,914.62 Lakhs.

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

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

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

Revenue is measured net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates').

## Independent Auditor's Report (Contd.)

There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.

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

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

{Refer to note no. 32 of the Standalone Financial Statements}.

### **Auditor's Response:**

Our audit procedures included the following:

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

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

### **B. Allowance for Credit Losses**

The Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables and adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations.

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

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

(Refer to note no. 14 of the Standalone Financial Statements)

### **Auditor's Response:**

Our audit procedures to test the effectiveness of controls over allowances for credit loss includes the following:

- Trade Receivables ageing report as on balance sheet date
- Completeness and accuracy of information used in the estimation of probability of default
- Status of recovery trade receivables as on the report date out of the total outstanding as at March 31, 2023
- Verification of calculation of the allowance for credit losses

## Independent Auditor's Report (Contd.)

- Testing the arithmetical accuracy and computation of the allowance prepared by the Management.
- Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around approach, the assumptions and reviewing the possible effect of any uncertain events / litigations to validate the management estimates.

### C. Evaluation of uncertain tax imposition

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

{Refer to note no. 43 of the Standalone Financial Statements}

#### **Auditor's Response:**

- The Company has provided details of all pending assessments and demands for the year ended March 31, 2023.
- We have obtained Management note / view on possible outcome and its impact on financial position of the Company for all pending assessments and disputed matters under litigations.

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

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including Annexures to Directors Report, Management Discussion and Analysis Report, Business Responsibility Report, but does not include the Consolidated Financial Statements, 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 express any form of assurance conclusion thereon.

7. 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 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**

8. The Company's Board of Directors are responsible for the matters specified in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. 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.

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

## Independent Auditor's Report (Contd.)

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

10. 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.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risk of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone 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.
12. 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.
13. 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.
14. 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

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government

## Independent Auditor's Report (Contd.)

in terms of Section 143(11) of the Act, we give in the 'Annexure – I' a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

16. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the Purposes of Our audit of the aforesaid Standalone Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rule, 2015 (as amended).
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2023, taken on record by the Board of Directors of the Company, none of the directors of the Company incorporated in India is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls; refer to our separate report in 'Annexure – II'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

17. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014

(as amended), in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations on its financial position, if any in its Standalone Financial Statements.
- b) The Company has made Provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in its Standalone Financial Statements.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) This clause is omitted vide notification dated March 24, 2021, in the Companies (Audit and Auditors) Amendment Rules, 2021 effective from April 01, 2021.
- e) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - directly or indirectly, lend or invest in other persons or entities identified in any manner

## Independent Auditor's Report (Contd.)

- whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (e) (i) and (e) (ii) contain any material misstatement.
- f) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- As stated in note no. 43 to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- g) Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature

of recording of Audit Trail (Edit Log) facility is applicable to the Company w.e.f. April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors Rules) 2014, is not applicable for the Financial Year ended March 31, 2023.

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

In our opinion and according to the information and explanations given to us, the remuneration paid / provided by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

**ICAI UDIN: 23043908BGZERG5154**

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

**CA Bhavesh Vora**  
Partner  
Membership Number: 043908

Date: May 24, 2023  
Place: Mumbai



## **‘Annexure – I’ to the Independent Auditor’s Report of even date to the members of Fine Organic Industries Limited, on the Standalone Financial Statements for the year ended March 31, 2023**

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

- (i) (a) (A) According to the information and explanation provided by management and the records examined by us, the Company has maintained proper records showing full particulars including quantitative details and situation of the Property, Plant and Equipment.
- (a) (B) According to the information and explanation provided by the management and the records examined by us, the Company has maintained proper records showing full particulars including quantitative details of the Intangible Assets.
- (b) According to the information and explanation provided by the management and the records examined by us, the Company has a program of physical verification to cover all the items of Property, Plant & Equipment in a phased manner over a period of three years. In accordance with the programme, certain Property, Plant & Equipment were physically verified by the Management during the year. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation provided by management and the records examined by us, the Title Deeds of all the Immovable Properties (other than properties where the Company is lessee and the lease agreements are duly executed in the favour of lessee) disclosed in the Standalone Financial Statements are held in the name of the Company.
- (d) According to the information and explanation provided by the management and the records examined by us, the Company is following the Cost Model for accounting of Property, Plant & Equipment and accordingly, Revaluation of its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets is not permitted. Hence reporting under Clause 3(i)(d) of the said Order is not applicable to the Company.
- (e) According to the information and explanation provided by the management and the records examined by us, there are no proceedings initiated during the year and/or are pending during any of the preceding financial years against the Company for holding any Benami Property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Therefore, reporting under Clause 3(i)(e) of the said Order is not applicable to the Company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. According to the information and explanation provided by the management and the records examined by us, we are of the opinion that no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) According to the information and explanation provided by the management and the records examined by us, the Company has been sanctioned with working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions against the security of its current assets. In our opinion and record and according to the information and explanation provided by the management, the returns or statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) According to the information and explanation provided by the management and the records examined by us, during the year, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year.

**'Annexure – I' (Contd.)**

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

	(₹ in Lakhs)
Aggregate amount invested during the year	996.34
Balance Outstanding as at balance sheet date	1050.34

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

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

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

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

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

(f) According to the information and explanation provided by the management and the records examined by us, the Company has not granted loans or advances in the nature of loans to promoters /

related parties (as defined in section 2(76) of the Companies Act, 2013) which are either repayable on demand or without specifying any terms or period of repayment. Hence reporting under clause 3(iii)(f) of the said Order is not applicable to the Company.

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

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

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

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

## 'Annexure – I' (Contd.)

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

Name of the Statute	Nature of the Dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	149.17	April 2015 to March 2016	Commissioner of Income Tax (Appeal), Mumbai	-
Income Tax Act, 1961	Income Tax	460.95	April 2017 to March 2018	Commissioner of Income Tax (Appeal), Mumbai	-
MVAT Act 2006	VAT	27.16	April 2014 to March 2015	Department of Sales Tax	-

- (viii) According to the information and explanation provided by the management and the records examined by us, the Company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961, which is not recorded in the Books of Accounts. Hence reporting under clause 3(viii) of the said Order is not applicable to the Company.
- (ix) (a) According to the information and explanation provided by the management and the records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Hence reporting under clause 3(ix)(a) of the said Order is not applicable to the Company.
- (b) According to the information and explanation provided by the management and the records examined by us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender during the year.
- (c) According to the information and explanation provided by the management and the records examined by us, the term loans obtained by the Company has been applied for the purpose for which it is obtained, and no amount of loan has been diverted. Hence reporting under clause 3(ix)(c) of the said Order is not applicable to the Company.
- (d) According to the information and explanation provided by the management and the records examined by us, the funds raised on short term basis have not been utilized for long-term purposes during the year. Hence reporting under clause 3(ix)(d) of the said Order is not applicable to the Company.
- (e) According to the information and explanation provided by the management and the records examined by us, the Company has not utilized funds obtained from any entity or person on account to meet the obligations of its Subsidiaries and Joint Venture Companies. Hence reporting under clause 3(ix)(e) of the said Order is not applicable to the Company.
- (f) According to the information and explanation provided by the management and the records examined by us, the Company has not raised any loans during the year on the pledge of securities held in its Subsidiaries and Joint Venture Companies. Hence reporting under clause 3(ix)(f) of the said Order is not applicable to the Company.
- (x) (a) According to the information and explanation provided by the management and the records examined by us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). Hence reporting under clause 3(x)(a) of the said Order is not applicable to the Company.
- (b) According to the information and explanation provided by the management and the records examined by us, the Company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year. Hence reporting under clause 3(x)(b) of the said Order is not applicable to the Company.

**‘Annexure – I’ (Contd.)**

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

## 'Annexure – I' (Contd.)

information accompanying the Standalone Financial Statements examined by us, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

- (xx) According to the information and explanation provided by the management and the records examined by us, the Company has fully spent the required amount towards Corporate Social Responsibility ("CSR") and there is no unspent amount for the year requiring a transfer to a Fund specified in Schedule VII of the Act, or special account in compliance with provision of sub section (6)

of section 135 of the said Act. Accordingly, reporting under Clause 3 (xx) is not application for the year.

**ICAI UDIN: 23043908BGZERG5154**

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration Number: 123423W

**CA Bhavesh Vora**

Partner

Membership Number: 043908

Date: May 24, 2023

Place: Mumbai

## **Annexure II** to the Independent Auditor's Report

### **Referred to in paragraph 16(f) of the independent auditor's report of even date to the members of Fine Organic Industries Limited on the Standalone Financial Statements for the year ended March 31, 2023.**

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

1. In conjunction with our audit of the Standalone Financial Statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of Fine Organic Industries Limited (hereinafter referred to as 'the Company') as on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **Auditor's Responsibility**

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

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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



## Annexure II (Contd.)

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

### OPINION

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

such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**ICAI UDIN: 23043908BGZERG5154**

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration Number: 123423W

**CA Bhavesh Vora**

Partner

Membership Number: 043908

Date: May 24, 2023

Place: Mumbai

## Standalone Balance Sheet

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Notes	for the year ended March 31, 2023	for the year ended March 31, 2022
<b>ASSETS</b>			
<b>A) Non Current Assets</b>			
Property, Plant and Equipment	Note 4	21,123.40	22,873.07
Capital Work-in Progress	Note 5	4,044.08	1,412.47
Intangible Assets	Note 6	148.54	57.11
Right of use assets	Note 7	130.87	0.00
Financial Assets			
- Investments	Note 8	5,307.42	4,311.23
- Loans	Note 9	90.86	85.29
- Others	Note 10	757.29	373.27
Deferred Tax Assets (Net)	Note 11	1,019.44	782.88
Other Non-current Assets	Note 12	7,436.46	6,096.30
<b>Total Non Current Assets (A)</b>		<b>40,058.36</b>	<b>35,991.62</b>
<b>B) Current Assets</b>			
Inventories	Note 13	29,871.27	20,165.09
Financial Assets			
- Trade Receivables	Note 14	47,692.44	33,159.08
- Cash and Cash Equivalents	Note 15	48,920.34	20,890.18
- Bank Balances	Note 16	814.72	689.39
- Loans	Note 17	107.91	46.30
- Others	Note 18	37.24	24.14
Current Tax Assets (Net)	Note 19	1,817.08	654.47
Other Current Assets	Note 20	7,914.31	11,161.91
<b>Total Current Assets (B)</b>		<b>1,37,175.31</b>	<b>86,790.56</b>
<b>Total Assets (A + B)</b>		<b>1,77,233.67</b>	<b>1,22,782.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A) Equity</b>			
Equity Share Capital	Note 21	1,533.00	1,533.00
Other Equity	Note 22	1,50,680.20	94,316.60
<b>Total Equity (A)</b>		<b>1,52,213.20</b>	<b>95,849.60</b>
<b>Liabilities</b>			
<b>B) Non Current Liabilities</b>			
Financial Liabilities			
- Borrowings	Note 23	0.00	2,508.32
- Lease Liability	Note 24	81.57	0.00
- Others	Note 25	0.00	86.61
<b>Total Non Current Liabilities (B)</b>		<b>81.57</b>	<b>2,594.93</b>
<b>C) Current Liabilities</b>			
Financial Liabilities			
- Borrowings	Note 26	2,720.41	3,344.43
- Lease Liability	Note 24	50.50	0.00
- Trade Payables	Note 27		
(a) Total outstanding dues of micro enterprises and small enterprises		1,871.45	904.87
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		15,200.25	14,239.75
- Others	Note 28	320.86	147.17
Other Current Liabilities	Note 29	828.72	1,023.57
Provisions	Note 30	1,564.17	3,030.75
Current Tax Liabilities (Net)	Note 31	2,382.54	1,647.11
<b>Total Current Liabilities (C)</b>		<b>24,938.90</b>	<b>24,337.65</b>
<b>Total Equity and Liabilities (A + B + C)</b>		<b>1,77,233.67</b>	<b>1,22,782.18</b>

The accompanying notes 1 to 54 are integral part of the standalone financial statements.

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

**CA Bhavesh Vora**  
Partner  
Membership No. 043908

Mumbai: May 24, 2023

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

**Mukesh Shah**  
Managing Director  
DIN:00106799

**Tushar Shah**  
Director & CFO  
DIN:00107144

Mumbai: May 24, 2023

**Jayen Shah**  
Director & CEO  
DIN:00106919

**Pooja Lohar**  
Company Secretary  
Membership No. A28397

## Standalone Statement of Profit and Loss for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Notes	for the year ended March 31, 2023	for the year ended March 31, 2022
<b>I INCOME</b>			
Revenue From Operations	Note 32	3,02,914.62	1,85,842.83
Other Income	Note 33	6,409.67	3,303.21
<b>Total Income</b>		<b>3,09,324.29</b>	<b>1,89,146.04</b>
<b>II EXPENSES</b>			
Cost of Materials Consumed	Note 34	1,92,292.15	1,21,998.12
Purchase of Stock-in-trade		0.00	0.00
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	Note 35	(5,718.80)	(2,579.68)
Employee Benefit Expenses	Note 36	10,059.86	8,537.04
Finance Costs	Note 37	446.69	488.88
Depreciation & Amortisation Expenses	Note 38	4,788.83	3,990.01
Other Expenses	Note 39	28,153.45	23,034.95
<b>Total Expenses</b>		<b>2,30,022.18</b>	<b>1,55,469.32</b>
<b>III Profit / (Loss) before tax</b>		<b>79,302.11</b>	<b>33,676.72</b>
<b>IV TAX EXPENSES</b>			
Current Tax		20,500.00	8,750.00
Deferred Tax		(257.78)	(140.21)
<b>V Profit / (Loss) For The Year</b>		<b>59,059.89</b>	<b>25,066.93</b>
<b>VI Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit or Loss			
(a) Changes in fair value of Equity instruments through OCI		(0.15)	0.03
(b) Remeasurements of Loss /(Profit) on employees defined benefits plan		(24.56)	14.09
(c) Amount Recognised in Cashflow Hedging Reserve during the year		109.05	348.69
(ii) Income tax relating to items that will not be reclassified to profit or loss		(21.23)	(91.31)
<b>Total Other Comprehensive Income</b>		<b>63.11</b>	<b>271.50</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR [ (V) + (VI) ]</b>		<b>59,123.00</b>	<b>25,338.43</b>
<b>Earnings Per Equity Share</b>			
Basic	Note 42	192.63	81.76
Diluted		192.63	81.76
<b>Weighted average number of equity shares</b>		<b>3,06,59,976.00</b>	<b>3,06,59,976.00</b>

The accompanying notes 1 to 54 are integral part of the standalone financial statements.

As per our report of even date

For **B Y & Associates**

Chartered Accountants

ICAI Firm Registration No.: 123423W

**CA Bhavesh Vora**

Partner

Membership No. 043908

For and on behalf of the Board of Directors

**Fine Organic Industries Limited**

**Mukesh Shah**

Managing Director

DIN:00106799

**Tushar Shah**

Director & CFO

DIN:00107144

**Jayesh Shah**

Director & CEO

DIN:00106919

**Pooja Lohor**

Company Secretary

Membership No. A28397

Mumbai: May 24, 2023

Mumbai: May 24, 2023

## Standalone Statement of Changes in Equity

For the Year Ended March 31, 2023

### A) EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
1,533.00	-	1,533.00	-	1,533.00

(₹ in lakhs)

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

### B) OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Amalgamation Reserve	Retained Earnings		
<b>Balance as at April 1, 2022</b>	<b>1,155.24</b>	<b>93,360.71</b>	<b>(199.35)</b>	<b>94,316.60</b>
Add:- Profit for the year	0.00	59,059.89	0.00	59,059.89
Reversal of loss on account of Joint Venture accounted as per Equity Method	0.00	0.00	0.00	0.00
Other comprehensive income / (losses)	0.00	0.00	63.11	63.11
	<b>0.00</b>	<b>1,52,420.60</b>	<b>63.11</b>	<b>1,52,483.71</b>
Less:- Dividend	0.00	2,759.40	0.00	2,759.40
<b>Balance as at March 31, 2023</b>	<b>1,155.24</b>	<b>1,49,661.20</b>	<b>(136.24)</b>	<b>1,50,680.20</b>
<b>Balance as at April 1, 2021</b>	<b>1,155.24</b>	<b>71,666.38</b>	<b>(470.85)</b>	<b>72,350.77</b>
Add:- Profit for the year	0.00	25,066.93	0.00	25,066.93
Other comprehensive income / (losses)	0.00	0.00	271.50	271.50
	<b>1,155.24</b>	<b>96,733.31</b>	<b>(199.35)</b>	<b>97,689.20</b>
Less:- Dividend	0.00	3,372.60	0.00	3,372.60
<b>Balance as at March 31, 2022</b>	<b>1,155.24</b>	<b>93,360.71</b>	<b>(199.35)</b>	<b>94,316.60</b>

The accompanying notes 1 to 54 are integral part of the standalone financial statements.

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

**CA Bhavesh Vora**  
Partner  
Membership No. 043908

Mumbai: May 24, 2023

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

**Mukesh Shah**  
Managing Director  
DIN:00106799

**Tushar Shah**  
Director & CFO  
DIN:00107144

Mumbai: May 24, 2023

**Jayen Shah**  
Director & CEO  
DIN:00106919

**Pooja Lohor**  
Company Secretary  
Membership No. A28397

## Standalone Cash Flow Statement

For the Year Ended March 31, 2023

(₹ in lakhs)

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Net Profit Before Tax</b>	<b>79,302.11</b>	<b>33,676.72</b>
<b>A] CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	4,788.83	3,990.01
Interest Income	(1,124.68)	(626.97)
(Profit)/Loss on sale of fixed assets (net)	(20.88)	(7.37)
Finance Cost including interest on lease liabilities	446.69	369.56
Net Loss /(Gain) on Foreign Exchange Fluctuations	(4,989.40)	(2,457.68)
Expected Credit Loss Provisions / (Reversal)	110.05	(35.47)
Provision for Diminution in Value of Investment	0.00	120.73
Lease Rent on Leasehold Properties	41.11	43.35
Other non-cash adjustments	79.14	24.87
<b>Operating profit before working capital movements</b>	<b>78,632.97</b>	<b>35,097.75</b>
<b>Movement in working capital:</b>		
Decrease / (Increase) in Inventories	(9,706.18)	(9,272.53)
Decrease / (Increase) in Trade and Other Receivables	(7,127.80)	(18,166.43)
(Decrease) / Increase in Trade and Other Payables	2,482.62	7,432.29
	<b>(14,351.36)</b>	<b>(20,006.67)</b>
<b>Cash generated from operations</b>	<b>64,281.61</b>	<b>15,091.08</b>
<b>Income Tax Paid</b>	(20,922.14)	(7,687.48)
<b>Net cash flows from operating activities (A)</b>	<b>43,359.47</b>	<b>7,403.60</b>
<b>B] CASH FLOWS (USED IN) / GENERATED FROM INVESTING ACTIVITIES</b>		
Payment for Purchase of property, plant and equipment, intangible assets including CWIP	(8,109.68)	(6,058.54)
Proceeds from sale of property, plant and equipment	41.55	24.23
Amount (invested)/ matured in Bank Fixed Deposits	(508.10)	(116.69)
Interest Income received	1,098.74	597.14
Investment in Joint Ventures	(996.34)	(54.00)
Investment in Subsidiary Company	0.00	(6.81)
<b>Net Cash Flows Used In Investing Activities (B)</b>	<b>(8,473.83)</b>	<b>(5,614.67)</b>

**Standalone Cash Flow Statement For the Year Ended March 31, 2023 (Contd.)**

(₹ in lakhs)

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>C] NET CASH FLOWS (USED IN)/ GENERATED FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings	(3,570.22)	(3,064.53)
Dividend Paid	(2,759.41)	(3,372.60)
Interest and Finance Charges paid	(444.26)	(369.56)
Security Deposit Received back / (Given)	0.00	(1.24)
Employee Loans (Given)	(112.35)	(62.10)
Employee Loans received	45.17	54.00
Repayments of lease liabilities (including interest thereon)	(14.41)	(3.00)
<b>Net cash flows used in financing activities (C)</b>	<b>(6,855.48)</b>	<b>(6,539.47)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>28,030.16</b>	<b>(4,750.54)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	20,890.18	25,640.72
<b>Cash and cash equivalents at the year end {Refer to note no. 14}</b>	48,920.34	20,890.18
<b>Components of cash and cash equivalents :</b>		
Balances with banks		
In Current Account	3,743.83	2,796.55
In Exchange Earners Foreign Currency Account	2,907.17	541.78
In Fixed Deposit Account	42,249.87	17,532.48
Cash on hand	19.47	19.37

The accompanying notes 1 to 54 are integral part of the standalone financial statements.

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

**CA Bhavesh Vora**  
Partner  
Membership No. 043908

Mumbai: May 24, 2023

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

**Mukesh Shah**  
Managing Director  
DIN:00106799

**Tushar Shah**  
Director & CFO  
DIN:00107144

Mumbai: May 24, 2023

**Jayen Shah**  
Director & CEO  
DIN:00106919

**Pooja Lohor**  
Company Secretary  
Membership No. A28397



## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023

### 1. CORPORATE INFORMATION

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

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

on May 24, 2023 and are subject to the approval of Shareholders in the Annual General Meeting.

The Company carries on business in India and abroad, as manufacturers, processors, suppliers, distributors, dealers, importers, exporters of wide range of oleochemical-based additives used in foods, plastics, cosmetics, coatings and other specialty application in various industries.

The Equity shares of the Company are listed on July 02, 2018 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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

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

### 2. BASIS OF PREPARATION:

#### 2.1 Statement of compliance

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

#### 2.2 Functional and presentation currency

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

#### 2.3 Basis of measurement

The Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain Financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Net defined benefit (assets)/ liabilities that are measured at fair value of plan assets less present value of defined benefit obligations

#### 2.4 Use of estimates and judgements

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

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2023 are as follows:

### a) **Property, plant and equipment**

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act except plant & machineries, which in the opinion of the Management represent the useful lives as they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

### b) **Revenue from contracts with customers**

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

### c) **Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

### d) **Recognition of deferred tax assets**

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits, if any. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

## **Contingent Liabilities, Commitments and Litigations**

### ***Contingent liabilities***

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

### ***Litigation***

From time to time, the Company might be subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

### 2.5 Measurement of fair values

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

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

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level-1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level-2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level-3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is

significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 2.6 Operating cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

### 2.7 Current / non-current classification

An entity shall classify an asset as current when:

- a) It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- b) It holds the asset primarily for the purpose of trading;
- c) It expects to realise the asset within twelve months after the reporting period; or
- d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when-

- a) It expects to settle the liability in its normal operating cycle;
- b) It holds the liability primarily for the purpose of trading;
- c) The liability is due to be settled within twelve months after the reporting period; or
- d) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**

An entity shall classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2.8 Note on Recent Pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023 as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Property, plant and equipment**

**Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

- a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) Any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by Management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end. Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

Leasehold Rent payable to MIDC relating to new project, during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Non- Current Assets and the same will be amortised in the year of commencement of project.

**Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### Depreciation

Depreciation is calculated on pro-rata basis using the diminishing balance method on cost of items of property, plant and equipment less their estimated residual values over the estimated residual useful lives based on Schedule II of the Companies Act, 2013 except for plant & machinery.

In case of plant & machinery, based on internal assessment, the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence the useful lives for these assets may differ from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### 3.2 Intangible Assets

#### Recognition and measurement

Intangible assets comprise of computer software and patent / trademark, which acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

#### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values and it is included in depreciation and amortisation in the Statement of profit and loss.

Intangible assets are amortised over the estimated useful lives as given below:

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

### 3.3 Borrowing costs

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

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

### 3.4 Impairment of non-Financial assets

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

### 3.5 Income Tax

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

#### Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

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

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

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

### **Deferred tax**

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

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

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

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

Deferred tax assets and liabilities are offset only if:

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

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

### **3.6 Inventories**

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

The cost of inventories is based on weighted average formula and includes expenditure incurred in acquiring the inventories, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work in progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity of production facilities.

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

Obsolete, defective and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-by-item basis.



## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

### 3.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

### 3.8 Trade Payables

Trade payables represent liabilities for goods and services provided to the Company prior to the end of Financial year which are unpaid. Trade and other payables are reported as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 3.9 Financial instruments

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

#### Financial assets

##### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### *Subsequent measurement*

##### a) **Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost using the effective interest rate method, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b) **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### c) **Financial assets at fair value through profit or loss (FVTPL)**

A Financial asset which is not classified in any of the above categories is measured at FVTPL.

#### *Investment in subsidiaries, Associates and Joint Ventures*

The Company has opted to account for its investments in subsidiaries, associates and joint venture at cost less provision for diminution other than temporary.

#### *Other Equity Investments*

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has made an irrevocable choice to present the value changes in 'Other Comprehensive Income'.

#### *Impairment of Financial assets*

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial assets other than those measured at fair value through profit and loss (FVTPL).

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the Financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### **Financial liabilities**

#### ***Initial recognition and measurement***

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

#### ***Subsequent measurement***

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

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

The Company uses various derivative financial instruments such as forwards and Interest rate swaps to mitigate the risk of changes in exchange rates and Interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets

when the fair value is positive and as financial liabilities when the fair value is negative.

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

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

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

#### **Cash flow hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

### Fair Value Hedge

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

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

### b) De-recognition of Financial Instruments

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

### c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, the Company has legally enforceable right to set off the amount and it intends, either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

## 3.10 Business Combinations

Business Combinations are accounted for using Ind AS 103 Business Combination. Acquisitions of businesses are accounted for using the acquisition method unless

the transaction is between entities under common control. Acquisition related costs are recognised in the Statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their respective fair value at the acquisition date, except certain assets and liabilities required to be measured as per applicable standards. Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, is recognised as Capital Reserve i.e. Amalgamation Reserve.

Business Combinations arising from transfer of interests in entities that are under common control are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value, no adjustment are made to reflect fair values, or recognise any new assets or liabilities. The identity of the reserves is preserved and appears in the Financial Statements of the transferee in the same form in which they appeared in the Financial Statements of the transferor.

## 3.11 Revenue Recognition

### Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

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

### Sale of Products

Revenue from sale of goods is recognised on the basis of approved contracts, when all the significant risks

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

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

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

### **Variable consideration**

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

### **Significant financing component**

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

### **Cost to obtain a contract**

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortisation period of the asset that the Company otherwise would have used is one year or less.

Costs to fulfill a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised.

### **Other Operating Revenues**

Other Operating revenue mainly consists of Sale of Scrap arising from the production of finished goods.

### **Interest Income**

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Interest income is included in finance income in the Statement of profit and loss

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### **Dividends**

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### **Insurance and other claims**

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

## **3.12 Foreign Currencies**

The Financial Statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### 3.13 Employee benefits

#### **Short term employee benefits**

Liabilities for short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are reported as current employee benefits payable in the balance sheet.

#### **Post-employment benefits**

##### **a) Defined benefit plans**

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method at the year end.

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

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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity.

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

##### **b) Defined contribution plans**

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

recognised as expenses for the period in which the employee has rendered the service.

### 3.14 Leases

#### **As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### **As a Lessee**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1. The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified.
2. The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
3. The Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either :
  - a) the Company as a lessee has the right to operate the asset; or
  - b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which



## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced

by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3.15 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

### 3.16 Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 3.17 Earnings per share (EPS)

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the equity by the weighted average number of equity shares outstanding during the financial year.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)

**NOTE 4 NON CURRENT ASSETS : PROPERTY, PLANT & EQUIPMENT (PPE)**

(₹ in lakhs)

Particulars	Factory / Research Centre Building	Office Prem- ises	Resi- dential Premises	Factory Flats	Plant and Equip- ments	Electri- cal Equip- ments	Labo- ratory Equip- ments	Office Equip- ments	Furniture & Fixtures	Computer & Peripher- als (Includ- ing Server & Network)	Vehicles	Total Property Plant and Equipment
Gross Carrying Amount												
<b>Balance as at April 1, 2021</b>	15,820.60	105.66	77.44	2.76	21,692.48	2,200.71	910.62	813.55	813.84	837.46	929.91	44,205.03
Add: Additions during the year	3,112.82	175.55	-	-	3,016.56	473.06	25.57	103.17	48.34	259.13	103.80	<b>7,318.00</b>
(Add)/Less: Disposals/ Adjustments	-	-	-	-	21.13	11.70	(1.72)	3.40	0.02	29.40	53.05	<b>116.98</b>
<b>Balance as at March 31, 2022</b>	<b>18,933.42</b>	<b>281.21</b>	<b>77.44</b>	<b>2.76</b>	<b>4,687.91</b>	<b>2,662.07</b>	<b>937.91</b>	<b>913.32</b>	<b>862.16</b>	<b>1,067.19</b>	<b>980.66</b>	<b>51,406.05</b>
Add: Additions during the year	743.01	-	-	-	977.68	203.62	16.58	135.39	108.01	515.90	296.22	<b>2,996.41</b>
(Add)/Less: Disposals/ Adjustments	-	-	-	-	15.04	20.17	-	14.45	-	31.76	103.36	<b>184.78</b>
<b>Balance as at March 31, 2023</b>	<b>19,676.43</b>	<b>281.21</b>	<b>77.44</b>	<b>2.76</b>	<b>25,650.55</b>	<b>2,845.52</b>	<b>954.49</b>	<b>1,034.26</b>	<b>970.17</b>	<b>1,551.33</b>	<b>1,173.52</b>	<b>54,217.68</b>
<b>Accumulated Depreciation</b>												
<b>Balance as at April 1, 2021</b>	5,969.85	67.54	20.34	1.39	14,119.93	1,266.31	681.42	605.78	614.88	682.29	644.63	<b>24,674.36</b>
Add: Depreciation for the year	958.01	2.89	2.77	0.07	2,332.94	243.83	57.44	94.53	47.88	127.14	92.83	<b>3,960.33</b>
Less: Disposals/ Adjustments	-	-	-	-	15.30	10.33	(0.65)	2.70	0.01	28.19	45.83	<b>101.71</b>
<b>Balance as at March 31, 2022</b>	<b>6,927.86</b>	<b>70.43</b>	<b>23.11</b>	<b>1.46</b>	<b>16,437.57</b>	<b>1,499.81</b>	<b>739.51</b>	<b>697.61</b>	<b>662.75</b>	<b>781.24</b>	<b>691.63</b>	<b>28,532.98</b>
Add: Depreciation for the year	1,174.74	18.86	2.64	0.06	2,584.64	320.60	49.41	114.39	54.40	279.06	126.61	<b>4,725.41</b>
(Add)/Less: Disposals/ Adjustments	-	-	-	-	14.13	15.89	-	7.78	-	29.78	96.53	<b>164.11</b>
<b>Balance as at March 31, 2023</b>	<b>8,102.60</b>	<b>89.29</b>	<b>25.75</b>	<b>1.52</b>	<b>19,008.08</b>	<b>1,804.52</b>	<b>788.92</b>	<b>804.22</b>	<b>717.15</b>	<b>1,030.52</b>	<b>721.71</b>	<b>33,094.28</b>
<b>Net Carrying Amount</b>												
<b>Balance as at March 31, 2022</b>	<b>12,005.56</b>	<b>210.78</b>	<b>54.33</b>	<b>1.30</b>	<b>8,250.34</b>	<b>1,162.26</b>	<b>198.40</b>	<b>215.71</b>	<b>199.41</b>	<b>285.95</b>	<b>289.03</b>	<b>22,873.07</b>
<b>Balance as at March 31, 2023</b>	<b>11,573.83</b>	<b>191.92</b>	<b>51.69</b>	<b>1.24</b>	<b>6,642.47</b>	<b>1,041.00</b>	<b>165.57</b>	<b>230.04</b>	<b>253.02</b>	<b>520.81</b>	<b>451.81</b>	<b>21,123.40</b>

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 5 NON CURRENT ASSETS : CAPITAL WORK IN PROGRESS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	<b>1,412.47</b>	<b>2,630.42</b>
Add :- Additions during the year	6,032.14	6,122.14
Less :- Capitalisation during the year	3,400.53	7,340.09
<b>Balance at the end of the year</b>	<b>4,044.08</b>	<b>1,412.47</b>

**NOTE 5.1 AGEING SCHEDULE FOR CAPITAL WORK-IN PROGRESS**

(₹ in lakhs)

Particulars	As At March 31, 2023				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	2,960.61	643.56	185.43	254.48	4,044.08
-- Projects temporarily suspended	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>2,960.61</b>	<b>643.56</b>	<b>185.43</b>	<b>254.48</b>	<b>4,044.08</b>

(₹ in lakhs)

Particulars	As At March 31, 2022				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	919.41	219.25	262.06	11.75	1,412.47
-- Projects temporarily suspended	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>919.41</b>	<b>219.25</b>	<b>262.06</b>	<b>11.75</b>	<b>1,412.47</b>

**NOTE 5.2** There are no Capital Work-in Progress, whose completion is overdue or has exceeded its cost compared to its original plan

**NOTE 6 NON CURRENT ASSETS : INTANGIBLE ASSETS**

(₹ in lakhs)

Particulars	Software	Patents & Trademarks	Total Intangible Assets
<b>Gross Carrying Amount</b>			
<b>Balance as at April 1, 2021</b>	<b>118.94</b>	<b>29.82</b>	<b>148.76</b>
Add: Additions during the year	29.25	4.94	34.19
Add/(Less): Disposals/ Adjustments	0.00	0.00	0.00
<b>Balance as at March 31, 2022</b>	<b>148.19</b>	<b>34.76</b>	<b>182.95</b>
Add: Additions during the year	140.83	0.83	141.66
Add/(Less): Disposals/ Adjustments	0.00	0.00	0.00
<b>Balance as at March 31, 2023</b>	<b>289.02</b>	<b>35.59</b>	<b>324.61</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at April 1, 2021</b>	<b>81.77</b>	<b>12.81</b>	<b>94.58</b>
Add: Additions during the year	26.44	3.24	29.68
Add/(Less): Disposals/ Adjustments	1.58	0.00	1.58

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in lakhs)

Particulars	Software	Patents & Trademarks	Total Intangible Assets
<b>Balance as at March 31, 2022</b>	<b>109.79</b>	<b>16.05</b>	<b>125.84</b>
Add: Additions during the year	46.56	3.67	50.23
Add/(Less): Disposals/ Adjustments	0.00	0.00	0.00
<b>Balance as at March 31, 2023</b>	<b>156.35</b>	<b>19.72</b>	<b>176.07</b>
<b>Net Carrying Amount</b>			
<b>Balance as at March 31, 2022</b>	<b>38.40</b>	<b>18.71</b>	<b>57.11</b>
<b>Balance as at March 31, 2023</b>	<b>132.67</b>	<b>15.87</b>	<b>148.54</b>

### NOTE 7 NON-CURRENT FINANCIAL ASSETS : RIGHT OF USE OF ASSETS

#### As as Lessor

The lease portfolio of the Company consists of agreements which fall under operating lease categories. These lease commitments primarily consist of lease rent payments for the branch office, and godowns.

#### Changes in the carrying value of Right-Of-Use (ROU) assets during the period :

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Balance at the Beginning of the period</b>	<b>0.00</b>	<b>0.00</b>
Additions	144.06	0.00
Depreciation	(13.19)	0.00
<b>Balance at the End of the period</b>	<b>130.87</b>	<b>0.00</b>

### NOTE 7.1 ASSET CLASS-WISE RIGHT OF USE ASSETS FOR THE PERIOD ENDED MARCH 31, 2023 ARE AS FOLLOWS :

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Building</b>		
<b>Balance at the Beginning of the period</b>	<b>0.00</b>	<b>0.00</b>
Additions	144.06	0.00
Depreciation	(13.19)	0.00
<b>Balance at the End of the period</b>	<b>130.87</b>	<b>0.00</b>

### NOTE 8 NON-CURRENT FINANCIAL ASSETS : INVESTMENT

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unquoted Investment in Equity Instruments of Subsidiaries</b>		
(i) Fine Organics (USA), Inc. (Current Year: 1,000 shares of US\$ 1 each fully paid up) (Previous Year : 1,000 shares of US\$ 1 each fully paid up)	189.13	189.13
(ii) Fine Organics Europe BV (Current Year: 186 shares of Euro 100 each fully paid up) (Previous Year: 186 shares of Euro 100 each fully paid up)	34.84	34.84

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unquoted Investment in Equity Instruments of Jointly Controlled Entity (At Cost)</b>		
(i) Fine Zeelandia Private Limited (Current Year: 4,02,84,250 shares of ₹10/- each fully paid up) (Previous Year: 4,02,84,250 shares of ₹10/- each fully paid up)	4,028.43	4,028.43
(ii) FineADD Ingredients GmbH (Refer Note 8.1) (Current Year: 2,500 shares of Euro 100 each fully paid up) (Previous Year: 2,500 shares of Euro 100 each fully paid up)	0.00	0.00
(iii) Fine Organic Industries (Thailand) Co., Limited (Current Year: 4,49,970.75 shares of Thai Baht 100 each fully paid up) (Previous Year: 22,500 shares of Thai Baht 100 each fully paid up),	1,050.34	54.00
<b>Unquoted Investment in Equity Instruments at FVTOCI</b>		
(i) Saraswat Co-Operative Bank Limited (Current Year: 2,500 shares of ₹ 10/- each fully paid up) (Previous Year: 2,500 shares of ₹ 10/- each fully paid up)	4.68	4.83
<b>Total Investments</b>	<b>5,307.42</b>	<b>4,311.23</b>

**NOTE 8.1 DIMINUTION IN VALUE OF THE INVESTMENT IN A JOINT VENTURE**

In the year ended March 31, 2022, the Company has fully provided for the diminution in the value of its investment in the Joint Venture Entity "FineADD Ingredients GmbH", in view of its decision not to proceed with the Joint Venture and accordingly recorded the provision for the balance amount of ₹ 120.73 lakhs in the books of account. The Joint Venture is in the process of liquidation.

**NOTE 9 NON-CURRENT FINANCIAL ASSETS : LOANS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
Loan to employees	90.86	85.29
<b>Total Loans</b>	<b>90.86</b>	<b>85.29</b>

**NOTE 10 NON-CURRENT FINANCIAL ASSETS : OTHERS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits Rent (Amortised Cost)	32.20	36.98
Fixed Deposits with Bank (Original Maturity More than 12 months)	725.09	336.29
<b>Total Others</b>	<b>757.29</b>	<b>373.27</b>

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 11 DEFERRED TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	1,161.03	930.48
Others	53.08	25.39
Gross Deferred Tax Asset (a)	<b>1,214.11</b>	<b>955.87</b>
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipments & Intangible Assets	0.00	0.00
Others	194.68	172.99
Gross Deferred Tax Liability (b)	<b>194.68</b>	<b>172.99</b>
<b>Deferred Tax Assets (Net) (a-b)</b>	<b>1,019.43</b>	<b>782.88</b>

### NOTE 12 NON-CURRENT ASSETS - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances (Unsecured, Considered good)	2,841.33	2,614.45
Security Deposits	1,108.51	250.73
Income Tax Refund Receivables	10.77	15.83
Prepaid Rent on Leasehold Land & Premises	3,423.71	3,215.29
Other Prepaid Expenses	52.14	0.00
<b>Total Other Current Assets</b>	<b>7,436.46</b>	<b>6,096.30</b>

#### NOTE 12.1 DISCLOSURE TO OTHER NON CURRENT ASSETS - CAPITAL ADVANCES

The Company has given an advance of ₹ 2,420 Lakhs to MIDC for allotment of a plot at Pale, Ambarnath, which is disclosed under Capital advances. The MIDC has issued an allotment letter, however, the company is still unable to take possession of the said plot, as so far the MIDC has not created any of the basic infrastructure facilities such as water, electricity, roads etc. Upon possession, the Company plans to setup a centralised warehousing facility, however, the Company shall carry out a feasibility study and then decide upon the appropriate action to be taken for the said plot. Present value of the said plot as per the ready reckoner rate as at March 31, 2023 is higher than the advance given.

### NOTE 13 CURRENT ASSETS : INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials and Packing Materials	14,981.11	11,354.97
Semi-Finished Goods	543.43	922.41
Finished Goods	12,009.99	5,912.21
Consumables	191.52	164.69
Stores & Spares	2,145.22	1,810.81
<b>Total Inventories</b>	<b>29,871.27</b>	<b>20,165.09</b>

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 14 CURRENT ASSETS : TRADE RECEIVABLE**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, Considered good	0.00	0.00
Unsecured		
Considered good	26,161.73	25,866.77
From Related Parties {Refer to note no. 41(b)}	21,530.71	7,292.31
Which have significant increase in Credit Risk	210.92	100.87
Sub Total	<b>47,903.36</b>	<b>33,259.95</b>
Less: Allowance for Expected Credit Loss	210.92	100.87
<b>Total Trade Receivables</b>	<b>47,692.44</b>	<b>33,159.08</b>

**Ageing for trade receivables as at March 31, 2023 is as follows**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	35,859.58	11,645.79	64.64	52.50	14.44	55.49	47,692.44
(ii) Undisputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Disputed Trade Receivables – considered good	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Ageing for trade receivables as at March 31, 2022 is as follows**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	26,437.79	6,529.93	49.67	33.59	53.98	54.12	33,159.08
(ii) Undisputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Disputed Trade Receivables – considered good	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00



## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 15 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balances with Banks</b>		
In Current Account	3,743.83	2,796.55
In Exchange Earners' Foreign Currency Account	2,907.17	541.78
In Fixed Deposit Account (With original maturity of less than 3 Months)	42,249.87	17,532.48
Cash on hand	19.47	19.37
<b>Total Cash and cash Equivalents</b>	<b>48,920.34</b>	<b>20,890.18</b>

### NOTE 16 CURRENT FINANCIAL ASSETS : BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balances with Banks</b>		
In Fixed Deposits (with original maturity of more than 3 months and 12 months or less)	788.44	648.03
Others <sup>^</sup>	26.28	41.36
<b>Total Bank Balances</b>	<b>814.72</b>	<b>689.39</b>

<sup>^</sup> Others includes Bank balances specifically held for Unpaid CSR, unpaid dividend.

### NOTE 17 CURRENT FINANCIAL ASSETS : LOANS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
Loan to employees	107.91	46.30
<b>Total Loans</b>	<b>107.91</b>	<b>46.30</b>

### NOTE 18 CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, Considered Good</b>		
Security Deposit	14.80	24.14
Interest Rate Swaps {Refer Note 52}	22.44	0.00
<b>Total Other Financial Assets</b>	<b>37.24</b>	<b>24.14</b>

### NOTE 19 CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax (Net of Provision for Income Tax)	1,817.08	654.47
<b>Total Current Tax Assets (Net)</b>	<b>1,817.08</b>	<b>654.47</b>

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 20 OTHER CURRENT ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	421.35	401.78
Balance with Statutory / Government Authorities *	3,708.20	3,736.80
Gratuity Fund Balance with LIC of India	80.41	87.54
Other Advances (including advance to suppliers)	3,704.35	6,935.79
<b>Total Other Current Assets</b>	<b>7,914.31</b>	<b>11,161.91</b>

\* Balances with Government Authorities primarily include amounts realisable for GST, the unutilised GST input tax credits. These are generally realised within one year or utilised regularly. Accordingly, these balances have been classified as “Other Current Assets”.

**NOTE 21 EQUITY SHARE CAPITAL**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>AUTHORISED</b>		
4,00,00,000 Equity Shares of ₹ 5/- each	2,000.00	2,000.00
(Previous Year: 4,00,00,000 Equity Shares of ₹ 5/- each)		
<b>Total Authorised Capital</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
3,06,59,976 Equity Shares of ₹ 5/- each	1,533.00	1,533.00
(Previous Year: 3,06,59,976 Equity Shares of ₹ 5/- each)		
<b>Total Issued, Subscribed and Paid-Up Capital</b>	<b>1,533.00</b>	<b>1,533.00</b>

**NOTE 21.1 RECONCILIATION OF NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW :**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Shares at the beginning of the year	3,06,59,976	3,06,59,976
Add:- Shares issued during the year	0	0
Add:- Issued on account of Subdivision of shares	0	0
Less:- Shares bought back during the year	0	0
<b>Equity Shares at the end of the year</b>	<b>3,06,59,976</b>	<b>3,06,59,976</b>

**NOTE 21.2 TERMS/ RIGHTS ATTACHED TO EQUITY SHARES**

The Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 21.3 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES OF THE COMPANY

Particulars	As at March 31, 2023		As at March 31, 2022	
	NUMBER OF SHARES	% IN SHARE CAPITAL	Number of Shares	% in Share Capital
Late Prakash Damodar Kamat	-	-	44,52,835	14.52%
Jyotsna Ramesh Shah	43,25,886	14.11%	43,25,886	14.11%
Tushar Ramesh Shah	36,99,182	12.07%	36,99,182	12.07%
Jayen Ramesh Shah	34,23,627	11.17%	34,23,627	11.17%
Archana Yatin Sankholkar	22,26,418	7.26%	-	-
Anjali Kunal Patil	22,26,417	7.26%	-	-
Bimal Mukesh Shah	18,10,227	5.90%	21,16,827	6.90%
Mukesh Maganlal Shah	17,64,045	5.75%	17,64,045	5.75%
Axis Mutual Fund Trustee Limited	16,15,073	5.27%	9,12,037	2.97%

### NOTE 21.4 DISCLOSURE OF SHAREHOLDING OF PROMOTERS / PROMOTERS GROUP

Disclosure of shareholding of Promoters / Promoters Group as at March 31, 2023 is as follows:

No	Promoters / Promoters Group name	Shares Held				% Change during the year
		As at March 31, 2023		As at March 31, 2022		
	<b>Promoters</b>					
1	Late Prakash Damodar Kamat	0.00	0.00%	44,52,835.00	14.52%	(14.52%)
2	Mukesh Maganlal Shah	17,64,045.00	5.75%	17,64,045.00	5.75%	0.00%
3	Jayen Ramesh Shah	34,23,627.00	11.17%	34,23,627.00	11.17%	0.00%
4	Tushar Ramesh Shah	36,99,182.00	12.07%	36,99,182.00	12.07%	0.00%
5	Bimal Mukesh Shah	18,10,227.00	5.90%	21,16,827.00	6.90%	(1.00%)
6	Jyotsna Ramesh Shah	43,25,886.00	14.11%	43,25,886.00	14.11%	0.00%
7	Archana Yatin Sankholkar	22,26,418.00	7.26%	0.00	0.00%	7.26%
8	Anjali Kunal Patil	22,26,417.00	7.26%	0.00	0.00%	7.26%
	<b>Promoters Group</b>					
9	Jayshree Mukesh Shah	5,68,572.00	1.85%	5,68,572.00	1.85%	0.00%
10	Neeta Jayen Shah	6,59,892.00	2.15%	6,59,892.00	2.15%	0.00%
11	Bina Tushar Shah	5,74,380.00	1.87%	5,74,380.00	1.87%	0.00%
12	Shaili Nirav Doshi	1,22,898.00	0.40%	1,22,898.00	0.40%	0.00%
13	Manali Vishal Doshi	76,614.00	0.25%	76,614.00	0.25%	0.00%
14	Rhea Tushar Shah	1,06,614.00	0.35%	1,06,614.00	0.35%	0.00%
15	Esha Tushar Shah	1,06,620.00	0.35%	1,06,620.00	0.35%	0.00%
16	R M Shah HUF	3,08,542.00	1.01%	3,08,542.00	1.01%	0.00%
17	P D Kamat HUF	1,37,178.00	0.45%	1,37,178.00	0.45%	0.00%
18	M M Shah HUF	0.00	0.00%	1,40,574.00	0.46%	(0.46%)
19	Jayen R Shah HUF	3,06,978.00	1.00%	3,06,978.00	1.00%	0.00%
20	Tushar R Shah HUF	1,03,218.00	0.34%	1,03,218.00	0.34%	0.00%
21	Maltiben Pradipkumar Shah	19.00	0.00%	19.00	0.00%	0.00%
22	Akruti Bimal Shah	4,47,174.00	1.46%	0.00	0.00%	1.46%
	<b>Total</b>	<b>2,29,94,501.00</b>	<b>75.00%</b>	<b>2,29,94,501.00</b>	<b>75.00%</b>	

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 21.5 DETAILS OF CALLS UNPAID**

There is no calls unpaid.

**NOTE 21.6 SUBDIVISION OF SHARES**

The Shareholders vide a special resolution has approved sub division of shares of the Company in the ratio of 2 shares of face value of ₹ 5 each for every existing 1 share of the face value of ₹ 10 each.

The requisite approvals for modification of the Memorandum and Articles of Association of the Company had been accorded by the shareholders on November 6, 2017.

**NOTE 21.7 AGGREGATE NUMBER OF BONUS SHARES ISSUED, SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH DURING THE PERIOD OF FIVE YEARS IMMEDIATELY PRECEDING THE REPORTING DATE**

- (i) The Company has issued 2,80,000 Equity Shares of ₹ 10 Each in Financial year 2016-17 for consideration other than cash to the shareholders of Fine Research & Development Centre Private Limited (“FRDCPL”) and Fine Specialty Surfactants Private Limited (“FSSPL”) on account of Amalgamation.
- (ii) During the year ended March 31, 2018, the Company has issued 1,02,19,992 Equity shares of ₹ 10 each (Pre Subdivision of shares) pursuant to the bonus issue of shares vide special resolution approved by the shareholders dated October 16, 2017.

The Company has allotted 2 (Two) Fully paid up equity shares of ₹ 10 each for every 1 (One) Equity share held by the shareholders (Including shares issued to the shareholders on account of amalgamation with FRDCPL & FSSPL). Later on as per special resolution dated November 6, 2017, such shares are sub divided into the ratio of 2 (Two) shares of face value of ₹ 5 each for every existing 1 (One) share of the face value of ₹ 10 each.

**NOTE 22 OTHER EQUITY**

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Amalgamation Reserve</b>	<b>1,155.24</b>	<b>1,155.24</b>
(Includes ₹ 4.23 lakhs On Account of Amalgamation)		
<b>(b) Retained Earnings</b>		
Balance as at the beginning of the year	93,360.71	71,666.38
Add: Profit for the year	<b>59,059.89</b>	<b>25,066.93</b>
Less:- Dividend	2,759.40	3,372.60
<b>Balance as at the end of the year (b)</b>	<b>1,49,661.20</b>	<b>93,360.71</b>
<b>(c) Other Comprehensive Income</b>		
Balance as at the beginning of the year	(199.35)	(470.85)
Add: Other Comprehensive Income for the year	63.11	271.50
<b>Balance as at the end of the year (c)</b>	<b>(136.24)</b>	<b>(199.35)</b>
<b>(d) Foreign Exchange Translation Reserve</b>		
Balance as at the beginning of the year	0.00	0.00
Add: Addition / (Deletion) for the period / year	0.00	0.00
<b>Balance as at the end of the year (d)</b>	<b>0.00</b>	<b>0.00</b>
<b>(e) Other Reserve</b>		
Balance as at the beginning of the year	0.00	0.00
Add: Addition / (Deletion) for the period / year	0.00	0.00
<b>Balance as at the end of the year (e)</b>	<b>0.00</b>	<b>0.00</b>
<b>(f) Capital Reserve</b>	0.00	0.00
<b>Total (a+b+c+d+e+f)</b>	<b>1,50,680.20</b>	<b>94,316.60</b>

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### Glossary

- (a) Amalgamation Reserve - At the time of business combination under common control, amalgamation adjustment reserve of transferor company becomes amalgamation adjustment reserve of the transferee company. The Company established this reserve at the time of business combinations made in the earlier years.
- (b) Retained Earnings represents undistributed accumulated earnings of the Company as on the balance sheet date.
- (c) Other Comprehensive Income represents the following -
1. The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve
  2. The Company uses hedging instruments as part of its management of interest rate risk associated with borrowings. For hedging interest rate risk, the Company uses the interest rate swaps. To the extent this hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedged reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).
  3. Remeasurements, comprising of actuarial gains and losses are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

### NOTE 23 NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
Foreign Currency Borrowings - External Commercial Borrowings		
From Bank {Refer to note no. 23.1}	2,720.41	5,852.75
Less : Current Maturity {Refer to note no. 26}	(2,720.41)	(3,344.43)
<b>Total Non-Current Borrowings</b>	<b>0.00</b>	<b>2,508.32</b>

### NOTE 23.1 DISCLOSURE TO NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

- (i) The foreign currency borrowings is secured against exclusive charge on specific Land & Building and Plant & Machinery of the borrower at plot no. N-42/1, MIDC, Anand Nagar, Additional Ambarnath Industrial Area, Ambarnath - 421501, Maharashtra.
- (ii) Remaining tenure of the borrowing is 9 Months

### NOTE 24 MOVEMENT IN LEASE LIABILITIES DURING THE YEAR : LEASE LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the period</b>	<b>0.00</b>	<b>0.00</b>
Additions	144.06	0.00
Finance cost accrued during the year	2.43	0.00
Deletions	0.00	0.00
Payment of lease liabilities	14.41	0.00
<b>Balance at the end of the period</b>	<b>132.08</b>	<b>0.00</b>

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 24.1 BREAK-UP OF CURRENT AND NON-CURRENT LEASE LIABILITIES**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	50.50	0.00
Non-current lease liabilities	81.57	0.00
<b>Total</b>	<b>132.07</b>	<b>0.00</b>

**NOTE 24.2 DETAILS REGARDING THE CONTRACTUAL MATURITIES OF LEASE LIABILITIES :**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	50.50	0.00
One to three years	67.37	0.00
More than three years	14.20	0.00
<b>Total</b>	<b>132.07</b>	<b>0.00</b>

**NOTE 25 NON CURRENT FINANCIAL LIABILITIES : OTHERS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Derivatives Designated as Hedge</b>		
Interest Rate Swaps {Refer Note 52}	0.00	86.61
<b>Total Other Financial Liabilities</b>	<b>0.00</b>	<b>86.61</b>

**NOTE 26 CURRENT FINANCIAL LIABILITIES : BORROWINGS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
Current maturities of Long-term Borrowings	2,720.41	3,344.43
<b>Total Current Borrowings</b>	<b>2,720.41</b>	<b>3,344.43</b>

**NOTE 26.1 DISCLOSURE TO CURRENT FINANCIAL LIABILITIES : BORROWINGS**

Secured Loans from banks on Cash Credit are secured by way of hypothecation of stocks of raw materials, finished products, stores and work-in-progress as well as book debts.

**NOTE 27 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding due to Micro and Small Enterprises {Refer to note no. 27.1}	1,871.45	904.87
Others	15,200.25	14,239.75
<b>Total</b>	<b>17,071.70</b>	<b>15,144.62</b>



## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 27.1 DISCLOSURE TO CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES

#### Dues to micro and small enterprises

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro and small enterprises amounting to ₹ 1871.45 lakhs (Previous Year: ₹ 904.87 lakhs). The disclosure pursuant to MSMED Act based on the books of account is as under:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid	1,871.45	904.87
(ii) Interest due on above and the unpaid interest	7.49	2.34
(iii) Interest paid in terms of Section 16 of MSMED Act	0.00	0.00
(iv) Amount of payments made to supplier beyond the appointed day	0.00	0.00
(v) Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act,2006	0.00	0.00
(vi) Amount of Interest accrued and remaining unpaid *	7.49	2.34
(vii) Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the MSMED Act,2006	0.00	0.00

(\*) The interest has not been accrued in the books of account since the outstanding amount majorly includes retention amount payable after completion of contract period.

#### Ageing for trade payables outstanding as at March 31, 2023 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,839.98	25.51	2.78	3.18	1,871.45
(ii) Others	14,990.58	79.35	66.56	63.76	15,200.25
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>16,830.56</b>	<b>104.86</b>	<b>69.34</b>	<b>66.94</b>	<b>17,071.70</b>

#### Ageing for trade payables outstanding as at March 31, 2022 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	904.87	0.00	0.00	0.00	904.87
(ii) Others	14,054.41	111.02	13.78	60.54	14,239.75
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>14,959.28</b>	<b>111.02</b>	<b>13.78</b>	<b>60.54</b>	<b>15,144.62</b>

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 28 CURRENT FINANCIAL LIABILITIES : OTHERS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade / Security Deposits from Customers	318.87	145.58
Dividend Payable	1.99	1.59
<b>Total Other Financial Liabilities</b>	<b>320.86</b>	<b>147.17</b>

**NOTE 29 OTHER CURRENT LIABILITIES**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues Payable	257.19	231.44
Provision for Employees Group Gratuity	0.00	0.00
Contractual Liabilities {refer to Note 32.1}	571.53	792.13
<b>Total Other Current Liabilities</b>	<b>828.72</b>	<b>1,023.57</b>

**NOTE 30 CURRENT LIABILITIES : PROVISIONS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for CSR Expenses {refer to note no. 39.1}	25.05	204.43
Provision for Expenses	1,539.12	2,826.32
<b>Total Provisions</b>	<b>1,564.17</b>	<b>3,030.75</b>

**NOTE 31 CURRENT TAX LIABILITIES (NET)**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax (Net of Income Tax paid)	2,382.54	1,647.11
<b>Total Current Tax Liabilities (Net)</b>	<b>2,382.54</b>	<b>1,647.11</b>

**NOTE 32 REVENUE FROM OPERATIONS**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>(A) Revenue from Contracts with customers</b>		
Sales - Specialty chemicals	3,02,888.15	1,85,818.24
Sales - Others	0.00	0.00
<b>[A]</b>	<b>3,02,888.15</b>	<b>1,85,818.24</b>
<b>(B) Other Operating Revenue</b>		
Income from Sale of Scrap	26.47	24.59
<b>[B]</b>	<b>26.47</b>	<b>24.59</b>
<b>Total Revenue From Operations [(A) + (B)]</b>	<b>3,02,914.62</b>	<b>1,85,842.83</b>

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 32.1 OTHER DISCLOSURE RELATING TO REVENUE FROM CONTRACTS WITH CUSTOMERS (IND AS 115)

The Company is primarily in the Business of manufacture and sale of Specialty chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company evaluates the credit limits for the trade receivables. The Company does not give significant credit period resulting in no significant financing component.

Further, disaggregation of revenue based on geography has been mentioned under segment information. {refer to note no. 45.3}

#### Reconciliation of Revenue recognised from contracts with customers with Contract liabilities

(₹ in lakhs)		
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening Contract Liability	792.13	365.03
Add: Addition to contract liability during the year	67,901.42	13,974.98
Less: Recognised as revenue during the year	68,122.02	13,547.88
<b>Closing Contract liability</b>	<b>571.53</b>	<b>792.13</b>

(₹ in lakhs)		
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Revenue from contract with customer as per Contract price	3,03,328.20	1,87,363.98
Less: Discounts and Rebates	21.27	21.31
Less: Sales Returns	418.78	1,524.43
<b>Revenue from contract with customer as per statement of profit and loss</b>	<b>3,02,888.15</b>	<b>1,85,818.24</b>

### NOTE 33 OTHER INCOME

(₹ in lakhs)		
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Income	1,124.68	626.97
Dividend Income	0.00	0.00
Net gain on foreign exchange fluctuations	4,989.40	2,440.46
Other non-operating income		
Profit on Sale of Property, Plant and Equipment (Net of Loss)	20.88	7.37
Insurance claim received	11.88	192.48
Miscellaneous Income	262.83	35.93
<b>Total Other Income</b>	<b>6,409.67</b>	<b>3,303.21</b>

### NOTE 33.1 PARTICULARS OF INTEREST INCOME

(₹ in lakhs)		
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Income from Financial Assets on Amortised Cost Basis [at EIR]	1,124.27	573.62
Interest Income from Non Financial Assets	0.41	53.35
<b>Total</b>	<b>1,124.68</b>	<b>626.97</b>

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 34 COST OF MATERIALS CONSUMED**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Raw Materials and Packing Materials Consumed</b>		
Opening Stock at the beginning of the year	11,354.97	5,026.82
<b>Add : Purchases and incidental expenses</b>	1,95,918.29	1,28,326.27
	2,07,273.26	1,33,353.09
<b>Less : Closing stock at the end of the year</b>	14,981.11	11,354.97
<b>Total Cost of Materials Consumed</b>	<b>1,92,292.15</b>	<b>1,21,998.12</b>

**NOTE 34.1 PARTICULARS OF MATERIAL CONSUMED**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Raw Materials	1,87,531.55	1,18,057.78
Packing Materials	4,760.60	3,940.34
<b>Total</b>	<b>1,92,292.15</b>	<b>1,21,998.12</b>

**NOTE 35 PURCHASE OF STOCK IN TRADE**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Purchase of Stock In Trade	0.00	0.00
<b>Total Purchase of Stock in trade</b>	<b>0.00</b>	<b>0.00</b>

**NOTE 35 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>(A) Opening stock of inventories</b>		
Finished Goods	5,912.21	3,698.90
Semi-Finished Goods	922.41	556.04
Trading Goods	0.00	0.00
<b>Total (A)</b>	<b>6,834.62</b>	<b>4,254.94</b>
<b>(B) Closing Stock of inventories</b>		
Finished Goods	12,009.99	5,912.21
Semi-Finished Goods	543.43	922.41
Trading Goods	0.00	0.00
<b>Total (B)</b>	<b>12,553.42</b>	<b>6,834.62</b>
<b>Net Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress [(A) -(B)]</b>	<b>(5,718.80)</b>	<b>(2,579.68)</b>

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 36 EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries and other benefits to Directors	2,132.00	1,825.00
Salaries, wages & other benefits to others	7,334.37	6,206.24
Contribution to Provident Fund and Other Funds	260.40	223.15
Employee Welfare and other amenities	333.09	282.65
<b>Total Employee Benefit Expenses</b>	<b>10,059.86</b>	<b>8,537.04</b>

As per Indian Accounting Standard 19 “Employee Benefits” the disclosures as defined are given below:

#### A] Defined Contribution Plans

The Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefit.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Employer’s Contribution to Pension Scheme	100.00	85.25
Employer’s Contribution to Provident fund	47.45	39.95
<b>Total</b>	<b>147.45</b>	<b>125.20</b>

#### B] Defined Benefits Plans

The Company has used the Projected Unit Credit (PUC) actuarial method to assess the Plan’s liabilities, including those related to death-in-service benefits. Under the PUC method, a ‘Projected accrued benefit’ is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The ‘projected accrued benefit’ is based on the Plan’s accrual formula and upon the service as at the beginning or end of the year, but using a member’s final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the ‘projected accrued benefits’ as at the end of the year for the Plan’s active members.

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of Defined Benefit Obligation at beginning of the Year	1,201.58	1,145.35
Add : Service Cost		
(a) Current Service Cost	92.82	80.17
(b) Past Service Cost	0.00	0.00
(c) Loss/(Gain) from Settlement	0.00	0.00
Add: Current Interest Cost	80.51	72.16
Add: Benefit Paid	(73.40)	(82.01)

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Add: Remeasurements of Actuarial (Gain) / Loss		
(a) From changes in Demographic assumptions	0.00	0.00
(b) From changes in Financial assumptions	(46.99)	(34.92)
(c) From experience over the past year	77.39	20.83
Effect of Acquisition/ (Divestiture)		
Transfer In/(Out)	0.00	0.00
Changes in Foreign Exchange Rates	0.00	0.00
<b>Present value of Defined Benefit Obligation at the end of the Year</b>	<b>1,331.91</b>	<b>1,201.58</b>

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

(₹ in lakhs)

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Fair Value of Plan Asset at beginning of the Year	1,289.11	1,225.41
Add: Contributions Paid by Employer	106.61	71.42
Add: Benefits Paid / (Received)	(73.40)	(82.01)
Add: Interest Income on Plan assets	84.15	74.29
<b>Re-measurements</b>		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	5.84	-
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Effect of Acquisition/ (Divestiture)	-	-
Transfer In/(Out)	-	-
Changes in foreign exchange rates	-	-
<b>Fair Value of Plan Asset at the end of the Year</b>	<b>1,412.31</b>	<b>1,289.11</b>
Actual Return on Plan Assets	89.99	74.29
Expected Employer Contributions for the coming year	-	-

**(iii) Expenses recognised in Statement Profit and Loss**

(₹ in lakhs)

<b>Particulars</b>	<b>For the Year Ended March 31, 2023</b>	<b>For the Year Ended March 31, 2022</b>
<b>Service Cost</b>		
(a) Current Service Cost	92.82	80.17
(b) Past Service Cost	-	-
(c) Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	(3.64)	(2.13)
<b>Employer Expenses</b>	<b>89.18</b>	<b>78.04</b>



## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Defined Benefit Obligation at end of the Year	1,331.91	1,201.58
Less: Fair Value of Plan Asset at the end of the Year	1,412.31	1,289.11
<b>Liability/ (Asset) recognised in the Balance Sheet</b>	<b>(80.40)</b>	<b>(87.53)</b>
<b>Funded Status [Surplus/(Deficit)]</b>	<b>80.40</b>	<b>87.53</b>
<b>Of which, Short term Liability</b>		
Experience Adjustment on Plan Liabilities: (Gain)/Loss	77.39	20.83
Experience Adjustment on Plan Assets: Gain/(Loss)	-	-

### (v) Percentage Break-down of Total Plan Assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity instruments	0.00%	0.00%
Debt instruments	0.00%	0.00%
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	0.00%	0.00%
Of which, Conservative/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

### (vi) Assumptions used to determine the defined benefit obligation

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Salary Growth Rate	5.00 % P.A.	5.00 % P.A.
Discount Rate(p.a.)	7.20% P.A.	6.70% P.A.
Interest Rate on net DBO	6.70% P.A.	6.30% P.A.
Withdrawal Rate	5.00 % P.A.	5.00 % P.A.
Mortality Table Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Expected weighted average remaining working life	7 years	7 years

### (vii) Movement in Other Comprehensive Income

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Balance at start of year (Loss)/ Gain</b>	<b>(222.85)</b>	<b>(236.94)</b>
<b>Re-measurements on DBO</b>		
(a) Actuarial (Loss)/Gain from changes in demographic assumptions	46.99	34.92
(b) Actuarial (Loss)/Gain from changes in financial assumptions	(77.39)	(20.83)
(c) Actuarial (Loss)/Gain from experience over the past period	-	-

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Re-measurements on Plan Assets</b>		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	5.84	-
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
<b>Balance at end of year (Loss)/ Gain</b>	<b>(247.41)</b>	<b>(222.85)</b>

**(viii) Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of Sensitivity Analysis is given below:

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	INCREASE BY 1%	DECREASE BY 1%	Increase by 1%	Decrease by 1%
Salary Growth Rate	increases by ₹ 96.21 lakhs	decreases by ₹ 87.04 lakhs	increases by ₹ 90.62 lakhs	decreases by ₹ 81.43 lakhs
Discount Rate	decreases by ₹ 84.60 lakhs	increases by ₹ 95.08 lakhs	decreases by ₹ 79.45 lakhs	increases by ₹ 89.99 lakhs
Withdrawal Rate	increases by ₹ 11.74 lakhs	decreases by ₹ 13.18 lakhs	increases by ₹ 8.47 lakhs	decreases by ₹ 9.5 lakhs
Mortality (increase in expected lifetime by 1 year)	decreases by ₹ 0.31 lakhs	-	decreases by ₹ 0.34 lakhs	-
Mortality (increase in expected lifetime by 3 years)	decreases by ₹ 0.94 lakhs	-	decreases by ₹ 0.85 lakhs	-

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**(ix) Movement in Surplus/ (Deficit)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Surplus/ (Deficit) at start of year</b>	<b>87.53</b>	<b>80.06</b>
Add : Net Acquisition Adjustment	-	-
Transfer In / (Out) on net basis	-	-
Movement during the year		
Less : Current Service Cost	(92.82)	(80.17)
Less : Past Service Cost	-	-
Add : Net Interest on net DBO	3.64	2.13
<b>Re-measurements [Gains/ (Losses)]</b>	<b>(24.56)</b>	<b>14.09</b>
Add : Employer Contributions/ Benefits paid	106.61	71.42
<b>Surplus/ (Deficit) at end of year</b>	<b>80.40</b>	<b>87.53</b>

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### (x) Risk Factors

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

#### Interest Risk

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

#### Longevity Risk

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

#### Salary Risk

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

#### Investment Risk

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

### NOTE 37 FINANCE COSTS

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Expenses		
On Loans	243.42	369.56
On Leases	2.43	0.00
Bank Charges and Commission	200.84	119.32
<b>Total Finance Costs</b>	<b>446.69</b>	<b>488.88</b>

### NOTE 38 DEPRECIATION & AMORTISATION EXPENSES

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation on Property, Plant and Equipment	4,725.41	3,960.31
Amortisation on Intangible Assets	50.23	29.70
Depreciation on Right of Use of assets	13.19	0.00
<b>Total Depreciation &amp; Amortisation Expenses</b>	<b>4,788.83</b>	<b>3,990.01</b>

### NOTE 39 OTHER EXPENSES

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Advertisement & Publicity Expenses	23.13	13.20
Auditors Remuneration:		
(i) Statutory Audit	31.00	27.75
(ii) Taxation Matters	11.00	9.50
(iii) Limited Review	10.50	9.75
(iv) Others	2.50	1.00

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Remuneration to Cost Auditor	3.00	2.50
Consumption of Stores and Spares	40.87	37.22
Corporate Social Responsibility Expenses {refer to note no. 39.1}	478.05	397.88
Corporate Environmental Responsibility	37.71	14.76
Director Sitting fees	33.80	22.65
Electricity Charges	71.39	61.27
Expected Credit Loss Provisions	110.05	0.00
Freight and Forwarding charges	9,919.45	9,843.38
Insurance Charges	536.68	314.90
Laboratory Expenses	136.15	92.73
Legal and Professional fees	784.23	529.30
Other Administrative Expenses	334.62	177.85
Postage, Telephone and Telegram	163.53	107.79
Power, Fuel and Water Charges	9,762.97	7,729.98
Printing and Stationery Expenses	45.93	35.83
Product Registration fees	3.08	1.14
Bad Debts	0.00	20.31
Provision for Doubtful Receivables	79.14	25.00
Provision for Diminution in value of Joint Venture	0.00	120.73
Rent, Rates and Taxes	779.15	511.72
Repairs and Maintenance to:		
(i) Factory Building	175.85	118.16
(ii) Machinery	1,028.62	878.11
(iii) Others	336.34	312.68
Sales Promotion Expenses	101.70	33.86
Sales Commission	1,505.18	887.53
Security Charges	298.29	260.51
Seminar & Trade fair Expenses	534.72	65.27
Subscription, Membership, Books & Periodicals	87.64	53.86
Travelling and Conveyance Expenses	588.94	224.97
Vehicle Expenses	98.24	91.86
<b>Total Other Expenses</b>	<b>28,153.45</b>	<b>23,034.95</b>

**NOTE 39.1 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:**

The Company has spent an amount of ₹ 478.05 lakhs pertaining to F.Y. 2022-23 and ₹ 235.96 lakhs pertaining to F.Y. 2021-22 towards various CSR projects for the purpose other than construction/ acquisition of any asset. The Company has transferred ₹ 163.92 lakhs (i.e. unspent amount for the ongoing CSR projects of the Company for the F.Y. 2021-22) to a separate bank account specially opened by the Company for the CSR. Out of the said amount the Company has spent ₹ 138.92 lakhs towards various CSR projects.

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
A) Gross amount required to be spent by the Company during the year	474.80	397.88
B) Amount spent during the year		
(i) Construction/acquisition of any asset	NIL	NIL
(ii) On purposes other than (i) above	478.05	235.96

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
C) Details related to spent / unspent obligations:		
(i) Amount spent in relation to Ongoing Project	460.00	17.00
(ii) Amount spent in relation to other than Ongoing Project	13.00	213.83
(iii) Amount spent in administrative Overheads	5.05	5.13
(iv) Amount transferred to Unspent CSR Account for Ongoing Projects	0.00	163.92
D) Amounts available for set-off in succeeding financial year	3.25	0.00

### NOTE 40 RECONCILIATION OF REPORTED PROFIT TO TOTAL TAX EXPENSE

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit before Tax	79,302.11	33,676.72
Applicable Income Tax rate	25.17%	25.17%
Expected income tax expense	19,960.34	8,475.76
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Effect of Expenses / Provisions not deductible in determining taxable profit and	402.53	139.25
Other Permanent Differences	137.13	134.99
Other Temporary Differences	(257.78)	(140.21)
<b>Reported Income Tax Expense</b>	<b>20,242.22</b>	<b>8,609.79</b>

### NOTE 41 DEFERRED TAX EXPENSES / (INCOME)

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, Plant and Equipments & Intangible Assets	0.00	0.00
Others	21.69	(24.35)
<b>Sub Total (A)</b>	<b>21.69</b>	<b>(24.35)</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Property, Plant and Equipments & Intangible Assets	230.55	115.86
Others	27.69	0.00
<b>Sub Total (B)</b>	<b>258.24</b>	<b>115.86</b>
<b>Deferred tax Expenses / (Income) [A-B]</b>	<b>(236.55)</b>	<b>(140.21)</b>

### NOTE 42 EARNINGS PER EQUITY SHARE

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
(a) Computation of Profit (numerator)		
Net profit attributable to shareholders (₹ in lakhs)	59,059.89	25,066.93
(b) Weighted average number of shares (denominator)		
<b>Weighted Average number of Equity Shares used as denominator for calculating Basic &amp; Diluted EPS</b>	<b>3,06,59,976.00</b>	<b>3,06,59,976.00</b>
<b>EPS (Basic &amp; Diluted) (In ₹)</b>	<b>192.63</b>	<b>81.76</b>

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 43 CONTINGENT LIABILITIES AND COMMITMENTS**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Contingent Liabilities</b>		
Income tax liability that may arise in respect of matters in appeal	610.12	574.97
Indirect taxes liability that may arise in respect of matters in appeal	27.16	27.16
<b>Commitments</b>		
Estimated contracts remaining to be executed on capital account not provided	1,822.04	1,488.25
Bank Guarantee	1,219.31	758.61

The Financial Statements of the Company for the year ended March 31, 2023 has been approved by the Board of Directors in its meeting held on May 24, 2023. For the year ended March 31, 2023, dividend of ₹ 9/- per share (Total dividend of ₹ 2759.40 lakhs) has been proposed by the Board of Directors at its meeting held on May 24, 2023. The same is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and therefore proposed dividend has not been recognised as liability as at the Balance Sheet Date in line with Ind AS - 10 "Events after the Reporting Period."

It is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities.

**NOTE 44 RELATED PARTY TRANSACTIONS DISCLOSURE:**

The Disclosure pertaining to the related parties as required by Indian Accounting Standard 24 issued by Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian accounting Standards ) Rule,2015 as amended are indicated below

**(a) List of Related Parties and Relationships**

Sr. No	Name of the Related Party	Nature of Relationship
<b>Key Management Personnel (KMP)</b>		
1	Late Prakash Damodar Kamat (Upto June 7, 2022)	Former Chairman & Director
2	Mukesh Maganlal Shah (Chairman w.e.f. June 27, 2022)	Chairman & Managing Director
3	Jayen Ramesh Shah	Executive Director & CEO
4	Tushar Ramesh Shah	Executive Director & CFO
5	Bimal Mukesh Shah	Executive Director
6	Nikhil Dattatraya Kamat (w.e.f. June 27, 2022)	Executive Director
7	Thiruvengadam Parthasarathi	Non-Executive Independent Director
8	Mahesh Pansukhlal Sarda	Non-Executive Independent Director
9	Kaushik Dwarkadas Shah	Non-Executive Independent Director
10	Prakash Krishnaji Apte	Non-Executive Independent Director
11	Pratima Madhukar Umarji	Non-Executive Independent Director
<b>Relative's of KMP</b>		
12	Jyotsna Ramesh Shah	Relatives of KMP
13	Jayshree Mukesh Shah	
14	Neeta Jayen Shah	
15	Bina Tushar Shah	
16	Esha Tushar Shah	
17	Rhea Tushar Shah	
18	Ramesh M. Shah - HUF	
19	Prakash D. Kamat - HUF	
20	Mukesh M. Shah - HUF	
21	Jayen R. Shah - HUF	

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

Sr. No	Name of the Related Party	Nature of Relationship
22	Tushar R. Shah - HUF	
23	Manali Vishal Doshi	
24	Shaili Nirav Doshi	
25	Neeta Warty (w.e.f. June 27, 2022)	
26	Nisha Rege (w.e.f. June 27, 2022)	
27	Suneet Nikhil Kamat (w.e.f. June 27, 2022)	
	<b>Significant influence by KMP</b>	
28	Smoothex Chemicals Private Limited	Significant influence by KMP
29	Fine Organics	
30	Olefine Organics	
31	Oleofine Organics SDN. BHD.	
32	Fine Organic Industries	
	<b>Subsidiaries</b>	
33	Fine Organics (USA) Inc.	Wholly owned Subsidiaries
34	Fine Organics Europe BV	
	<b>Joint Ventures</b>	
35	Fine Zeelandia Private Limited	Joint Venture Entities
36	FineAdd Ingredients GmbH	
37	Fine Organic Industries (Thailand) Co., Limited	

### (b) Transactions (in aggregate) with Related Parties during the period and their closing balances at the period end

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2022 to March 2023	April 2021 to March 2022	As At March 31, 2023	As At March 31, 2022
<b>1</b>	<b>Director's Remuneration</b>				
	Late Prakash Damodar Kamat	77.00	350.00	0.00	46.00
	Mukesh Maganlal Shah	460.00	350.00	61.00	30.50
	Jayen Ramesh Shah	460.00	350.00	61.00	30.50
	Tushar Ramesh Shah	460.00	350.00	61.00	30.50
	Bimal Mukesh Shah	460.00	350.00	61.00	30.50
	Nikhil Dattatraya Kamat	115.00	0.00	16.03	
	Thiruvengadam Parthasarathi	20.00	15.00	18.00	13.50
	Mahesh Pansukhlal Sarda	20.00	15.00	18.00	13.50
	Kaushik Dwarkadas Shah	20.00	15.00	18.00	13.50
	Prakash Krishnaji Apte	20.00	15.00	18.00	13.50
	Pratima Madhukar Umarji	20.00	15.00	18.00	13.50
<b>2</b>	<b>Director's Sitting Fees</b>				
	Thiruvengadam Parthasarathi	6.75	4.50	0.00	0.14
	Mahesh Pansukhlal Sarda	6.75	4.20	0.00	0.14
	Kaushik Dwarkadas Shah	7.35	4.95	0.00	0.00
	Prakash Krishnaji Apte	8.10	5.25	0.00	0.00
	Pratima Madhukar Umarji	4.85	3.75	0.00	0.14
<b>3</b>	<b>Sale of Goods {#}</b>				
	Oleofine Organics SDN BHD	1,850.46	871.57	57.22	61.02
	Fine Organics (USA) Inc.	41,180.01	9,495.55	18,192.86	4,744.22
	Fine Organics Europe BV	14,316.50	6,971.55	3,103.12	2,487.07
	Fine Zeelandia Private Limited	1,665.07	1,642.51	54.50	0.00



**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2022 to March 2023	April 2021 to March 2022	As At March 31, 2023	As At March 31, 2022
<b>4</b>	<b>Sale of Components</b>				
	Oleofine Organics SDN BHD	7.97	0.00	0.00	0.00
	Fine Organic Industries (Thailand) Co., Limited	254.04	0.00	123.01	0.00
<b>5</b>	<b>Purchase of Asset / Investment</b>				
	Fine Organic Industries	0.00	0.12	0.00	0.00
	Tushar Shah (@)	0.00	6.81	0.00	0.00
<b>6</b>	<b>Dividend paid</b>				
	Late Prakash Damodar Kamat	400.76	489.81	0.00	0.00
	Jyotsna Ramesh Shah	389.33	475.85	0.00	0.00
	Tushar Ramesh Shah	332.93	406.91	0.00	0.00
	Jayen Ramesh Shah	308.13	376.60	0.00	0.00
	Bimal Mukesh Shah	190.51	232.85	0.00	0.00
	Mukesh Maganlal Shah	158.76	194.04	0.00	0.00
	Nikhil Dattatraya Kamat	0.00	0.00	0.00	0.00
	Neeta Jayen Shah	59.39	72.59	0.00	0.00
	Bina Tushar Shah	51.69	63.18	0.00	0.00
	Jayshree Mukesh Shah	51.17	62.54	0.00	0.00
	Ramesh M. Shah HUF	27.77	33.99	0.00	0.00
	Jayen R. Shah HUF	27.63	33.77	0.00	0.00
	Mukesh M. Shah HUF	12.65	15.46	0.00	0.00
	Prakash D. Kamat HUF	12.35	15.09	0.00	0.00
	Shaili Nirav Doshi	11.06	13.52	0.00	0.00
	Rhea Tushar Shah	9.60	11.73	0.00	0.00
	Esha Tushar Shah	9.60	11.73	0.00	0.00
	Manali Vishal Doshi	6.90	8.43	0.00	0.00
	Tushar R. Shah HUF	9.29	11.35	0.00	0.00
	Neeta Rajeev Warty	0.38	0.00	0.00	0.00
	Nisha Umesh Rege	0.00	0.00	0.00	0.00
<b>7</b>	<b>Salary to Relatives</b>				
	Manali Vishal Doshi	37.40	32.50	0.00	0.00
	Rhea Tushar Shah	7.26	0.58	0.00	0.00
	Suneet Nikhil Kamat	15.99	0.00	0.00	0.00
<b>8</b>	<b>Export Commission</b>				
	Oleofine Organics SDN BHD	0.00	4.12	0.00	0.00
<b>9</b>	<b>Security Deposit - Rent (*)</b>				
	Fine Organic Industries	0.00	0.00	17.50	15.90
	Olefine Organics	0.00	0.00	2.68	2.40
<b>10</b>	<b>Rent Expenses {#} (*)</b>				
	Fine Organics	4.50	4.50	0.00	0.00
	Fine Organic Industries	148.64	144.42	0.00	0.00
	Olefine Organics	66.32	66.36	0.00	0.00
	Smoothex Chemicals Private Limited	4.50	4.50	0.00	0.00
	Late Prakash Damodar Kamat	2.10	8.40	0.00	0.00
	Jyotsna Ramesh Shah	49.92	36.71	0.00	0.00
	Jayshree Mukesh Shah	8.40	8.40	0.00	0.00
	Bina Tushar Shah	8.78	8.40	0.00	0.00
	Fine Zeelandia Private Limited	15.30	0.00	0.00	0.00
<b>11</b>	<b>Prepaid Rent Balance as at March 31, 2023 (*)</b>				
	Fine Organic Industries	0.00	0.00	0.50	2.10
	Olefine Organics	0.00	0.00	0.32	0.60

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2022 to March 2023	April 2021 to March 2022	As At March 31, 2023	As At March 31, 2022
<b>12</b>	<b>Advance given to/repaid from Subsidiaries (*)</b>				
	Fine Organics (USA) Inc.	0.00	(279.56)	0.00	0.00
<b>13</b>	<b>Reimbursement of Expenses</b>				
	Mukesh Maganlal Shah	0.27	0.00	0.05	0.00
	Jayen Ramesh Shah	0.62	0.00	0.00	0.00
	Tushar Ramesh Shah	0.00	0.89	0.00	0.00
	Bimal Mukesh Shah	0.87	0.63	0.00	0.00
	Nikhil Dattatraya Kamat	0.23	0.00	0.00	0.00
	Prakash Krishnaji Apte	1.05	0.00	0.00	0.00
	Manali Vishal Doshi	0.05	0.00	0.00	0.00
	Fine Zeelandia Private Limited	0.00	0.00	0.00	0.00
	Suneet Nikhil Kamat	0.15	0.00	0.00	0.00
<b>14</b>	<b>Investments in equity instruments</b>				
	Fine Organics (USA) Inc. (*)	0.00	0.00	189.13	189.13
	Fine Organics Europe BV (*) (\$) (@)	0.00	0.00	34.84	34.84
	Fine Zeelandia Private Limited	0.00	0.00	4,028.43	4,028.43
	FineADD Ingredients GmbH {refer to note no. 8.1}	0.00	0.00	0.00	0.00
	Fine Organic Industries (Thailand) Co.Limited (^)	996.34	54.00	1,050.34	54.00
<b>15</b>	<b>Interest Income on Advances / Security deposit (*)</b>				
	Fine Organics (USA) Inc.	0.00	19.05	0.00	0.00
	Fine Organic Industries	0.00	1.45	0.50	1.45
	Olefine Organics	0.00	0.26	0.32	0.26

^^ Ceased to become an associate company wef October 14, 2020.

\* Includes Ind AS adjustments

^ Became a joint venture wef May 31, 2021.

(\$) Wholly owned Subsidiary wef March 23, 2022.

(@) On March 23, 2022 Fine Organic Industries Limited acquired stake from a minority shareholder in Fine Organics Europe BV , a subsidiary of Fine Organic Industries Limited

# Includes expenses including GST component

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.(Disclosure of compensation paid to Key Managerial person)

### NOTE 45 OPERATING SEGMENT DISCLOSURE

The Company has identified its reportable segment as “Specialty chemicals” since the Chief Operating Decision Maker (CODM) evaluates the Company’s performance as a single segment in terms of Indian Accounting Standard 108 issued by Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian accounting Standards ) Rule, 2015 as amended are indicated below

### NOTE 45.1 DISCLOSURE FOR ASSETS OUTSIDE INDIA

The Company does not have any non current non financial assets outside India

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 45.2 DISCLOSURE FOR MAJOR CUSTOMERS MORE THAN 10%**

With Following customer, the Company has transactions more than 10% of the revenue

(₹ in lakhs)		
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
FINE ORGANICS (USA), INC ^	41,180.01	0.00

^ Nil in previous year as it was less than 10% of the total revenue.

**NOTE 45.3 GEOGRAPHIC INFORMATION**

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings which are part of the Specialty chemicals portfolio of the Company are managed on a worldwide basis from India.

The Company has disaggregated its revenue from contract with customers and trade receivables on a geographical basis as under:

(₹ in lakhs)		
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
- In India	94,849.36	74,078.70
- Outside India	2,08,038.79	1,11,739.54
<b>Total Revenue from operations</b>	<b>3,02,888.15</b>	<b>1,85,818.24</b>

(₹ in lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
- In India	9,331.25	7,766.52
- Outside India	38,572.11	25,493.43
Less : Expected Credit Loss on Trade Receivables	(210.92)	(100.87)
<b>Total</b>	<b>47,692.44</b>	<b>33,159.08</b>

**NOTE 46 INTERNAL FINANCIAL CONTROL SYSTEM**

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

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

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

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 47 DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013

(a) Investment Made in Subsidiaries and Joint Venture companies (At Amortised Cost)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fine Organics (USA), Inc. (#)	189.13	189.13
Fine Organics Europe BV	34.84	34.84
Fine Zeelandia Private Limited	4,028.43	4,028.43
FineADD Ingredients GmbH {refer to note no. 8.1}	0.00	0.00
Fine Organic Industries (Thailand) Co., Limited	1,050.34	54.00

(#) Amount includes on account of Ind AS adjustment towards Notional Interest and not for actual addition in Investment .

### NOTE 48 OPERATING LEASE COMMITMENTS - COMPANY AS LESSEE

The Company's significant leasing arrangements are in respect of operating leases for building premises (offices, plant, godowns etc.). These leasing arrangements are non-cancellable in nature, and are usually renewable by mutual consent on mutually agreeable terms.

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Lease payment recognised in the statement of profit and loss</b>	41.10	43.35
<b>Minimum lease payments under non cancellable operating leases payable</b>		
Not later than 1 year	43.55	38.92
Later than 1 year but not less than 5 years	174.19	155.68
Later than 5 years	3,247.87	3,057.87
<b>Total future minimum lease payment</b>	<b>3,465.61</b>	<b>3,252.47</b>

### NOTE 49 FAIR VALUES

(₹ in lakhs)

Particulars	Carrying Value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>FINANCIAL ASSETS</b>				
<b>A] Financial assets at fair value through statement of profit &amp; loss</b>	0.00	0.00	0.00	0.00
<b>B] Financial assets at fair value through OCI</b>				
Non Current Financial Assets: Investments	4.68	4.83	4.68	4.83
<b>C] Financial assets at amortised cost</b>				
Non Current Financial Assets : Investments	5,302.74	4,306.40	5,302.74	4,306.40
Non Current Financial Assets : Loans	90.86	85.29	90.86	85.29
Non Current Financial Assets : Others	757.29	373.27	757.29	373.27
Current Financial Assets : Trade Receivables	47,692.44	33,159.08	47,692.44	33,159.08
Current Financial Assets : Cash and Cash Equivalents	48,920.34	20,890.18	48,920.34	20,890.18
Current Financial Assets : Bank Balances	814.72	689.39	814.72	689.39
Current Financial Assets : Loans	107.91	46.30	107.91	46.30
Current Financial Assets : Others	37.24	24.14	37.24	24.14

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	Carrying Value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>FINANCIAL LIABILITIES</b>				
<b>A] Financial liabilities at fair value through statement of profit &amp; loss</b>	0.00	0.00	0.00	0.00
<b>B] Financial liabilities at amortised cost:</b>				
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	2,720.41	5,852.75	2,720.41	5,852.75
Non Current Financial Liabilities : Lease Liability	81.57	0.00	81.57	0.00
Non Current Financial Liabilities : Others	0.00	86.61	0.00	86.61
Current Financial Liabilities : Lease Liability	50.50	0.00	50.50	0.00
Current Financial Liabilities : Trade Payables	17,071.70	15,144.62	17,071.70	15,144.62
Current Financial Liabilities : Others	320.86	147.17	320.86	147.17

In all cases, the management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

**NOTE 50 FAIR VALUES HIERARCHY**

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

**Note 50.1 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2023 :**

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
<b>FINANCIAL ASSETS</b>					
<b>A] Financial assets at fair value through statement of profit &amp; loss</b>		0.00	0.00	0.00	0.00
<b>B] Financial assets at fair value through OCI</b>					
Non Current Financial Assets: Investments	March 31, 2022 {Refer Note No. 50.3}	4.68	4.68	4.68	4.68
<b>C] Financial assets at amortised cost</b>					
Non Current Financial Assets : Investments	March 31, 2023	5,302.74	0.00	0.00	5,302.74
Non Current Financial Assets : Loans	March 31, 2023	90.86	0.00	0.00	90.86
Non Current Financial Assets : Others	March 31, 2023	757.29	0.00	0.00	757.29
Current Financial Assets : Trade Receivables	March 31, 2023	47,692.44	0.00	0.00	47,692.44
Current Financial Assets : Cash and Cash Equivalents	March 31, 2023	48,920.34	0.00	0.00	48,920.34
Current Financial Assets : Bank Balances	March 31, 2023	814.72	0.00	0.00	814.72
Current Financial Assets : Loans	March 31, 2023	107.91	0.00	0.00	107.91
Current Financial Assets : Others	March 31, 2023	37.24	0.00	0.00	37.24

**Notes Forming Integral Part of the Standalone Financial Statements  
 for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
<b>FINANCIAL LIABILITIES</b>					
<b>A] Financial liabilities at fair value through statement of profit &amp; loss</b>		0.00	0.00	0.00	0.00
<b>B] Financial liabilities at amortised cost:</b>					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2023	2,720.41	0.00	0.00	2,720.41
Non Current Financial Liabilities : Lease Liability	March 31, 2023	81.57	0.00	0.00	81.57
Non Current Financial Liabilities : Others	March 31, 2023	0.00	0.00	0.00	0.00
Current Financial Liabilities : Lease Liability	March 31, 2023	50.50	0.00	0.00	50.50
Current Financial Liabilities : Trade Payables	March 31, 2023	17,071.70	0.00	0.00	17,071.70
Current Financial Liabilities : Others	March 31, 2023	320.86	0.00	0.00	320.86

**Note 50.2 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2022 :**

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
<b>FINANCIAL ASSETS</b>					
<b>A] Financial assets at fair value through statement of profit &amp; loss</b>		0.00	0.00	0.00	0.00
<b>B] Financial assets at fair value through OCI</b>					
Non Current Financial Assets: Investments	March 31, 2022 {Refer Note No. 50.3}	4.83	4.83	4.83	4.83
<b>C] Financial assets at amortised cost</b>					
Non Current Financial Assets : Investments	March 31, 2023	4,306.40	0.00	0.00	4,306.40
Non Current Financial Assets : Loans	March 31, 2023	85.29	0.00	0.00	85.29
Non Current Financial Assets : Others	March 31, 2023	373.27	0.00	0.00	373.27
Current Financial Assets : Trade Receivables	March 31, 2023	33,159.08	0.00	0.00	33,159.08
Current Financial Assets : Cash and Cash Equivalents	March 31, 2023	20,890.18	0.00	0.00	20,890.18
Current Financial Assets : Bank Balances	March 31, 2023	689.39	0.00	0.00	689.39
Current Financial Assets : Loans	March 31, 2023	46.30	0.00	0.00	46.30
Current Financial Assets : Others	March 31, 2023	24.14	0.00	0.00	24.14
<b>FINANCIAL LIABILITIES</b>					
<b>A] Financial liabilities at fair value through statement of profit &amp; loss</b>		0.00	0.00	0.00	0.00
<b>B] Financial liabilities at amortised cost:</b>					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2023	5,852.75	0.00	0.00	5,852.75
Non Current Financial Liabilities : Lease Liability	March 31, 2023	0.00	0.00	0.00	0.00
Non Current Financial Liabilities : Others	March 31, 2023	86.61	0.00	0.00	86.61
Current Financial Liabilities : Lease Liability	March 31, 2023	0.00	0.00	0.00	0.00
Current Financial Liabilities : Trade Payables	March 31, 2023	15,144.62	0.00	0.00	15,144.62
Current Financial Liabilities : Others	March 31, 2023	147.17	0.00	0.00	147.17

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**

Particulars	Valuation Technique
<b>FINANCIAL ASSETS</b>	
<b>A] Financial assets at fair value through statement of profit &amp; loss</b>	Not Applicable
<b>B] Financial assets at fair value through OCI</b>	
Non Current Financial Assets: Investments	Level - 2: The fair value is determined as on the reporting date based on value per share derived from net worth of the Company as per the latest available annual report, since there is no other publically available market based information for similar entities.
<b>C] Financial assets at amortised cost</b>	
Non Current Financial Assets : Investments	Level - 3: The fair value is determined as on the reporting date based on amortised cost method by considering the discount rates based on yields of comparable investments or the transaction values where these are short term in nature.
Non Current Financial Assets : Loans	
Non Current Financial Assets : Others	
Current Financial Assets : Trade Receivables	
Current Financial Assets : Cash and Cash Equivalents	
Current Financial Assets : Bank Balances	
Current Financial Assets : Loans	
Current Financial Assets : Others	
<b>FINANCIAL LIABILITIES</b>	
<b>A] Financial liabilities at fair value through statement of profit &amp; loss</b>	Not Applicable
<b>B] Financial liabilities at amortised cost:</b>	
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	Level - 3: The fair value is determined as on the reporting date based on amortised cost method.
Non Current Financial Liabilities : Lease Liability	
Non Current Financial Liabilities : Others	
Current Financial Liabilities : Lease Liability	
Current Financial Liabilities : Trade Payables	
Current Financial Liabilities : Others	

**NOTE 51 CAPITAL MANAGEMENT**

For the purposes of the Company's capital management, capital includes issued equity share capital, all other reserves and borrowed capital less reported cash and cash equivalents.

The primary objective of the Company's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value.

The Company's policy is to borrow primarily through banks to maintain sufficient liquidity. The Company also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Company.

The Company monitors capital on the basis of cost of capital. The Company is not subject to any externally imposed capital requirements.



## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

The following table summaries the capital of the Company:

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Long Term Borrowing (including current maturities of long term borrowings)	2,720.41	5,852.75
Less: Cash and cash equivalents	48,920.34	20,890.18
<b>TOTAL BORROWING (NET)</b>	<b>(46,199.93)</b>	<b>(15,037.43)</b>
Equity Share Capital	1,533.00	1,533.00
Other Equity	1,50,680.20	94,316.60
<b>TOTAL EQUITY</b>	<b>1,52,213.20</b>	<b>95,849.60</b>
<b>Gearing ratio (Net Debt/ Total Equity)</b>	<b>(0.30)</b>	<b>(0.16)</b>

No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

### NOTE 52 FINANCIAL RISK MANAGEMENT FRAMEWORK

#### A] Financial Risk Management

The Company monitors capital on the basis of cost of capital. The Company is not subject to any externally imposed capital requirements.

#### 1) Market Risk

Market Risks arise due to Changes in Interest rates, Foreign Exchange rates and changes in Market prices.

##### (i) Interest Rate Risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's policy is generally to undertake long-term borrowings using facilities that carry floating-interest rate. The Company manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

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

As at the end of reporting period, the Company had following long term variable interest rate borrowings and derivatives to hedge the interest rate risk are as follows:

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Notional value of liability	2,720.41	5,852.75
Less: Interest Rate Swap on above Liability	(2,720.41)	(5,852.75)
<b>Net exposure</b>	<b>0.00</b>	<b>0.00</b>

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**

Disclosure of Effects of Interest Rate Swaps Hedge accounting on Financial Position as at March 31, 2023

(₹ in lakhs)

Particulars	Nominal value of liability	Carrying amount of hedging instrument	Maturity date	Hedge ratio
Interest Rate Risk				
- Interest Rate Swaps	2,720.41	0.00	December 2023	1:1

**Disclosure for gain / (loss) recognised in cashflow hedging reserve and recycled during the year**
**For 2022-23**

(₹ in lakhs)

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	86.61	0.00	0.00	(109.05)	(109.05)	(22.44)

**For 2021-22**

(₹ in lakhs)

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	435.30	0.00	0.00	348.69	348.69	86.61

**Interest rate sensitivity**

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

**(ii) Foreign Currency Risks**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts to hedge its foreign currency exposures in US\$ and Euro.

**a) Exposure in foreign currency - Hedged**

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

The Forward Exchange Contracts used for hedging foreign exchange currency exposure and outstanding as at reporting date as at under:

(₹ in lakhs)

Particulars	As At March 31, 2023			As At March 31, 2022		
	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent
Forward Contract to Sell	57	\$180.34	15,006.74	122	\$197.25	14,953.52
Forward Contract to Purchase	11	\$29.21	477.50	21	\$61.62	4,671.15
Forward Contract to Sell	53	€ 110.00	9,948.87	51	€ 64.25	5,439.41

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

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

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
<b>Financial Assets</b>				
Trade Receivables	19,242.87	\$234.05	3,693.89	\$48.71
Trade Receivables	0.00	€ 0.00	1,002.60	€ 11.84
<b>Financial Liabilities</b>				
Trade Payables	0.00	\$0.00	0.00	\$0.00
Trade Payables	29.57	€ 0.33	5.63	€ 0.07
Long term Borrowings	1,117.33	\$13.59	5,852.75	\$77.21
<b>Net Exposure - US\$</b>	<b>18,125.54</b>	<b>\$220.46</b>	<b>(2,158.86)</b>	<b>(\$28.50)</b>
<b>Net Exposure - EUR</b>	<b>(29.57)</b>	<b>(€ 0.33)</b>	<b>996.97</b>	<b>€ 11.77</b>

In case of change in the currencies by 1%, the change in the profit would be as under :

(₹ in lakhs)

Particulars	As At March 31, 2023			As At March 31, 2022		
	Change	US\$	EURO €	Change	US\$	EURO €
1% Depreciation in ₹	1%	181.26	(0.30)	1%	(21.59)	9.97
1% Appreciation in ₹	1%	(181.26)	0.30	1%	21.59	(9.97)

### (iii) Market Price Risks

The company is exposed to the price risk associated with purchasing of the raw materials. . The Company typically does not enter into formal long-term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the Company's business and results of operations. To mitigate this the Company has a risk management strategy in place wherein the senior management reviews the supply chain scenarios, commodity prices and supplier contracts periodically to avoid material impact on profitability of the company.

## 2) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares and Balances with Banks.

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

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits (generally between 30 to 90 days) and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended March 31, 2023 is 0.39% (P.Y. 0.18%) of the total trade receivables. The Company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

## 3) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

**Notes Forming Integral Part of the Standalone Financial Statements  
for the year ended March 31, 2023 (Contd.)**

The Company has obtained fund based borrowings from banks. The Company invests its surplus funds in bank fixed deposit which carry low credit risks.

All payments are made on due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Company has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

**Maturity Profile of Financial Liabilities:**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

**As At March 31, 2023**

Particulars	(₹ in lakhs)				
	Balance As At March 31, 2023	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings (including Current maturity on Long Term Borrowings)	2,720.41	2,720.41	0.00	0.00	0.00
Lease Liability	132.07	50.50	67.37	14.20	0.00
Trade Payable	17,071.70	17,071.70	0.00	0.00	0.00
Deposits from customer	318.87	318.87	0.00	0.00	0.00
Dividend Payable	1.99	1.99	0.00	0.00	0.00

**NOTE 53 RATIOS**

No	Ratio	Numerator	Denominator	Current Period Ratio	Previous Period Ratio	Variance	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	5.50	3.56	54.31%	The Ratio has improved due to efficient usage of working capital
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.02	0.06	(67.25%)	Increase in Shareholders equity and reduction in borrowings due to repayment of debts has made ratio to improve
3	Debt Service Coverage Ratio	Net Profit before tax+Depreciations+ Lease rent Interest-Profit on Sales of Fixed Assets	Interest & Lease Payments + Principal Repayments	21.78	10.95	98.90%	This ratio has improved due to higher earnings and repayment of debt.
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	47.62%	29.54%	61.21%	Increase in ratio as the Company has earned more profit as compared to previous year
5	Inventory Turnover Ratio	Net Credit Sales	Average Inventories	12.11	11.97	1.19%	The Ratio has improved due to efficient usage of working capital
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	7.49	7.33	2.12%	The Ratio has improved due to efficient usage of working capital

## Notes Forming Integral Part of the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

No	Ratio	Numerator	Denominator	Current Period Ratio	Previous Period Ratio	Variance	Reason for variance
7	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	12.16	10.25	18.68%	The Ratio has improved due to efficient usage of working capital
8	Net Capital Turnover Ratio	Net Credit Sales	Average Working Capital	3.47	3.43	1.03%	This ratio is higher due to increase in Revenue and efficient usage of working capital
9	Net Profit Ratio	Net Profit after Tax	Revenue from Operations	19.50%	13.49%	44.55%	Ratio has improved on account of higher earning due to better operating margin as compared to previous financial year and repayment of debt.
10	Return on Capital Employed	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	51.00%	33.61%	51.74%	Ratio has improved on account of higher earning due to better operating margin as compared to previous financial year and repayment of debt.
11	Return on Investment	{MV(T1) – MV(T0) – Sum [C(t)]}	{MV(T0) + Sum [W(t) * C(t)]}	(3.00%)	0.63%	(580.00%)	Ratio has declined due to decrease in market value of investment

### NOTE 54 OTHER STATUTORY INFORMATION

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against The Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off during the year
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

# Independent Auditor's Report

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

## **REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### **Opinion**

1. We have audited the accompanying Consolidated Financial Statements of Fine Organic Industries Limited (herein referred to as the "Parent Company") and its Subsidiaries (the Parent Company and its Subsidiaries together referred to as "the Group") and Joint Venture Companies, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (Collectively referred to as "the Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act 2013, (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (hereinafter referred to as "Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2023, and their Consolidated profit, (including other comprehensive income), their Consolidated statement of changes in equity and their Consolidated cash flows for the year ended on that date.

### **Basis for Opinion**

3. We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of 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 (hereinafter referred to as "the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### **Key Audit Matters**

4. Key Audit Matters are those matters that, in our professional judgement, 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 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

#### **A. Revenue Recognition**

For the year ended March 31, 2023, the Group has recognized revenue from contracts with customers amounting to INR 3,02,307.66 Lakhs.

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

## Independent Auditor's Report (Contd.)

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

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

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

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

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

{Refer to note no. 33 of the Consolidated Financial Statements}.

### **Auditors' Response:**

Our audit procedures included the following:

- Assessed the Parent Company's revenue recognition procedure as per Ind AS 115 'Revenue from contracts with customers'.
- Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.
- Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of these samples, checked that the revenue has been recognized as per the terms.

- To test cut off selected sample of sales transactions made pre-year and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.
- Tested the provision calculations related to discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.
- Performed analytical procedures of revenue by streams to identify any unusual trends.
- The Group has provided confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the Consolidated Financial Statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant Indian accounting standards (Ind AS).

### **B. Allowance for Credit Losses**

The Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables and adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations.

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

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

(Refer to note no. 14 of the Consolidated Financial Statements)



## Independent Auditor's Report (Contd.)

### **Auditor's Response:**

Our audit procedures to test the effectiveness of controls over allowances for credit loss includes the following:

- Trade Receivables ageing report as on balance sheet date.
- Completeness and accuracy of information used in the estimation of probability of default.
- Status of recovery trade receivables as on the report date out of the total outstanding as at March 31, 2023.
- Verification of calculation of the allowance for credit losses.
- Testing the arithmetical accuracy and computation of the allowance prepared by the Management.
- Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around approach, the assumptions and reviewing the possible effect of any uncertain events / litigations to validate the Parent Company's management estimates.

### **C. Evaluation of uncertain tax imposition**

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

{Refer to note no. 45 of the Consolidated Financial Statements}

### **Auditors' Response:**

- The Parent Company has provided details of all pending assessments and demands for the year ended March 31, 2023.
- We have obtained Parent Company's Management note / view on possible outcome and its impact on financial position of the Parent Company for all pending assessments and disputed matters under litigations.

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

6. The Parent's Board of Directors is responsible for the other information. The other information in the

Directors' report includes Annexures to Directors' report, Management Discussion and Analysis Report, Business Responsibility Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

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

7. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the Financial Statements / Information of the Subsidiaries and Joint Venture Companies certified by the Management of the Parent Company, to the extent it relates to these entities and, in doing so, place reliance on Financial Statements / Information provided by the Management of the Parent Company and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the Subsidiaries and Joint Venture Company is traced from their Financial Statements / information provided by the management of the Parent Company.

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

## **RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

8. The Parent Company's Board of Directors are responsible for the matters specified in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Group including Joint Venture Company in accordance with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group and of Joint Venture Company are responsible for maintenance

## Independent Auditor's Report (Contd.)

of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.

9. In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the Companies included in the Group and of its Joint Venture Companies are responsible for assessing the ability of the Group and Joint Venture Companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its Joint Venture Companies are responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as 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.

11. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and access 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors of the Parent Company.
  - Conclude on the appropriateness of management and Board of Directors of the Parent Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Joint Venture Companies to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the

## Independent Auditor's Report (Contd.)

date of our auditor's report. However, future events or conditions may cause the Group and its Joint Venture Companies to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient and appropriate audit evidence regarding the financial information of the business activities within the Group and its Joint Venture Companies to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements of such business activities included in the Consolidated Financial Statements of which we are the independent auditors and whose financial information we have audited. For the business activities included in the Consolidated Financial Statements, which have been either audited by the other auditors or certified by management of the Parent Company, in such case other auditor and management of the Parent Company remain responsible for the direction, supervision and performance of the business activities. We remain solely responsible for our audit opinion.
12. Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.
  13. We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit

and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. 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.
15. 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

16. The accompanying Consolidated Financial Statements include the Financial Statements and other financial information of one Joint Venture Company, which reflects group's share of Net Loss after tax of INR 160.58 Lakhs for the year ended March 31, 2023, which have been audited by us.
17. We did not audit the Financial Statements / Information of two subsidiaries, whose Financial Statements / Financial Information reflect Total Assets of INR 34,332.87 Lakhs (before eliminating inter group transactions) as at March 31, 2023, Total Revenues of INR 54,889.56 Lakhs and net cash inflow amounting to INR 886.36 Lakhs for the year ended on that date and Financial Statements and other financial information of 2 Joint Venture Companies which reflects Group's Share of Net loss after tax of INR 16.85 Lakhs for the year ended March 31, 2023. As informed to us by the management of the Parent Company, the Financial Statements / Results of these subsidiaries and 2 Joint Venture Companies are not required to be audited under the regulations governing the entities and therefore have

## Independent Auditor's Report (Contd.)

been compiled by the accountant of the Subsidiaries and 2 Joint venture Companies and certified by the management of the Parent Company, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of Subsidiaries and 2 Joint Venture Companies and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries, Joint Venture Companies is based solely on the Financial Statement / Financial Information provided by the management.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the Financial Statements / Financial Information certified by the Management.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

18. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, with respect to clause no (xxi) for any qualifications or adverse remarks by the respective auditors in the Order of the Companies incorporated in India included in this Consolidated Financial Statements and based on the CARO report issued by us with respect to one Joint Venture Company included in the Consolidated Financial Statements of the Companies to which reporting under CARO is applicable, there are no qualifications or adverse remarks in the CARO report of the Joint Venture Company.
19. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of one Joint Venture Company issued by us and management certified Financial Statements / Results of the Subsidiary Companies and Joint Venture Companies on the Consolidated Financial Statements referred to in the Other Matters section above, we report to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated 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.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rule, 2015 (as amended).
  - e) On the basis of the written representations received from the Directors of the Parent Company and 1 Joint Venture Company whose Financial Statements has been audited by us as on March 31, 2023, taken on record by the Board of Directors of the Parent Company and such Joint Venture Company incorporated in India, none of the directors of the Parent Company and such Joint Venture Company incorporated in India is disqualified as on March 31, 2023 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 and the operating effectiveness of internal financial controls with Reference to Consolidated Financial Statements of the Group and its Joint Venture Companies incorporated in India; refer to our separate report in 'Annexure – I'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent Company's internal financial controls over financial reporting.
20. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014

## Independent Auditor's Report (Contd.)

(as amended), in our opinion and to the best of our information and according to the explanations given to us:

- a) The Parent Company has disclosed the impact of pending litigations on the Consolidated financial position of the Group and its Joint Venture Companies, if any in its Consolidated Financial Statement.
- b) The Parent Company has made Provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in its Consolidated Financial Statement.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, its Subsidiary Companies, and Joint Venture Companies incorporated in India.
- d) This clause is omitted vide notification dated March 24, 2021, in the Companies (Audit and Auditors) Amendment Rules, 2021 effective from April 01, 2021.
- e) (i) The management of Parent Company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Parent Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Parent Company has represented, that, to the best of its knowledge

and belief, no funds have been received by the Parent Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (e) (i) and (e) (ii) contain any material misstatement.
  - f) The final dividend paid by the Parent Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
 

As stated in note no. 45 to the Consolidated Financial Statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
  - g) Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording of Audit Trail (Edit Log) facility is applicable to the Company w.e.f. April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors Rules) 2014, is not applicable for the Financial Year ended March 31, 2023.

## Independent Auditor's Report (Contd.)

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

In our opinion and according to the information and explanations given to us, the remuneration paid / provided by the Parent Company, its Subsidiary Companies, and Joint Venture Companies incorporated in India and is Public Limited Company within a definition of section 2(71) of the Companies Act, 2013 to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The

remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

**ICAI UDIN: 23043908BGZERH8444**

For **B Y & Associates**  
Chartered Accountants  
ICAI Firm's registration number: 123423W

**CA Bhavesh Vora**  
Partner  
Membership Number: 043908

Date: May 24, 2023  
Place: Mumbai



## **‘Annexure I’ to the Independent Auditor’s Report**

### **Referred to in paragraph 19(f) of the Independent Auditor’s Report of even date to the members of Fine Organic Industries Limited on the Consolidated Financial Statements for the year ended March 31, 2023.**

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

1. In conjunction with our audit of the Consolidated Financial Statements of Fine Organic Industries Limited (hereinafter referred to as ‘the Parent Company’) which includes joint operations as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of the Parent Company, its Subsidiary Companies and Joint Venture Companies, which are incorporated in India, as of that date.

#### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITOR’S RESPONSIBILITY**

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent Company and Joint Venture Company, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (‘the Guidance Note’) issued by the 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 applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Financial Statements by the Board of Directors of the Parent Company, as aforesaid.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent Company and its Joint Venture Company, which is incorporated in India.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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



## 'Annexure – I' (Contd.)

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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **OPINION**

8. In our opinion and to the best of our information and according to the explanations given to us, the Parent Company and the Joint Venture Company, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**ICAI UDIN: 23043908BGZERH8444**

For **B Y & Associates**

Chartered Accountants

ICAI Firm's registration number: 123423W

**CA Bhavesh Vora**

Partner

Membership Number: 043908

Date: May 24, 2023

Place: Mumbai

# Consolidated Balance Sheet

as at March 31, 2023

(₹ in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>A) Non Current Assets</b>			
Property, Plant and Equipment	Note 4	21,123.94	22,873.45
Capital Work-in Progress	Note 5	4,044.08	1,412.47
Intangible Assets	Note 6	148.54	57.11
Right of use assets	Note 7	130.87	-
Financial Assets			
- Investments	Note 8	3,879.83	3,061.06
- Loans	Note 9	90.86	85.29
- Others	Note 10	757.29	373.27
Deferred Tax Assets (Net)	Note 11	1,068.74	835.57
Other Non-current Assets	Note 12	7,436.46	6,099.12
<b>Total Non Current Assets (A)</b>		<b>38,680.61</b>	<b>34,797.34</b>
<b>B) Current Assets</b>			
Inventories	Note 13	44,497.55	23,558.55
Financial Assets			
- Trade Receivables	Note 14	35,064.61	30,136.59
- Cash and Cash Equivalents	Note 15	51,482.97	22,566.44
- Bank Balances	Note 16	814.72	689.39
- Loans	Note 17	107.91	46.30
- Others	Note 18	277.54	24.14
Current Tax Assets (Net)	Note 19	1,817.08	654.47
Other Current Assets	Note 20	7,917.37	11,161.91
<b>Total Current Assets (B)</b>		<b>1,41,979.75</b>	<b>88,837.79</b>
<b>Total Assets (A + B)</b>		<b>1,80,660.36</b>	<b>1,23,635.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A) Equity</b>			
Equity Share Capital	Note 21	1,533.00	1,533.00
Other Equity	Note 22	1,52,591.89	94,387.19
<b>B) Non-Controlling Interest</b>			
<b>Total Equity (A) + (B)</b>	Note 23	-	-
<b>Total Equity (A) + (B)</b>		<b>1,54,124.89</b>	<b>95,920.19</b>
<b>Liabilities</b>			
<b>C) Non Current Liabilities</b>			
Financial Liabilities			
- Borrowings	Note 24	-	2,508.32
- Lease Liability	Note 25	81.57	-
- Others	Note 26	-	86.61
<b>Total Non Current Liabilities (C)</b>		<b>81.57</b>	<b>2,594.93</b>
<b>D) Current Liabilities</b>			
Financial Liabilities			
- Borrowings	Note 27	2,720.41	3,344.43
- Lease Liability	Note 25	50.50	-
- Trade Payables	Note 28		
(a) Total outstanding dues of micro enterprises and small enterprises		1,871.45	904.87
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		15,711.73	14,450.56
- Others	Note 29	320.86	147.17
Other Current Liabilities	Note 30	1,448.07	1,595.12
Provisions	Note 31	1,948.34	3,030.75
Current Tax Liabilities (Net)	Note 32	2,382.54	1,647.11
<b>Total Current Liabilities (D)</b>		<b>26,453.90</b>	<b>25,120.01</b>
<b>Total Equity and Liabilities (A+B+C+D)</b>		<b>1,80,660.36</b>	<b>1,23,635.13</b>

The accompanying notes 1 to 56 are integral part of the consolidated financial statements.

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

**CA Bhavesh Vora**  
Partner  
Membership No. 043908

Mumbai: May 24, 2023

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

**Mukesh Shah**  
Managing Director  
DIN:00106799

**Tushar Shah**  
Director & CFO  
DIN:00107144

Mumbai: May 24, 2023

**Jayen Shah**  
Director & CEO  
DIN:00106919

**Pooja Lohar**  
Company Secretary  
Membership No. A28397

## Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in lakhs)			
Particulars	Notes	for the year ended March 31, 2023	for the year ended March 31, 2022
<b>I INCOME</b>			
Revenue From Operations	Note 33	3,02,307.66	1,87,625.92
Other Income	Note 34	6,415.18	3,289.38
<b>Total Income</b>		<b>3,08,722.84</b>	<b>1,90,915.30</b>
<b>II EXPENSES</b>			
Cost of Materials Consumed	Note 35	1,92,292.15	1,21,998.12
Purchase of Stock-in-trade	Note 36	8,453.20	1,038.56
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	Note 37	(22,329.90)	(4,247.76)
Employee Benefit Expenses	Note 38	10,530.16	8,927.35
Finance Costs	Note 39	457.39	494.15
Depreciation & Amortisation Expenses	Note 40	4,789.30	3,990.28
Other Expenses	Note 41	30,253.69	23,458.95
<b>Total Expenses</b>		<b>2,24,445.99</b>	<b>1,55,659.65</b>
<b>III Profit / (Loss) before exceptional items and tax</b>		<b>84,276.85</b>	<b>35,255.65</b>
Exceptional items			
<b>IV Share of profit / (loss) of joint ventures (net of tax)</b>		<b>(177.43)</b>	<b>(102.88)</b>
<b>V Profit / (Loss) before tax</b>		<b>84,099.42</b>	<b>35,152.77</b>
<b>VI TAX EXPENSES</b>			
Current Tax		22,543.58	9,313.85
Deferred Tax		(254.39)	(131.99)
<b>VII Profit / (Loss) For The Year</b>		<b>61,810.23</b>	<b>25,970.91</b>
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit or Loss			
(a) Changes in fair value of Equity instruments through OCI		(0.15)	0.03
(b) Remeasurements of Loss / (Profit) on employees defined benefits plan		(24.56)	14.09
(c) Amount Recognised in Cashflow Hedging Reserve during the year		109.05	348.69
(ii) Income tax relating to items that will not be reclassified to profit or loss		(21.23)	(91.31)
<b>Total Other Comprehensive Income</b>		<b>63.11</b>	<b>271.50</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR [ (VII) + (VIII) ]</b>		<b>61,873.34</b>	<b>26,242.41</b>
<b>IX Net Profit / (Loss) attributable to :-</b>			
Owners of the Company		61,810.23	25,960.99
Non-controlling interest		-	9.92
<b>X Total comprehensive Income attributable to :-</b>			
Owners of the Company		61,873.34	26,232.49
Non-controlling interest		-	9.92
<b>Earnings Per Equity Share</b>			
Basic	Note 44	201.60	84.71
Diluted		201.60	84.71
<b>Weighted average number of equity shares</b>		<b>3,06,59,976.00</b>	<b>3,06,59,976.00</b>

The accompanying notes 1 to 56 are integral part of the consolidated financial statements.

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

**CA Bhavesh Vora**  
 Partner  
 Membership No. 043908

Mumbai: May 24, 2023

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

**Mukesh Shah**  
 Managing Director  
 DIN:00106799

**Tushar Shah**  
 Director & CFO  
 DIN:00107144

Mumbai: May 24, 2023

**Jayesh Shah**  
 Director & CEO  
 DIN:00106919

**Pooja Lohor**  
 Company Secretary  
 Membership No. A28397

## Consolidated Statement of Changes in Equity

For the Year Ended March 31, 2023

### A) EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
1,533.00	-	1,533.00	-	1,533.00

(₹ in lakhs)

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

### B) OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Amalgamation Reserve	Retained Earnings	Foreign Exchange Translation Reserve	Other Reserve	Capital Reserve		
<b>Balance as at April 1, 2022</b>	<b>1,155.24</b>	<b>94,250.11</b>	<b>(830.40)</b>	<b>1.57</b>	<b>10.02</b>	<b>(199.35)</b>	<b>94,387.19</b>
Add:- Profit / (loss) for the year	-	61,810.23	(909.34)	0.10	-	-	60,900.99
Reversal of loss on account of Joint Venture accounted as per Equity Method	-	-	-	-	-	-	-
Other comprehensive income / (losses)	-	-	-	-	-	63.11	63.11
	<b>1,155.24</b>	<b>1,56,060.34</b>	<b>(1,739.74)</b>	<b>1.67</b>	<b>10.02</b>	<b>(136.24)</b>	<b>1,55,351.29</b>
Less:- Dividend	-	2,759.40	-	-	-	-	2,759.40
Non-Controlling Interest	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>1,155.24</b>	<b>1,53,300.94</b>	<b>(1,739.74)</b>	<b>1.67</b>	<b>10.02</b>	<b>(136.24)</b>	<b>1,52,591.89</b>
<b>Balance as at April 1, 2021</b>	<b>1,155.24</b>	<b>71,540.99</b>	<b>(621.31)</b>	<b>1.60</b>	<b>10.02</b>	<b>(470.85)</b>	<b>71,615.69</b>
Add:- Profit / (loss) for the year	-	26,091.64	(209.09)	(0.03)	-	-	25,882.52
Other comprehensive income / (losses)	-	-	-	-	-	271.50	271.50
	<b>1,155.24</b>	<b>97,632.63</b>	<b>(830.40)</b>	<b>1.57</b>	<b>10.02</b>	<b>(199.35)</b>	<b>97,769.71</b>
Less:- Dividend	-	3,372.60	-	-	-	-	3,372.60
Non-Controlling Interest	-	9.92	-	-	-	-	9.92
<b>Balance as at March 31, 2022</b>	<b>1,155.24</b>	<b>94,250.11</b>	<b>(830.40)</b>	<b>1.57</b>	<b>10.02</b>	<b>(199.35)</b>	<b>94,387.19</b>

The accompanying notes 1 to 56 are integral part of the consolidated financial statements.

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

**CA Bhavesh Vora**  
Partner  
Membership No. 043908

Mumbai: May 24, 2023

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

**Mukesh Shah**  
Managing Director  
DIN:00106799

**Tushar Shah**  
Director & CFO  
DIN:00107144

Mumbai: May 24, 2023

**Jayen Shah**  
Director & CEO  
DIN:00106919

**Pooja Lohar**  
Company Secretary  
Membership No. A28397

## Consolidated Cash Flow Statement

For the Year Ended March 31, 2023

(₹ in lakhs)

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Net Profit Before Tax</b>	<b>84,099.42</b>	<b>35,152.77</b>
<b>A] CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	4,789.30	3,990.28
Interest Income	(1,124.68)	(597.14)
Loss / (Profit) on sale of fixed assets (net)	(20.88)	(7.37)
Finance Cost including interest on lease liabilities	456.42	369.56
Net Loss / (Gain) on Foreign Exchange Fluctuations	(4,989.40)	(2,666.80)
Expected Credit Loss Provisions / (Reversal)	110.05	35.47
Provision for Diminution in Value of Investment	0.00	120.73
Lease Rent on Leasehold Properties	41.11	43.35
Other non-cash adjustments	79.14	24.87
Share of loss from Joint Venture Entity	177.43	102.88
<b>Operating profit before working capital movements</b>	<b>83,617.91</b>	<b>36,568.60</b>
<b>Movement in working capital:</b>		
Decrease / (Increase) in Inventories	(20,017.43)	(10,940.61)
Decrease / (Increase) in Trade and Other Receivables	15,146.94	(19,042.32)
(Decrease) / Increase in Trade and Other Payables	(7,402.70)	8,321.87
	<b>(12,273.19)</b>	<b>(21,661.06)</b>
<b>Cash generated from operations</b>	<b>71,344.72</b>	<b>14,907.54</b>
<b>Income Tax Paid</b>	<b>(22,813.14)</b>	<b>(8,251.33)</b>
<b>Net cash flows from operating activities (A)</b>	<b>48,531.58</b>	<b>6,656.21</b>
<b>B] CASH FLOWS (USED IN) / GENERATED FROM INVESTING ACTIVITIES</b>		
Payment for Purchase of property, plant and equipment, intangible assets including CWIP	(8,110.30)	(6,058.72)
Proceeds from sale of property, plant and equipment	41.55	24.23
Amount (invested)/ matured in Bank Fixed Deposits	(508.10)	(116.69)
Interest Income received	1,098.74	586.36
Investment in Joint Ventures	(996.34)	(54.00)
Investment in Subsidiary Company	0.00	(6.81)
<b>Net Cash Flows Used In Investing Activities (B)</b>	<b>(8,474.45)</b>	<b>(5,625.63)</b>

**Consolidated Cash Flow Statement For the Year Ended March 31, 2023 (Contd.)**

(₹ in lakhs)

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>C] NET CASH FLOWS (USED IN)/ GENERATED FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings	(3,570.22)	(3,064.53)
Dividend Paid	(2,759.41)	(3,372.60)
Interest and Finance Charges paid	(453.99)	(369.56)
Security Deposit Received back / (Given)	0.00	(1.32)
Employee Loans (Given)	(112.35)	(62.10)
Employee Loans received	45.17	54.00
Repayments of lease liabilities (including interest thereon)	(14.41)	(3.00)
<b>Net cash flows used in financing activities (C)</b>	<b>(6,865.21)</b>	<b>(6,819.11)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>33,191.92</b>	<b>(5,788.53)</b>
Cash and cash equivalents at the beginning of the year	22,566.44	25,897.28
Exchange difference on translation of foreign currency (loss) / Gain	(4,275.39)	2,457.69
Cash and cash equivalents at the year end {Refer to note no. 15}	51,482.97	22,566.44
Components of cash and cash equivalents :		
Balances with banks		
In Current Account	6,306.46	4,472.81
In Exchange Earners' Foreign Currency Account	2,907.17	541.78
In Fixed Deposit Account	42,249.87	17,532.48
Cash on hand	19.47	19.37

The accompanying notes 1 to 56 are integral part of the consolidated financial statements.

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

**CA Bhavesh Vora**  
 Partner  
 Membership No. 043908

Mumbai: May 24, 2023

 For and on behalf of the Board of Directors  
**Fine Organic Industries Limited**
**Mukesh Shah**  
 Managing Director  
 DIN:00106799

**Tushar Shah**  
 Director & CFO  
 DIN:00107144

Mumbai: May 24, 2023

**Jayen Shah**  
 Director & CEO  
 DIN:00106919

**Pooja Lohor**  
 Company Secretary  
 Membership No. A28397

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023

### 1. CORPORATE INFORMATION

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

The Consolidated Financial Statements were approved and authorised for issue with the resolution of the Board of Directors on May 24, 2023 and are subject to the approval of Shareholders in the Annual General Meeting.

The Parent Company carries on business in India and abroad, as manufacturers, processors, suppliers, distributors, dealers, importers, exporters of wide range of oleochemical-based additives used in foods, plastics, cosmetics, coatings and other specialty application in various industries.

The subsidiaries are engaged in trading of product manufactured by the Parent Company.

One of its jointly controlled entity incorporated in India is into the business of manufacturing, processing, supplying, distribution, dealership, importing and exporting of powder premixes for bakery & confectionary products and pan release agents.

Equity shares of the Group are listed on July 02, 2018 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Company has following investments in Subsidiaries and Joint Ventures:

Particulars	Name of Entities				
	Fine Organics (USA), Inc	Fine Organics Europe BV	Fine Zeelandia Private Limited	FineADD Ingredients GmbH (upto November 11, 2021)	Fine Organic Industries (Thailand) Co., Limited
Principal place of business and Country of incorporation	United States of America	Belgium	India	Germany	Thailand
Description of the method used to account for investments	Line by line Consolidation	Line by line Consolidation	Equity method	Equity method	Equity method
Investee relationship	Subsidiary Company	Subsidiary Company	Joint Venture	Joint Venture	Joint Venture
Proportion of ownership interest	100.00%	*100.00%	50.00%	50.00%	45.00%

\*From March 23, 2022.

### 2. BASIS OF PREPARATION:

#### 2.1 Statement of compliance

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

#### 2.2 Functional and presentation currency

Items included in the financial statements of each entities of the Group are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupees, which is the functional and presentation currency of the Company.



## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### 2.3 Basis of measurement

The consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Net defined benefit (assets)/ liabilities that are measured at fair value of plan assets less present value of defined benefit obligations

### 2.4 Use of estimates and judgements

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

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

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2023 are as follows:

#### a) Property, plant and equipment

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act except plant & machineries, which in the opinion of the Management represent the useful lives as they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

#### b) Revenue from contracts with customers

The Group's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as

schemes, incentives, cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

#### c) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

#### d) Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits, if any. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### e) **Contingent Liabilities, Commitments and Litigations**

#### **Contingent liabilities**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

#### **Litigation**

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

### **2.5 Measurement of fair values**

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

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

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are capitalised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level-1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level-2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level-3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is capitalised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group capitalise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **2.6 Operating cycle**

An operating cycle is the time between the acquisition of assets for processing and their Capitalised in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### **2.7 Current / non-current classification**

An entity shall classify an asset as current when:

- a) It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- b) It holds the asset primarily for the purpose of trading;
- c) It expects to realise the asset within twelve months after the reporting period; or
- d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to

**Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)**

settle a liability for at least twelve months after the reporting period

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when-

- a) It expects to settle the liability in its normal operating cycle;
- b) It holds the liability primarily for the purpose of trading;
- c) The liability is due to be settled within twelve months after the reporting period; or
- d) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2.8 Note on Recent Pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023 as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and

decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements

**2.9 Basis of consolidation**

The Consolidated financial statements (CFS) comprise the financial statements of the Parent Company, its subsidiaries & its jointly controlled entities as at the reporting date.

**Subsidiaries**

Subsidiaries include all the entities over which the Parent Company has control. The Parent Company controls an entity when it is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date on which the Parent Company attains control and are deconsolidated from the date that control ceases to exist.

**Joint Venture**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint venture are accounted for using the equity method of accounting (see © below).

**The CFS have been prepared on the following basis**

- a) The financial statements of the Parent Company and its subsidiary companies have been consolidated

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

on a line by line basis by adding together of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered, as per the applicable Accounting Standards in India. Accounting policies of the respective subsidiaries are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

- b) The results of subsidiaries acquired or disposed of during the year are included in the CFS from the effective date of acquisition and up to the effective date of disposal, as appropriate.
- c) The CFS includes the share of profit / loss of the joint ventures which are accounted as per the 'equity method'.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in OCI of the investee in OCI. Dividends received or receivable, if any from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Company's does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

- d) The CFS are presented, to the extent applicable, in accordance with the requirements of Schedule III of the 2013 Act as applicable to the Company's separate financial statements.
- e) Non-controlling interests, if any in the net assets of the subsidiaries that are consolidated consists of the amount of equity attributable to non-controlling shareholders at the date of acquisition and subsequent addition of their share of changes in equity.

Profit or loss and each component of OCI are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Property, plant and equipment (PPE)

##### **Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

- a) Its purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- b) Any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by Management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is recognised

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end. Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as capital advances under "Other non-current assets".

Leasehold rent payable to MIDC relating to new project of the parent company, during the project development stage prior to its intended use, are considered as pre – operative expenses and disclosed under Current Assets and the same will be amortised in the year of commencement of project.

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### **Depreciation**

Depreciation is calculated on pro-rata basis using the diminishing balance method on cost of items of property, plant and equipment less their estimated residual values over the estimated residual useful lives based on Schedule II of the Companies Act, 2013 except for plant & machinery.

In case of plant & machinery, based on internal assessment, the management believes that the useful lives as given below best represent the period over which the management expects to use these assets. Hence the useful lives for these assets may differ from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### **3.2 Intangible Assets**

#### **Recognition and measurement**

Intangible assets comprise of computer software and patent / trademark, which acquired by the Group are

initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

#### **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

#### **Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values and it is included in depreciation and amortisation in the Statement of profit and loss.

Intangible assets are amortised over the estimated useful lives as given below:

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

### **3.3 Borrowing costs**

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

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

### **3.4 Impairment of Non-Financial assets**

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



## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### 3.5 Income Tax

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

#### **Current Tax**

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

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

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

#### **Deferred tax**

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

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they

can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

Deferred tax assets and liabilities are offset only if:

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

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

### 3.6 Inventories

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

The cost of inventories is based on weighted average basis and includes expenditure incurred in acquiring the inventories, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

work in progress, cost includes an appropriate share of production overheads based on normal operating capacity of production facilities.

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

Obsolete, defective and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

### 3.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of less than 3 months and more than 3 months but less than 12 months which are subject to an insignificant risk of changes in value.

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

### 3.8 Trade Payables

Trade payables represent liabilities for goods including capital goods and services provided to the Group prior to the end of Financial year which are unpaid. Trade and other payables are reported as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 3.9 Financial instruments

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

## Financial assets

### *Initial recognition and measurement*

All Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### *Subsequent measurement*

#### a) **Financial assets carried at amortised cost (AC)**

A Financial asset is measured at amortised cost using the effective interest rate method, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### b) **Financial assets at fair value through other comprehensive income (FVTOCI)**

A Financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### c) **Financial assets at fair value through profit or loss (FVTPL)**

A Financial asset which is not classified in any of the above categories is measured at FVTPL.

### *Investment in subsidiaries, Associates and Joint Ventures*

The Group has opted to account for its investments in subsidiaries, associates and joint venture at cost less provision for diminution other than temporary.



## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### **Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has made an irrevocable choice to present the value changes in 'Other Comprehensive Income'.

### **Impairment of Financial assets**

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables, the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

### **Financial liabilities**

#### **Initial recognition and measurement**

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

### **Subsequent measurement**

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

#### **a) Derivative financial instruments and Hedge Accounting**

The parent company uses various derivative financial instruments such as forwards and Interest rate swaps to mitigate the risk of changes in exchange rates and Interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

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

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

#### **Cash flow hedge**

The parent company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

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

### Fair Value Hedge

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

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

### b) De-recognition of Financial instruments

The Group derecognises a Financial asset when the contractual rights to the cash flows from the Financial asset expire or it transfers the Financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a

financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when and only when, the Group has legally enforceable right to set off the amount and it intends, either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

## 3.10 Business Combinations

Business combinations are accounted for using Ind AS 103 Business combination. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their respective fair value at the acquisition date, except certain assets and liabilities required to be measured as per applicable standards. Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as Goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired as Capital reserve i.e. Amalgamation reserve.

Business combinations arising from transfer of interests in entities that are under common control are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value, no adjustment are made to reflect fair values, or recognise any new assets or liabilities. The identity of the reserves is preserved and appears in the Financial Statements of the transferee in the same form in which they appeared in the Financial Statements of the transferor.

## 3.11 Revenue Recognition

### Revenue from contracts with customer

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the goods.

### Sale of Products

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The performance obligations in contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue from the sale of goods is measured based on the consideration specified in a contract with a customer, net of returns and allowances, trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and service tax. The group does not provide any warranties or maintenance contracts to its customers.

### Variable consideration

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

### Significant financing component

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

### Cost to obtain a contract

The Group pays sales commission to its selling agents for each contract that they obtain for the group. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows it to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Costs to fulfill a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised.

### Other Operating Revenues

Other operating revenue mainly consists of sale of scrap arising from the production of finished goods.

### Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Interest income is included in finance income in the Statement of profit and loss.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

### Insurance and other claims

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

## 3.12 Foreign Currencies

Items included in the financial statements of each entities of the Group are measured using the currency of the primary economic environment in which the Parent Company operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupees, which is the functional and presentation currency of the Parent Company.

### Transactions and balances

Transactions in foreign currencies are initially recorded by the group at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

**Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)**

**3.13 Employee benefits**

**Short term employee benefits**

Liabilities for short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are reported as current employee benefits payable in the balance sheet.

**Post-employment benefits**

**a) Defined benefit plans**

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method at the year end.

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

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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity.

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

**b) Defined contribution plans**

Contributions under defined contribution plans payable in keeping with the related schemes are

recognised as expenses for the period in which the employee has rendered the service.

**3.14 Leases**

**As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a Lessee**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1. The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified.
2. The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
3. The Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either :
  - a) the Company as a lessee has the right to operate the asset; or
  - b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3.15 Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can

be reliably estimated. Provisions are not recognised for future operating losses.

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

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

### 3.16 Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Parent Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 3.17 Earnings per share (EPS)

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the equity by the weighted average number of equity shares outstanding during the financial year.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 4 NON CURRENT ASSETS : PROPERTY, PLANT & EQUIPMENT (PPE)**

Particulars	(₹ in lakhs)											
	Factory / Research Centre Building	Office Prem- ises	Resi- dential Premises	Factory Flats	Plant and Equip- ments	Electri- cal Equip- ments	Labo- ratory Equip- ments	Office Equip- ments	Furni- ture & Fixtures	Computer & Peripher- als (Includ- ing Server & Network)	Vehicles	Total Property Plant and Equipment
<b>Gross Carrying Amount</b>												
<b>Balance as at April 1, 2021</b>	15,820.60	105.66	77.44	2.76	21,692.48	2,200.71	910.62	813.55	813.84	841.00	929.91	44,208.57
Add: Additions during the year	3,112.82	175.55	-	-	3,016.56	473.06	25.57	103.17	48.33	259.31	103.80	<b>7,318.17</b>
(Add)/Less: Disposals/ Adjustments	-	-	-	-	21.13	11.70	(1.72)	3.40	0.02	29.40	53.05	<b>116.98</b>
<b>Balance as at March 31, 2022</b>	<b>18,933.42</b>	<b>281.21</b>	<b>77.44</b>	<b>2.76</b>	<b>24,687.91</b>	<b>2,662.07</b>	<b>937.91</b>	<b>913.32</b>	<b>862.15</b>	<b>1,070.91</b>	<b>980.66</b>	<b>51,409.77</b>
Add: Additions during the year	743.01	-	-	-	977.68	203.62	16.58	135.39	108.01	516.51	296.22	<b>2,997.02</b>
(Add)/Less: Disposals/ Adjustments	-	-	-	-	15.04	20.17	-	14.45	-	31.76	103.36	<b>184.78</b>
<b>Balance as at March 31, 2023</b>	<b>19,676.43</b>	<b>281.21</b>	<b>77.44</b>	<b>2.76</b>	<b>25,650.55</b>	<b>2,845.52</b>	<b>954.49</b>	<b>1,034.26</b>	<b>970.16</b>	<b>1,555.66</b>	<b>1,173.52</b>	<b>54,222.01</b>
<b>Accumulated Depreciation</b>												
<b>Balance as at April 1, 2021</b>	5,969.85	67.54	20.35	1.38	14,119.93	1,266.31	681.43	605.77	614.88	685.31	644.61	<b>24,677.36</b>
Add: Depreciation for the year	958.01	2.89	2.77	0.07	2,332.94	243.83	57.44	94.53	47.88	127.46	92.83	<b>3,960.65</b>
Less: Disposals/ Adjustments	-	-	-	-	15.30	10.33	(0.65)	2.70	0.01	28.19	45.83	<b>101.71</b>
<b>Balance as at March 31, 2022</b>	<b>6,927.86</b>	<b>70.43</b>	<b>23.12</b>	<b>1.45</b>	<b>16,437.57</b>	<b>1,499.81</b>	<b>739.52</b>	<b>697.60</b>	<b>662.75</b>	<b>784.58</b>	<b>691.61</b>	<b>28,536.30</b>
Add: Depreciation for the year	1,174.74	18.86	2.64	0.06	2,584.64	320.60	49.41	114.39	54.40	279.52	126.61	<b>4,725.87</b>
(Add)/Less: Disposals/ Adjustments	-	-	-	-	14.13	15.89	-	7.78	-	29.78	96.53	<b>164.11</b>
<b>Balance as at March 31, 2023</b>	<b>8,102.60</b>	<b>89.29</b>	<b>25.76</b>	<b>1.51</b>	<b>19,008.08</b>	<b>1,804.52</b>	<b>788.93</b>	<b>804.21</b>	<b>717.15</b>	<b>1,034.32</b>	<b>721.69</b>	<b>33,098.06</b>
<b>Net Carrying Amount</b>												
<b>Balance as at March 31, 2022</b>	<b>12,005.56</b>	<b>210.78</b>	<b>54.32</b>	<b>1.31</b>	<b>8,250.34</b>	<b>1,162.26</b>	<b>198.39</b>	<b>215.72</b>	<b>199.40</b>	<b>286.33</b>	<b>289.05</b>	<b>22,873.46</b>
<b>Balance as at March 31, 2023</b>	<b>11,573.83</b>	<b>191.92</b>	<b>51.68</b>	<b>1.25</b>	<b>6,642.47</b>	<b>1,041.00</b>	<b>165.56</b>	<b>230.05</b>	<b>253.01</b>	<b>521.34</b>	<b>451.83</b>	<b>21,123.94</b>



## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 5 NON CURRENT ASSETS : CAPITAL WORK IN PROGRESS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	<b>1,412.47</b>	<b>2,630.42</b>
Add :- Additions during the year	6,032.14	6,122.14
Less :- Capitalisation during the year	3,400.53	7,340.09
<b>Balance at the end of the year</b>	<b>4,044.08</b>	<b>1,412.47</b>

### NOTE 5.1 AGEING SCHEDULE FOR CAPITAL WORK-IN PROGRESS

(₹ in lakhs)

Particulars	As At March 31, 2023				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	2,960.61	643.56	185.43	254.48	4,044.08
-- Projects temporarily suspended	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>2,960.61</b>	<b>643.56</b>	<b>185.43</b>	<b>254.48</b>	<b>4,044.08</b>

(₹ in lakhs)

Particulars	As At March 31, 2022				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
-- Projects in progress	919.41	219.25	262.06	11.75	1,412.47
-- Projects temporarily suspended	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>919.41</b>	<b>219.25</b>	<b>262.06</b>	<b>11.75</b>	<b>1,412.47</b>

**NOTE 5.2** There are no Capital Work-in Progress, whose completion is overdue or has exceeded its cost compared to its original plan

### NOTE 6 NON CURRENT ASSETS : INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software	Patents & Trademarks	Total Intangible Assets
<b>Gross Carrying Amount</b>			
<b>Balance as at April 1, 2021</b>	<b>118.94</b>	<b>29.82</b>	<b>148.76</b>
Add: Additions during the year	29.25	4.94	34.19
Add/(Less): Disposals/ Adjustments	0.00	0.00	0.00
<b>Balance as at March 31, 2022</b>	<b>148.19</b>	<b>34.76</b>	<b>182.95</b>
Add: Additions during the year	140.83	0.83	141.66
Add/(Less): Disposals/ Adjustments	0.00	0.00	0.00
<b>Balance as at March 31, 2023</b>	<b>289.02</b>	<b>35.59</b>	<b>324.61</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at April 1, 2021</b>	<b>81.77</b>	<b>12.81</b>	<b>94.58</b>
Add: Additions during the year	26.44	3.24	29.68
Add/(Less): Disposals/ Adjustments	1.58	0.00	1.58



**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	Software	Patents & Trademarks	Total Intangible Assets
<b>Balance as at March 31, 2022</b>	<b>109.79</b>	<b>16.05</b>	<b>125.84</b>
Add: Additions during the year	46.56	3.67	50.23
Add/(Less): Disposals/ Adjustments	0.00	0.00	0.00
<b>Balance as at March 31, 2023</b>	<b>156.35</b>	<b>19.72</b>	<b>176.07</b>
<b>Net Carrying Amount</b>			
<b>Balance as at March 31, 2022</b>	<b>38.40</b>	<b>18.71</b>	<b>57.11</b>
<b>Balance as at March 31, 2023</b>	<b>132.67</b>	<b>15.87</b>	<b>148.54</b>

**NOTE 7 NON-CURRENT FINANCIAL ASSETS : RIGHT OF USE OF ASSETS**
**As as Lessor**

The lease portfolio of the Company consists of agreements which fall under operating lease categories. These lease commitments primarily consist of lease rent payments for the branch office, and godowns.

**Changes in the carrying value of Right-Of-Use (ROU) assets during the period :**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Balance at the Beginning of the period</b>	<b>0.00</b>	<b>0.00</b>
Additions	144.06	0.00
Depreciation	(13.19)	0.00
<b>Balance at the End of the period</b>	<b>130.87</b>	<b>0.00</b>

**NOTE 7.1 ASSET CLASS-WISE RIGHT OF USE ASSETS FOR THE PERIOD ENDED MARCH 31, 2023 ARE AS FOLLOWS :**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Building</b>		
<b>Balance at the Beginning of the period</b>	<b>0.00</b>	<b>0.00</b>
Additions	144.06	0.00
Depreciation	(13.19)	0.00
<b>Balance at the End of the period</b>	<b>130.87</b>	<b>0.00</b>

**NOTE 8 NON-CURRENT FINANCIAL ASSETS : INVESTMENT**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unquoted Investment in Equity Instruments of Subsidiaries</b>		
(i) Fine Organics (USA), Inc. (Current Year: 1,000 shares of US\$ 1 each fully paid up) (Previous Year : 1,000 shares of US\$ 1 each fully paid up)	0.00	0.00
(ii) Fine Organics Europe BV (Current Year: 186 shares of Euro 100 each fully paid up) (Previous Year: 186 shares of Euro 100 each fully paid up)	0.00	0.00

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unquoted Investment in Equity Instruments of Jointly Controlled Entity (At Cost)</b>		
(i) Fine Zeelandia Private Limited (Current Year: 4,02,84,250 shares of ₹10/- each fully paid up) (Previous Year: 4,02,84,250 shares of ₹10/- each fully paid up)	2,842.39	3,002.96
(ii) FineADD Ingredients GmbH (Refer Note 8.1) (Current Year: 2,500 shares of Euro 100 each fully paid up) (Previous Year: 2,500 shares of Euro 100 each fully paid up)	0.00	0.00
(iii) Fine Organic Industries (Thailand) Co., Limited (Current Year: 4,49,970.75 shares of Thai Baht 100 each fully paid up) (Previous Year: 22,500 shares of Thai Baht 100 each fully paid up),	1,032.76	53.27
<b>Unquoted Investment in Equity Instruments at FVTOCI</b>		
(i) Saraswat Co-Operative Bank Limited (Current Year: 2,500 shares of ₹ 10/- each fully paid up) (Previous Year: 2,500 shares of ₹ 10/- each fully paid up)	4.68	4.83
<b>Total Investments</b>	<b>3,879.83</b>	<b>3,061.06</b>

### NOTE 8.1 DIMINUTION IN VALUE OF THE INVESTMENT IN A JOINT VENTURE

In the year ended March 31, 2022, the Company has fully provided for the diminution in the value of its investment in the Joint Venture Entity "FineADD Ingredients GmbH", in view of its decision not to proceed with the Joint Venture and accordingly recorded the provision for the balance amount of ₹ 120.73 lakhs in the books of account. The Joint Venture is in the process of liquidation.

### NOTE 9 NON-CURRENT FINANCIAL ASSETS : LOANS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
Loan to employees	90.86	85.29
<b>Total Loans</b>	<b>90.86</b>	<b>85.29</b>

### NOTE 10 NON-CURRENT FINANCIAL ASSETS : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits Rent (Amortised Cost)	32.20	36.98
Fixed Deposits with Bank (Original Maturity More than 12 months)	725.09	336.29
<b>Total Others</b>	<b>757.29</b>	<b>373.27</b>

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 11 DEFERRED TAX ASSETS (NET)**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments & Intangible Assets	1,161.06	930.51
Others	76.99	49.30
Gross Deferred Tax Asset (a)	<b>1,238.05</b>	<b>979.81</b>
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipments & Intangible Assets	0.00	0.00
Others	169.31	144.24
Gross Deferred Tax Liability (b)	<b>169.31</b>	<b>144.24</b>
<b>Deferred Tax Assets (Net) (a-b)</b>	<b>1,068.74</b>	<b>835.57</b>

**NOTE 12 NON-CURRENT ASSETS - OTHERS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances (Unsecured, Considered good)	2,841.33	2,614.45
Security Deposits	1,108.51	253.55
Income Tax Refund Receivables	10.77	15.83
Prepaid Rent on Leasehold Land & Premises	3,423.71	3,215.29
Other Prepaid Expenses	52.14	0.00
<b>Total Other Current Assets</b>	<b>7,436.46</b>	<b>6,099.12</b>

**NOTE 12.1 DISCLOSURE TO OTHER NON CURRENT ASSETS - CAPITAL ADVANCES**

The Group has given an advance of ₹ 2,420 Lakhs to MIDC for allotment of a plot at Pale, Ambarnath, which is disclosed under Capital advances. The MIDC has issued an allotment letter, however, the group is still unable to take possession of the said plot, as so far the MIDC has not created any of the basic infrastructure facilities such as water, electricity, roads etc. Upon possession, the Group plans to setup a centralised warehousing facility, however, the Group shall carry out a feasibility study and then decide upon the appropriate action to be taken for the said plot. Present value of the said plot as per the ready reckoner rate as at March 31, 2023 is higher than the advance given.

**NOTE 13 CURRENT ASSETS : INVENTORIES**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials and Packing Materials	14,981.11	11,354.97
Semi-Finished Goods	543.43	922.41
Trading Goods	14,626.28	3,393.46
Finished Goods	12,009.99	5,912.21
Consumables	191.52	164.69
Stores & Spares	2,145.22	1,810.81
<b>Total Inventories</b>	<b>44,497.55</b>	<b>23,558.55</b>

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 14 CURRENT ASSETS : TRADE RECEIVABLE

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, Considered good	0.00	0.00
Unsecured		
Considered good	26,161.73	30,075.08
From Related Parties {Refer to note no. 41(b)}	8,902.88	61.51
Which have significant increase in Credit Risk	210.92	100.87
Sub Total	<b>35,275.53</b>	<b>30,237.46</b>
Less: Allowance for Expected Credit Loss	210.92	100.87
<b>Total Trade Receivables</b>	<b>35,064.61</b>	<b>30,136.59</b>

#### Ageing for trade receivables as at March 31, 2023 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	25,608.14	9,254.75	78.15	53.56	14.52	55.49	35,064.61
(ii) Undisputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Disputed Trade Receivables – considered good	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00

#### Ageing for trade receivables as at March 31, 2022 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	19,502.81	10,435.60	49.66	26.76	53.98	67.78	30,136.59
(ii) Undisputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Disputed Trade Receivables – considered good	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 15 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balances with Banks</b>		
In Current Account	6,306.46	4,472.81
In Exchange Earners' Foreign Currency Account	2,907.17	541.78
In Fixed Deposit Account (With original maturity of less than 3 Months)	42,249.87	17,532.48
Cash on hand	19.47	19.37
<b>Total Cash and cash Equivalents</b>	<b>51,482.97</b>	<b>22,566.44</b>

**NOTE 16 CURRENT FINANCIAL ASSETS : BANK BALANCES**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balances with Banks</b>		
In Fixed Deposits (with original maturity of more than 3 months and 12 months or less)	788.44	648.03
Others^	26.28	41.36
<b>Total Bank Balances</b>	<b>814.72</b>	<b>689.39</b>

^ Others includes Bank balances specifically held for Unpaid CSR, unpaid dividend.

**NOTE 17 CURRENT FINANCIAL ASSETS : LOANS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
Loan to employees	107.91	46.30
<b>Total Loans</b>	<b>107.91</b>	<b>46.30</b>

**NOTE 18 CURRENT FINANCIAL ASSETS : OTHERS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, Considered Good</b>		
Security Deposit	255.10	24.14
Interest Rate Swaps {Refer Note 54}	22.44	0.00
<b>Total Other Financial Assets</b>	<b>277.54</b>	<b>24.14</b>

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 19 CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax (Net of Provision for Income Tax)	1,817.08	654.47
<b>Total Current Tax Assets (Net)</b>	<b>1,817.08</b>	<b>654.47</b>

### NOTE 20 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	421.35	401.78
Balance with Statutory / Government Authorities *	3,711.26	3,736.80
Gratuity Fund Balance with LIC of India	80.41	87.54
Other Advances (including advance to suppliers)	3,704.35	6,935.79
<b>Total Other Current Assets</b>	<b>7,917.37</b>	<b>11,161.91</b>

\* Balances with Government Authorities primarily include amounts realisable for GST, the unutilised GST input tax credits. These are generally realised within one year or utilised regularly. Accordingly, these balances have been classified as "Other Current Assets".

### NOTE 21 EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>AUTHORISED</b>		
4,00,00,000 Equity Shares of ₹ 5/- each	2,000.00	2,000.00
(Previous Year: 4,00,00,000 Equity Shares of ₹ 5/- each)		
<b>Total Authorised Capital</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
3,06,59,976 Equity Shares of ₹ 5/- each	1,533.00	1,533.00
(Previous Year: 3,06,59,976 Equity Shares of ₹ 5/- each)		
<b>Total Issued, Subscribed and Paid-Up Capital</b>	<b>1,533.00</b>	<b>1,533.00</b>

#### NOTE 21.1 RECONCILIATION OF NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW :

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Shares at the beginning of the year	3,06,59,976	3,06,59,976
Add:- Shares issued during the year	0	0
Add: Issued on account of Subdivision of shares	0	0
Less:- Shares bought back during the year	0	0
<b>Equity Shares at the end of the year</b>	<b>3,06,59,976</b>	<b>3,06,59,976</b>

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 21.2 TERMS/ RIGHTS ATTACHED TO EQUITY SHARES**

The Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**NOTE 21.3 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES OF THE COMPANY**

Particulars	As at March 31, 2023		As at March 31, 2022	
	NUMBER OF SHARES	% IN SHARE CAPITAL	Number of Shares	% in Share Capital
Late Prakash Damodar Kamat	-	-	44,52,835	14.52%
Jyotsna Ramesh Shah	43,25,886	14.11%	43,25,886	14.11%
Tushar Ramesh Shah	36,99,182	12.07%	36,99,182	12.07%
Jayen Ramesh Shah	34,23,627	11.17%	34,23,627	11.17%
Archana Yatin Sankholkar	22,26,418	7.26%	-	-
Anjali Kunal Patil	22,26,417	7.26%	-	-
Bimal Mukesh Shah	18,10,227	5.90%	21,16,827	6.90%
Mukesh Maganlal Shah	17,64,045	5.75%	17,64,045	5.75%
Axis Mutual Fund Trustee Limited	16,15,073	5.27%	9,12,037	2.97%

**NOTE 21.4 DISCLOSURE OF SHAREHOLDING OF PROMOTERS / PROMOTERS GROUP**

Disclosure of shareholding of Promoters / Promoters Group as at March 31, 2023 is as follows:

No	Promoters / Promoters Group name	Shares Held				% Change during the year
		As at March 31, 2023		As at March 31, 2022		
	<b>Promoters</b>					
1	Late Prakash Damodar Kamat	0.00	0.00%	44,52,835.00	14.52%	(14.52%)
2	Mukesh Maganlal Shah	17,64,045.00	5.75%	17,64,045.00	5.75%	0.00%
3	Jayen Ramesh Shah	34,23,627.00	11.17%	34,23,627.00	11.17%	0.00%
4	Tushar Ramesh Shah	36,99,182.00	12.07%	36,99,182.00	12.07%	0.00%
5	Bimal Mukesh Shah	18,10,227.00	5.90%	21,16,827.00	6.90%	(1.00%)
6	Jyotsna Ramesh Shah	43,25,886.00	14.11%	43,25,886.00	14.11%	0.00%
7	Archana Yatin Sankholkar	22,26,418.00	7.26%	0.00	0.00%	7.26%
8	Anjali Kunal Patil	22,26,417.00	7.26%	0.00	0.00%	7.26%
	<b>Promoters Group</b>					
9	Jayshree Mukesh Shah	5,68,572.00	1.85%	5,68,572.00	1.85%	0.00%
10	Neeta Jayen Shah	6,59,892.00	2.15%	6,59,892.00	2.15%	0.00%
11	Bina Tushar Shah	5,74,380.00	1.87%	5,74,380.00	1.87%	0.00%
12	Shaili Nirav Doshi	1,22,898.00	0.40%	1,22,898.00	0.40%	0.00%
13	Manali Vishal Doshi	76,614.00	0.25%	76,614.00	0.25%	0.00%
14	Rhea Tushar Shah	1,06,614.00	0.35%	1,06,614.00	0.35%	0.00%
15	Esha Tushar Shah	1,06,620.00	0.35%	1,06,620.00	0.35%	0.00%



## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

No	Promoters / Promoters Group name	Shares Held				% Change during the year
		As at March 31, 2023		As at March 31, 2022		
16	R M Shah HUF	3,08,542.00	1.01%	3,08,542.00	1.01%	0.00%
17	P D Kamat HUF	1,37,178.00	0.45%	1,37,178.00	0.45%	0.00%
18	M M Shah HUF	0.00	0.00%	1,40,574.00	0.46%	(0.46%)
19	Jayen R Shah HUF	3,06,978.00	1.00%	3,06,978.00	1.00%	0.00%
20	Tushar R Shah HUF	1,03,218.00	0.34%	1,03,218.00	0.34%	0.00%
21	Maltiben Pradipkumar Shah	19.00	0.00%	19.00	0.00%	0.00%
22	Akruti Bimal Shah	4,47,174.00	1.46%	0.00	0.00%	1.46%
	<b>Total</b>	<b>2,29,94,501.00</b>	<b>75.00%</b>	<b>2,29,94,501.00</b>	<b>75.00%</b>	

### NOTE 21.5 DETAILS OF CALLS UNPAID

There is no calls unpaid.

### NOTE 21.6 SUBDIVISION OF SHARES

The Shareholders vide a special resolution has approved sub division of shares of the Company in the ratio of 2 shares of face value of ₹ 5 each for every existing 1 share of the face value of ₹ 10 each. The requisite approvals for modification of the Memorandum and Articles of Association of the Company had been accorded by the shareholders on 6th November, 2017.

### NOTE 21.7 AGGREGATE NUMBER OF BONUS SHARES ISSUED, SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH DURING THE PERIOD OF FIVE YEARS IMMEDIATELY PRECEDING THE REPORTING DATE

- The Company has issued 2,80,000 Equity Shares of ₹ 10 Each in Financial year 2016-17 for consideration other than cash to the shareholders of Fine Research & Development Centre Private Limited ("FRDCPL") and Fine Specialty Surfactants Private Limited ("FSSPL") on account of Amalgamation.
- During the year ended March 31, 2018, the Company has issued 1,02,19,992 Equity shares of ₹ 10 each (Pre Subdivision of shares) pursuant to the bonus issue of shares vide special resolution approved by the shareholders dated October 16, 2017.

The Company has allotted 2 (Two) Fully paid up equity shares of ₹ 10 each for every 1 (One) Equity share held by the shareholders (Including shares issued to the shareholders on account of amalgamation with FRDCPL & FSSPL). Later on as per special resolution dated 6th November, 2017, such shares are sub divided into the ratio of 2 (Two) shares of face value of ₹ 5 each for every existing 1 (One) share of the face value of ₹ 10 each.

### NOTE 22 OTHER EQUITY

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Amalgamation Reserve</b>	<b>1,155.24</b>	<b>1,155.24</b>
(Includes ₹ 4.23 lakhs On Account of Amalgamation)		
<b>(b) Retained Earnings</b>		
Balance as at the beginning of the year	94,250.11	71,540.99
Add: Profit for the year	<b>61,810.23</b>	<b>25,970.91</b>
Less:- Reversal of loss on account of Joint Venture accounted as per Equity Method		120.73
Less:- Dividend	2,759.40	3,372.60
Non Controlling interest		9.92
<b>Balance as at the end of the year (b)</b>	<b>1,53,300.94</b>	<b>94,250.11</b>

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(c) Other Comprehensive Income</b>		
Balance as at the beginning of the year	(199.35)	(470.85)
Add: Other Comprehensive Income for the year	63.11	271.50
<b>Balance as at the end of the year (c)</b>	<b>(136.24)</b>	<b>(199.35)</b>
<b>(d) Foreign Exchange Translation Reserve</b>		
Balance as at the beginning of the year	(830.40)	(621.31)
Add: Addition / (Deletion) for the period / year	(909.34)	(209.09)
<b>Balance as at the end of the year (d)</b>	<b>(1,739.74)</b>	<b>(830.40)</b>
<b>(e) Other Reserve</b>		
Balance as at the beginning of the year	1.57	1.60
Add: Addition / (Deletion) for the period / year	0.10	(0.03)
<b>Balance as at the end of the year (e)</b>	<b>1.67</b>	<b>1.57</b>
<b>(f) Capital Reserve</b>	<b>10.02</b>	<b>10.02</b>
<b>Total (a + b + c + d + e + f)</b>	<b>1,52,591.89</b>	<b>94,387.19</b>

**Glossary**

- (a) Amalgamation Reserve - At the time of business combination under common control, amalgamation adjustment reserve of transferor company becomes amalgamation adjustment reserve of the transferee company. The Company established this reserve at the time of business combinations made in the earlier years.
- (b) Retained Earnings represents undistributed accumulated earnings of the Company as on the balance sheet date.
- (c) Other Comprehensive Income represents the following -
- The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve
  - The Company uses hedging instruments as part of its management of interest rate risk associated with borrowings. For hedging interest rate risk, the Company uses the interest rate swaps. To the extent this hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedged reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).
  - Remeasurements, comprising of actuarial gains and losses are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

**NOTE 23 OTHER EQUITY**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Controlling interest in Subsidiary	0.00	6.91
Add:- Share of current year's profit	0.00	9.92
Less:- Sale Proceeds @	0.00	(16.83)
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

(@) Amount decreased on account of stake acquired from a minority shareholder in Fine Organics Europe BV in 2021-22.

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 24 NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
Foreign Currency Borrowings - External Commercial Borrowings		
From Bank {Refer to note no. 24.1}	2,720.41	5,852.75
Less : Current Maturity {Refer to note no. 27}	(2,720.41)	(3,344.43)
<b>Total Non-Current Borrowings</b>	<b>0.00</b>	<b>2,508.32</b>

### NOTE 24.1 DISCLOSURE TO NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

- The foreign currency borrowings is secured against exclusive charge on specific Land & Building and Plant & Machinery of the borrower at plot no. N-42/1, MIDC, Anand Nagar, Additional Ambarnath Industrial Area, Ambarnath - 421501, Maharashtra.
- Remaining tenure of the borrowing is 9 Months

### NOTE 25 MOVEMENT IN LEASE LIABILITIES DURING THE YEAR : LEASE LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the period</b>	<b>0.00</b>	<b>0.00</b>
Additions	144.06	0.00
Finance cost accrued during the year	2.43	0.00
Deletions	0.00	0.00
Payment of lease liabilities	14.41	0.00
<b>Balance at the end of the period</b>	<b>132.08</b>	<b>0.00</b>

### NOTE 25.1 BREAK-UP OF CURRENT AND NON-CURRENT LEASE LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	50.50	0.00
Non-current lease liabilities	81.57	0.00
<b>Total</b>	<b>132.07</b>	<b>0.00</b>

### NOTE 25.2 DETAILS REGARDING THE CONTRACTUAL MATURITIES OF LEASE LIABILITIES :

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	50.50	0.00
One to three years	67.37	0.00
More than three years	14.20	0.00
<b>Total</b>	<b>132.07</b>	<b>0.00</b>

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 26 NON CURRENT FINANCIAL LIABILITIES : OTHERS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Derivatives Designated as Hedge</b>		
Interest Rate Swaps	0.00	86.61
<b>Total Other Financial Liabilities</b>	<b>0.00</b>	<b>86.61</b>

**NOTE 27 CURRENT FINANCIAL LIABILITIES : BORROWINGS**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
Current maturities of Long-term Borrowings	2,720.41	3,344.43
<b>Total Current Borrowings</b>	<b>2,720.41</b>	<b>3,344.43</b>

**NOTE 27.1 DISCLOSURE TO CURRENT FINANCIAL LIABILITIES : BORROWINGS**

Secured Loans from banks on Cash Credit are secured by way of hypothecation of stocks of raw materials, finished products, stores and work-in-progress as well as book debts

**NOTE 28 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding due to Micro and Small Enterprises {Refer to note no. 28.1}	1,871.45	904.87
Others	15,711.73	14,450.56
<b>Total</b>	<b>17,583.18</b>	<b>15,355.43</b>

**NOTE 28.1 DISCLOSURE TO CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES**
**Dues to micro and small enterprises**

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues of micro and small enterprises amounting to ₹ 1871.45 lakhs (Previous Year: ₹ 904.87 lakhs). The disclosure pursuant to MSMED Act based on the books of account is as under:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid	1,871.45	904.87
(ii) Interest due on above and the unpaid interest	7.49	2.34
(iii) Interest paid in terms of Section 16 of MSMED Act	0.00	0.00
(iv) Amount of payments made to supplier beyond the appointed day	0.00	0.00
(v) Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act,2006	0.00	0.00
(vi) Amount of Interest accrued and remaining unpaid *	7.49	2.34
(vii) Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the MSMED Act,2006	0.00	0.00

(\*) The interest has not been accrued in the books of account since the outstanding amount majorly includes retention amount payable after completion of contract period.

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### Ageing for trade payables outstanding as at March 31, 2023 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1839.98	25.51	2.78	3.18	1,871.45
(ii) Others	15,501.00	80.41	66.56	63.76	15,711.73
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>17,340.98</b>	<b>105.92</b>	<b>69.34</b>	<b>66.94</b>	<b>17,583.18</b>

### Ageing for trade payables outstanding as at March 31, 2022 is as follows

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	904.87	0.00	0.00	0.00	904.87
(ii) Others	14,262.01	112.73	13.78	62.04	14,450.56
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>15,166.88</b>	<b>112.73</b>	<b>13.78</b>	<b>62.04</b>	<b>15,355.43</b>

### NOTE 29 CURRENT FINANCIAL LIABILITIES : OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade / Security Deposits from Customers	318.87	145.58
Dividend Payable	1.99	1.59
<b>Total Other Financial Liabilities</b>	<b>320.86</b>	<b>147.17</b>

### NOTE 30 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues Payable	876.54	642.93
Provision for Employees Group Gratuity	0.00	0.00
Contractual Liabilities {refer to note no. 33.1}	571.53	792.13
Other Liabilities	0.00	160.06
<b>Total Other Current Liabilities</b>	<b>1,448.07</b>	<b>1,595.12</b>

### NOTE 31 CURRENT LIABILITIES : PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for CSR Expenses {refer to note no. 41.1}	25.05	204.43
Provision for Expenses	1,923.29	2,826.32
<b>Total Provisions</b>	<b>1,948.34</b>	<b>3,030.75</b>

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 32 CURRENT TAX LIABILITIES (NET)**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax (Net of Income Tax paid)	2,382.54	1,647.11
<b>Total Current Tax Liabilities (Net)</b>	<b>2,382.54</b>	<b>1,647.11</b>

**NOTE 33 REVENUE FROM OPERATIONS**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>(A) Revenue from Contracts with customers</b>		
Sales - Specialty chemicals	3,02,281.19	1,87,601.33
Sales - Others	0.00	0.00
<b>[A]</b>	<b>3,02,281.19</b>	<b>1,87,601.33</b>
<b>(B) Other Operating Revenue</b>		
Income from Sale of Scrap	26.47	24.59
<b>[B]</b>	<b>26.47</b>	<b>24.59</b>
<b>Total Revenue From Operations [(A) + (B)]</b>	<b>3,02,307.66</b>	<b>1,87,625.92</b>

**NOTE 33.1 OTHER DISCLOSURE RELATING TO REVENUE FROM CONTRACTS WITH CUSTOMERS (IND AS 115)**

The Company is primarily in the Business of manufacture and sale of Specialty chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company evaluates the credit limits for the trade receivables. The Company does not give significant credit period resulting in no significant financing component.

Further, disaggregation of revenue based on geography has been mentioned under segment information. {refer to note no. 47.3}

**Reconciliation of Revenue recognised from contracts with customers with Contract liabilities**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening Contract Liability	792.13	365.03
Add: Addition to contract liability during the year	67,901.42	13,974.98
Less: Recognised as revenue during the year	68,122.02	13,547.88
<b>Closing Contract liability</b>	<b>571.53</b>	<b>792.13</b>

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Revenue from contract with customer as per Contract price	3,03,328.20	1,89,147.07
Less: Discounts and Rebates	21.27	21.31
Less: Sales Returns	418.78	1,524.43
<b>Revenue from contract with customer as per statement of profit and loss</b>	<b>3,02,281.19</b>	<b>1,87,601.33</b>

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 34 OTHER INCOME

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Income	1,124.68	607.92
Dividend Income	0.00	0.00
Net gain on foreign exchange fluctuations	4,989.40	2,457.68
Other non-operating income		
Profit on Sale of Property, Plant and Equipment (Net of Loss)	20.88	7.37
Insurance claim received	11.88	175.72
Miscellaneous Income	268.34	40.69
<b>Total Other Income</b>	<b>6,415.18</b>	<b>3,289.38</b>

### NOTE 34.1 PARTICULARS OF INTEREST INCOME

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Income from Financial Assets on Amortised Cost Basis [at EIR]	1,124.27	554.57
Interest Income from Non Financial Assets	0.41	53.35
<b>Total</b>	<b>1,124.68</b>	<b>607.92</b>

### NOTE 35 COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Raw Materials and Packing Materials Consumed</b>		
Opening Stock at the beginning of the year	11,354.97	5,026.82
<b>Add : Purchases and incidental expenses</b>	<b>1,95,918.29</b>	<b>1,28,326.27</b>
	2,07,273.26	1,33,353.09
<b>Less : Closing stock at the end of the year</b>	<b>14,981.11</b>	<b>11,354.97</b>
<b>Total Cost of Materials Consumed</b>	<b>1,92,292.15</b>	<b>1,21,998.12</b>

### NOTE 35.1 PARTICULARS OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Raw Materials	1,87,531.55	1,18,057.78
Packing Materials	4,760.60	3,940.34
<b>Total</b>	<b>1,92,292.15</b>	<b>1,21,998.12</b>



**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 36 PURCHASE OF STOCK IN TRADE**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Purchase of Stock In Trade	8,453.20	1,038.56
<b>Total Purchase of Stock in trade</b>	<b>8,453.20</b>	<b>1,038.56</b>

**NOTE 37 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>(A) Opening stock of inventories</b>		
Finished Goods	5,912.21	3,698.90
Semi-Finished Goods	922.41	556.04
Trading Goods	3,393.46	1,725.38
<b>Total (A)</b>	<b>10,228.08</b>	<b>5,980.32</b>
<b>(B) Closing Stock of inventories</b>		
Finished Goods	12,009.99	5,912.21
Semi-Finished Goods	543.43	922.41
Trading Goods	20,004.56	3,393.46
<b>Total (B)</b>	<b>32,557.98</b>	<b>10,228.08</b>
<b>Net Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress [(A) - (B)]</b>	<b>(22,329.90)</b>	<b>(4,247.76)</b>

**NOTE 38 EMPLOYEE BENEFIT EXPENSES**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries and other benefits to Directors	2,132.00	1,825.00
Salaries, wages & other benefits to others	7,796.32	6,579.05
Contribution to Provident Fund and Other Funds	261.48	224.07
Employee Welfare and other amenities	340.36	299.23
<b>Total Employee Benefit Expenses</b>	<b>10,530.16</b>	<b>8,927.35</b>

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures as defined are given below:

**A] Defined Contribution Plans**

The Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefit.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Employer's Contribution to Pension Scheme	100.00	85.25
Employer's Contribution to Provident fund	47.45	39.95
<b>Total</b>	<b>147.45</b>	<b>125.20</b>

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### B] Defined Benefits Plans

The Company has used the Projected Unit Credit (PUC) actuarial method to assess the Plan's liabilities, including those related to death-in-service benefits. Under the PUC method, a 'Projected accrued benefit' is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The 'projected accrued benefit' is based on the Plan's accrual formula and upon the service as at the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the 'projected accrued benefits' as at the end of the year for the Plan's active members.

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of Defined Benefit Obligation at beginning of the Year	1,201.58	1,145.35
Add : Service Cost		
(a) Current Service Cost	92.82	80.17
(b) Past Service Cost	0.00	0.00
(c) Loss/(Gain) from Settlement	0.00	0.00
Add: Current Interest Cost	80.51	72.16
Add: Benefit Paid	(73.40)	(82.01)
Add: Remeasurements of Actuarial (Gain) / Loss		
(a) From changes in Demographic assumptions	0.00	0.00
(b) From changes in Financial assumptions	(46.99)	(34.92)
(c) From experience over the past year	77.39	20.83
Effect of Acquisition/ (Divestiture)		
Transfer In/(Out)	0.00	0.00
Changes in Foreign Exchange Rates	0.00	0.00
<b>Present value of Defined Benefit Obligation at the end of the Year</b>	<b>1,331.91</b>	<b>1,201.58</b>

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair Value of Plan Asset at beginning of the Year	1,289.11	1,225.41
Add: Contributions Paid by Employer	106.61	71.42
Add: Benefits Paid / (Received)	(73.40)	(82.01)
Add: Interest Income on Plan assets	84.15	74.29
<b>Re-measurements</b>		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	5.84	-
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Effect of Acquisition/ (Divestiture)	-	-
Transfer In/(Out)	-	-
Changes in foreign exchange rates	-	-
<b>Fair Value of Plan Asset at the end of the Year</b>	<b>1,412.31</b>	<b>1,289.11</b>
Actual Return on Plan Assets	89.99	74.29
Expected Employer Contributions for the coming year	-	-

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**(iii) Expenses recognised in Statement Profit and Loss**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Service Cost</b>		
(a) Current Service Cost	92.82	80.17
(b) Past Service Cost	-	-
(c) Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	(3.64)	(2.13)
<b>Employer Expenses</b>	<b>89.18</b>	<b>78.04</b>

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Defined Benefit Obligation at end of the Year	1,331.91	1,201.58
Less: Fair Value of Plan Asset at the end of the Year	1,412.31	1,289.11
<b>Liability/ (Asset) recognised in the Balance Sheet</b>	<b>(80.40)</b>	<b>(87.53)</b>
<b>Funded Status [Surplus/(Deficit)]</b>	<b>80.40</b>	<b>87.53</b>
<b>Of which, Short term Liability</b>		
Experience Adjustment on Plan Liabilities: (Gain)/Loss	77.39	20.83
Experience Adjustment on Plan Assets: Gain/(Loss)	-	-

**(v) Percentage Break-down of Total Plan Assets**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity instruments	0.00%	0.00%
Debt instruments	0.00%	0.00%
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	0.00%	0.00%
Of which, Conservative/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**(vi) Assumptions used to determine the defined benefit obligation**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Salary Growth Rate	5.00 % P.A.	5.00 % P.A.
Discount Rate(p.a.)	7.20% P.A.	6.70% P.A.
Interest Rate on net DBO	6.70% P.A.	6.30% P.A.
Withdrawal Rate	5.00 % P.A.	5.00 % P.A.
Mortality Table Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Expected weighted average remaining working life	7 years	7 years

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### (vii) Movement in Other Comprehensive Income

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Balance at start of year (Loss)/ Gain</b>	<b>(222.85)</b>	<b>(236.94)</b>
<b>Re-measurements on DBO</b>		
(a) Actuarial (Loss)/Gain from changes in demographic assumptions	46.99	34.92
(b) Actuarial (Loss)/Gain from changes in financial assumptions	(77.39)	(20.83)
(c) Actuarial (Loss)/Gain from experience over the past period	-	-
<b>Re-measurements on Plan Assets</b>		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	-	-
(b) Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	5.84	-
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
<b>Balance at end of year (Loss)/ Gain</b>	<b>(247.41)</b>	<b>(222.85)</b>

### (viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of Sensitivity Analysis is given below:

(₹ in lakhs)

Particulars	As at March 31, 2023	
	Increase by 1%	Decrease by 1%
Salary Growth Rate	increases by ₹ 96.21 lakhs	decreases by ₹ 87.04 lakhs
Discount Rate	decreases by ₹ 84.60 lakhs	increases by ₹ 95.08 lakhs
Withdrawal Rate	increases by ₹ 11.74 lakhs	decreases by ₹ 13.18 lakhs
Mortality (increase in expected lifetime by 1 year)	decreases by ₹ 0.31 lakhs	-
Mortality (increase in expected lifetime by 3 years)	decreases by ₹ 0.94 lakhs	-

(₹ in lakhs)

Particulars	As at March 31, 2022	
	Increase by 1%	Decrease by 1%
Salary Growth Rate	increases by ₹ 88.07 lakhs	decreases by ₹ 81.43 lakhs
Discount Rate	decreases by ₹ 79.42 lakhs	increases by ₹ 89.99 lakhs
Withdrawal Rate	increases by ₹ 6.16 lakhs	decreases by ₹ 9.5 lakhs

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	As at March 31, 2022	
	Increase by 1%	Decrease by 1%
Mortality (increase in expected lifetime by 1 year)	decreases by ₹ 0.34 lakhs	-
Mortality (increase in expected lifetime by 3 years)	decreases by ₹ 0.85 lakhs	-

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**(ix) Movement in Surplus/ (Deficit)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Surplus/ (Deficit) at start of year</b>	<b>87.53</b>	<b>80.06</b>
Add : Net Acquisition Adjustment	-	-
Transfer In / (Out) on net basis	-	-
Movement during the year		
Less : Current Service Cost	(92.82)	(80.17)
Less : Past Service Cost	-	-
Add : Net Interest on net DBO	3.64	2.13
<b>Re-measurements [Gains/ (Losses)]</b>	<b>(24.56)</b>	<b>14.09</b>
Add : Employer Contributions/ Benefits paid	106.61	71.42
<b>Surplus/ (Deficit) at end of year</b>	<b>80.40</b>	<b>87.53</b>

**(x) Risk Factors**

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

**Interest Risk**

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

**Longevity Risk**

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

**Salary Risk**

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

**Investment Risk**

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

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 39 FINANCE COSTS

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest Expenses		
On Loans	243.42	369.56
On Leases	2.43	0.00
Bank Charges and Commission	211.54	124.59
<b>Total Finance Costs</b>	<b>457.39</b>	<b>494.15</b>

### NOTE 40 DEPRECIATION & AMORTISATION EXPENSES

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation on Property, Plant and Equipment	4,725.88	3,960.58
Amortisation on Intangible Assets	50.23	29.70
Depreciation on Right of Use of assets	13.19	0.00
<b>Total Depreciation &amp; Amortisation Expenses</b>	<b>4,789.30</b>	<b>3,990.28</b>

### NOTE 41 OTHER EXPENSES

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Advertisement & Publicity Expenses	33.12	19.45
Auditors Remuneration:		
(i) Statutory Audit	31.00	27.75
(ii) Taxation Matters	11.00	9.50
(iii) Limited Review	10.50	9.75
(iv) Others	9.20	1.00
Remuneration to Cost Auditor	3.00	2.50
Consumption of Stores and Spares	40.87	37.22
Corporate Social Responsibility Expenses {refer to note no. 41.1}	478.05	397.88
Corporate Environmental Responsibility	37.71	14.76
Director Sitting fees	33.80	22.65
Electricity Charges	71.39	61.27
Expected Credit Loss Provisions	110.05	0.00
Freight and Forwarding charges	10,362.44	9,969.35
Insurance Charges	577.14	335.95
Laboratory Expenses	136.15	92.73
Legal and Professional fees	825.38	548.38
Other Administrative Expenses	349.42	288.80
Postage, Telephone and Telegram	166.55	109.38
Power, Fuel and Water Charges	9,762.97	7,729.98
Printing and Stationery Expenses	45.93	35.83
Product Registration fees	3.08	1.14

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Bad Debts	0.00	20.31
Provision for Doubtful Receivables	79.14	25.00
Provision for Diminution in value of Joint Venture	0.00	120.73
Rent, Rates and Taxes	1,478.61	512.06
Repairs and Maintenance to:		
(i) Factory Building	175.85	118.16
(ii) Machinery	1,028.62	878.11
(iii) Others	337.07	312.81
Sales Promotion Expenses	102.00	33.86
Sales Commission	2,311.51	1,005.68
Security Charges	298.29	260.51
Seminar & Trade fair Expenses	534.72	65.27
Subscription, Membership, Books & Periodicals	87.64	53.86
Travelling and Conveyance Expenses	606.12	228.67
Vehicle Expenses	115.37	108.65
<b>Total Other Expenses</b>	<b>30,253.69</b>	<b>23,458.95</b>

**NOTE 41.1 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:**

The Company has spent an amount of ₹ 478.05 lakhs pertaining to F.Y. 2022-23 and ₹ 235.96 lakhs pertaining to F.Y. 2021-22 towards various CSR projects for the purpose other than construction/ acquisition of any asset. The Company has transferred ₹ 163.92 lakhs (i.e. unspent amount for the ongoing CSR projects of the Company for the F.Y. 2021-22) to a separate bank account specially opened by the Company for the CSR. Out of the said amount the Company has spent ₹ 138.92 lakhs towards various CSR projects.

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
A) Gross amount required to be spent by the Company during the year	474.80	397.88
B) Amount spent during the year		
(i) Construction/acquisition of any asset	NIL	NIL
(ii) On purposes other than (i) above	478.05	235.96
C) Details related to spent / unspent obligations:		
(i) Amount spent in relation to Ongoing Project	460.00	17.00
(ii) Amount spent in relation to other than Ongoing Project	13.00	213.83
(iii) Amount spent in administrative Overheads	5.05	5.13
(iv) Amount transferred to Unspent CSR Account for Ongoing Projects	0.00	163.92
D) Amounts available for set-off in succeeding financial year	3.25	0.00

**NOTE 42 RECONCILIATION OF REPORTED PROFIT TO TOTAL TAX EXPENSE**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit before Tax	84,099.42	35,152.77
Applicable Income Tax rate	21.01%	19.33%
Expected income tax expense	17,669.29	6,793.58



**Notes Forming Integral Part of the Consolidated Financial Statements  
 for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Effect of Expenses / Provisions not deductible in determining taxable profit and	4737.16	2,416.71
Other Permanent Differences	137.13	103.66
Other Temporary Differences	(254.39)	(131.99)
<b>Reported Income Tax Expense</b>	<b>22,289.19</b>	<b>9,181.86</b>

**NOTE 43 DEFERRED TAX EXPENSES / (INCOME)**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, Plant and Equipments & Intangible Assets	0.00	0.00
Others	25.07	(16.34)
<b>Sub Total (A)</b>	<b>25.07</b>	<b>(16.34)</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Property, Plant and Equipments & Intangible Assets	230.55	115.65
Others	27.69	
<b>Sub Total (B)</b>	<b>258.24</b>	<b>115.65</b>
<b>Deferred tax Expenses / (Income) [A-B]</b>	<b>(233.17)</b>	<b>(131.99)</b>

**NOTE 44 EARNINGS PER EQUITY SHARE**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
(a) Computation of Profit (numerator)		
Net profit attributable to shareholders (₹ in lakhs)	61,810.23	25,970.91
(b) Weighted average number of shares (denominator)		
<b>Weighted Average number of Equity Shares used as denominator for calculating Basic &amp; Diluted EPS</b>	<b>3,06,59,976.00</b>	<b>3,06,59,976.00</b>
<b>EPS (Basic &amp; Diluted) (In ₹)</b>	<b>201.60</b>	<b>84.71</b>

**NOTE 45 CONTINGENT LIABILITIES AND COMMITMENTS**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Contingent Liabilities</b>		
Income tax liability that may arise in respect of matters in appeal	610.12	574.97
Indirect taxes liability that may arise in respect of matters in appeal	27.16	27.16
<b>Commitments</b>		
Estimated contracts remaining to be executed on capital account not provided	1,822.04	1,488.25
Bank Guarantee	1,219.31	758.61

The Financial Statements of the Company for the year ended March 31, 2023 has been approved by the Board of Directors in its meeting held on May 24, 2023. For the year ended March 31, 2023, dividend of ₹ 9/- per share (Total dividend of

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**

₹ 2759.40 lakhs) has been proposed by the Board of Directors at its meeting held on May 24, 2023. The same is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and therefore proposed dividend has not been recognised as liability as at the Balance Sheet Date in line with Ind AS - 10 “Events after the Reporting Period.”

It is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities.

**NOTE 46 RELATED PARTY TRANSACTIONS DISCLOSURE:**

The Disclosure pertaining to the related parties as required by Indian Accounting Standard 24 issued by Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian accounting Standards ) Rule,2015 as amended are indicated below

**(a) List of Related Parties and Relationships**

Sr. No	Name of the Related Party	Nature of Relationship
<b>Key Management Personnel (KMP)</b>		
1	Late Prakash Damodar Kamat (Upto June 7, 2022)	Former Chairman & Director
2	Mukesh Maganlal Shah (Chairman w.e.f. June 27, 2022)	Chairman & Managing Director
3	Jayen Ramesh Shah	Executive Director & CEO
4	Tushar Ramesh Shah	Executive Director & CFO
5	Bimal Mukesh Shah	Executive Director
6	Nikhil Dattatraya Kamat (w.e.f. June 27, 2022)	Executive Director
7	Thiruvengadam Parthasarathi	Non-Executive Independent Director
8	Mahesh Pansukhlal Sarda	Non-Executive Independent Director
9	Kaushik Dwarkadas Shah	Non-Executive Independent Director
10	Prakash Krishnaji Apte	Non-Executive Independent Director
11	Pratima Madhukar Umarji	Non-Executive Independent Director
<b>Relative's of KMP</b>		
12	Jyotsna Ramesh Shah	Relatives of KMP
13	Jayshree Mukesh Shah	
14	Neeta Jayen Shah	
15	Bina Tushar Shah	
16	Esha Tushar Shah	
17	Rhea Tushar Shah	
18	Ramesh M. Shah - HUF	
19	Prakash D. Kamat - HUF	
20	Mukesh M. Shah - HUF	
21	Jayen R. Shah - HUF	
22	Tushar R. Shah - HUF	
23	Manali Vishal Doshi	
24	Shaili Nirav Doshi	
25	Neeta Warty (w.e.f. June 27, 2022)	
26	Nisha Rege (w.e.f. June 27, 2022)	
27	Suneet Nikhil Kamat (w.e.f. June 27, 2022)	

**Notes Forming Integral Part of the Consolidated Financial Statements  
 for the year ended March 31, 2023 (Contd.)**

Sr. No	Name of the Related Party	Nature of Relationship
<b>Significant influence by KMP</b>		
28	Smoothex Chemicals Private Limited	Significant influence by KMP
29	Fine Organics	
30	Olefine Organics	
31	Oleofine Organics SDN. BHD.	
32	Fine Organic Industries	
<b>Joint Ventures</b>		
33	Fine Zeelandia Private Limited	Joint Venture Entities
34	FineAdd Ingredients GmbH	
35	Fine Organic Industries (Thailand) Co., Limited	

**(b) Transactions (in aggregate) with Related Parties during the period and their closing balances at the period end**

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2022 to March 2023	April 2021 to March 2022	As At March 31, 2023	As At March 31, 2022
<b>1</b>	<b>Director's Remuneration</b>				
	Late Prakash Damodar Kamat	77.00	350.00	0.00	46.00
	Mukesh Maganlal Shah	460.00	350.00	61.00	30.50
	Jayen Ramesh Shah	460.00	350.00	61.00	30.50
	Tushar Ramesh Shah	460.00	350.00	61.00	30.50
	Bimal Mukesh Shah	460.00	350.00	61.00	30.50
	Nikhil Dattatraya Kamat	115.00	0.00	16.03	
	Thiruvengadam Parthasarathi	20.00	15.00	18.00	13.50
	Mahesh Pansukhlal Sarda	20.00	15.00	18.00	13.50
	Kaushik Dwarkadas Shah	20.00	15.00	18.00	13.50
	Prakash Krishnaji Apte	20.00	15.00	18.00	13.50
	Pratima Madhukar Umarji	20.00	15.00	18.00	13.50
<b>2</b>	<b>Director's Sitting Fees</b>				
	Thiruvengadam Parthasarathi	6.75	4.50	0.00	0.14
	Mahesh Pansukhlal Sarda	6.75	4.20	0.00	0.14
	Kaushik Dwarkadas Shah	7.35	4.95	0.00	0.00
	Prakash Krishnaji Apte	8.10	5.25	0.00	0.00
	Pratima Madhukar Umarji	4.85	3.75	0.00	0.14
<b>3</b>	<b>Sale of Goods {#}</b>				
	Oleofine Organics SDN BHD	1,850.46	871.57	57.22	61.02
	Fine Zeelandia Private Limited	1,665.07	1,642.51	54.50	0.00
<b>4</b>	<b>Sale of Components</b>				
	Oleofine Organics SDN BHD	7.97	0.00	0.00	0.00
	Fine Organic Industries (Thailand) Co., Limited	254.04	0.00	123.01	0.00
<b>5</b>	<b>Purchase of Asset / Investment</b>				
	Fine Organic Industries	0.00	0.12	0.00	0.00
	Tushar Shah (@)	0.00	6.81	0.00	0.00

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2022 to March 2023	April 2021 to March 2022	As At March 31, 2023	As At March 31, 2022
<b>6</b>	<b>Dividend paid</b>				
	Late Prakash Damodar Kamat	400.76	489.81	0.00	0.00
	Jyotsna Ramesh Shah	389.33	475.85	0.00	0.00
	Tushar Ramesh Shah	332.93	406.91	0.00	0.00
	Jayen Ramesh Shah	308.13	376.60	0.00	0.00
	Bimal Mukesh Shah	190.51	232.85	0.00	0.00
	Mukesh Maganlal Shah	158.76	194.04	0.00	0.00
	Nikhil Dattatraya Kamat	0.00	0.00	0.00	0.00
	Neeta Jayen Shah	59.39	72.59	0.00	0.00
	Bina Tushar Shah	51.69	63.18	0.00	0.00
	Jayshree Mukesh Shah	51.17	62.54	0.00	0.00
	Ramesh M. Shah HUF	27.77	33.99	0.00	0.00
	Jayen R. Shah HUF	27.63	33.77	0.00	0.00
	Mukesh M. Shah HUF	12.65	15.46	0.00	0.00
	Prakash D. Kamat HUF	12.35	15.09	0.00	0.00
	Shaili Nirav Doshi	11.06	13.52	0.00	0.00
	Rhea Tushar Shah	9.60	11.73	0.00	0.00
	Esha Tushar Shah	9.60	11.73	0.00	0.00
	Manali Vishal Doshi	6.90	8.43	0.00	0.00
	Tushar R. Shah HUF	9.29	11.35	0.00	0.00
	Neeta Rajeev Warty	0.38	0.00	0.00	0.00
	Nisha Umesh Rege	0.00	0.00	0.00	0.00
<b>7</b>	<b>Salary to Relatives</b>				
	Manali Vishal Doshi	37.40	32.50	0.00	0.00
	Rhea Tushar Shah	7.26	0.58	0.00	0.00
	Suneet Nikhil Kamat	15.99	0.00	0.00	0.00
<b>8</b>	<b>Export Commission</b>				
	Oleofine Organics SDN BHD	0.00	4.12	0.00	0.00
<b>9</b>	<b>Security Deposit - Rent (*)</b>				
	Fine Organic Industries	0.00	0.00	17.50	15.90
	Olefine Organics	0.00	0.00	2.68	2.40
<b>10</b>	<b>Rent Expenses {#}{(*)}</b>				
	Fine Organics	4.50	4.50	0.00	0.00
	Fine Organic Industries	148.64	144.42	0.00	0.00
	Olefine Organics	66.32	66.36	0.00	0.00
	Smoothex Chemicals Private Limited	4.50	4.50	0.00	0.00
	Late Prakash Damodar Kamat	2.10	8.40	0.00	0.00
	Jyotsna Ramesh Shah	49.92	36.71	0.00	0.00
	Jayshree Mukesh Shah	8.40	8.40	0.00	0.00
	Bina Tushar Shah	8.78	8.40	0.00	0.00
	Fine Zeelandia Private Limited	15.30	0.00	0.00	0.00

**Notes Forming Integral Part of the Consolidated Financial Statements  
 for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	Transactions during the period		Closing Balance	
		April 2022 to March 2023	April 2021 to March 2022	As At March 31, 2023	As At March 31, 2022
<b>11</b>	<b>Prepaid Rent Balance as at March 31, 2023 (*)</b>				
	Fine Organic Industries	0.00	0.00	0.50	2.10
	Olefine Organics	0.00	0.00	0.32	0.60
<b>12</b>	<b>Reimbursement of Expenses</b>				
	Mukesh Maganlal Shah	0.27	(1.47)	0.05	0.00
	Jayen Ramesh Shah	0.62	0.01	0.00	0.00
	Tushar Ramesh Shah	0.00	0.00	0.00	0.00
	Bimal Mukesh Shah	0.87	0.10	0.00	0.00
	Nikhil Dattatraya Kamat	0.23	0.00	0.00	0.00
	Prakash Krishnaji Apte	1.05	0.00	0.00	0.00
	Manali Vishal Doshi	0.05	0.00	0.00	0.00
	Fine Zeelandia Private Limited	0.00	0.27	0.00	0.00
	Suneet Nikhil Kamat	0.15	0.00	0.00	0.00
<b>13</b>	<b>Investments in equity instruments</b>				
	Fine Zeelandia Private Limited	0.00	0.00	2,842.39	3,002.96
	Fine Organic Industries (Thailand) Co.Limited (^)	996.34	54.00	1,032.76	53.27
	FineADD Ingredients GmbH {refer to note no. 8.1}	0.00	0.00	0.00	0.00
<b>14</b>	<b>Interest Income on Advances / Security deposit (*)</b>				
	Fine Organic Industries	0.00	1.45	0.50	1.45
	Olefine Organics	0.00	0.26	0.32	0.26

\* Includes Ind AS adjustments

^ Became a joint venture wef May 31, 2021.

# Includes expenses including GST component

@ On March 23, 2022 Fine Organic Industries Limited acquired stake from a minority shareholder in Fine Organics Europe BV, a subsidiary of Fine Organic Industries Limited

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. (Disclosure of compensation paid to Key Managerial person)

**NOTE 47 OPERATING SEGMENT DISCLOSURE**

The Group has identified its reportable segment as “Specialty chemicals” since the Chief Operating Decision Maker (CODM) evaluates the Group’s performance as a single segment in terms of Indian Accounting Standard 108 issued by Ministry of Corporate Affairs (MCA), as prescribed in section 133 read with companies (Indian accounting Standards) Rule, 2015 as amended are indicated below

**NOTE 47.1 DISCLOSURE FOR ASSETS OUTSIDE INDIA**

the Group does not have any non current non financial assets outside India

**NOTE 47.2 DISCLOSURE FOR MAJOR CUSTOMERS MORE THAN 10%**

There are no transactions with single external customer which amounts to 10% or more of the Group’s revenue.

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 47.3 GEOGRAPHIC INFORMATION**

The geographic information analyses the Group's revenue and non-current assets by the Group's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the respective non-current assets.

The product offerings which are part of the specialty chemicals portfolio of the Group are managed on a worldwide basis from India.

The Group has disaggregated its revenue from contract with customers and trade receivables on a geographical basis as under:

(₹ in lakhs)		
Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
- In India	94,849.36	74,078.70
- Outside India	2,07,431.83	1,13,522.64
<b>Total Revenue from operations</b>	<b>3,02,281.19</b>	<b>1,87,601.33</b>

(₹ in lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
- In India	9,331.25	7,766.53
- Outside India	25,944.28	22,470.93
Less : Expected Credit Loss on Trade Receivables	(210.92)	(100.87)
<b>Total</b>	<b>35,064.61</b>	<b>30,136.59</b>

**NOTE 48 INTERNAL FINANCIAL CONTROL SYSTEM**

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

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

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

**NOTE 49 DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013**
**(a) Investment Made in Subsidiaries and Joint Venture companies (At Amortised Cost)**

(₹ in lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Fine Zeelandia Private Limited	2,842.39	3,002.96
Fine Organic Industries (Thailand) Co., Limited	1,032.76	53.27

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### NOTE 50 OPERATING LEASE COMMITMENTS - COMPANY AS LESSEE

The Company's significant leasing arrangements are in respect of operating leases for building premises (offices, plant, godowns etc.). These leasing arrangements are non-cancellable in nature, and are usually renewable by mutual consent on mutually agreeable terms.

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Lease payment recognised in the statement of profit and loss</b>	41.10	43.35
<b>Minimum lease payments under non cancellable operating leases payable</b>		
Not later than 1 year	43.55	38.92
Later than 1 year but not less than 5 years	174.19	155.68
Later than 5 years	3,247.87	3,057.87
<b>Total future minimum lease payment</b>	<b>3,465.61</b>	<b>3,252.47</b>

### NOTE 51 PURSUANT TO IND AS 31, FINANCIAL REPORTING OF INTERESTS IN JOINT VENTURE, THE DISCLOSURE RELATING TO THE JOINT VENTURE ARE AS FOLLOWS :

#### Interest in other Entities

The Group has invested in following Joint ventures and are consolidated as per equity method of accounting. These entities are in nature of closely held entities and are not listed on equity public exchange. The following table illustrates the summarised financial information of the Group's investment in joint ventures.

(₹ in lakhs)

Name of the Joint Ventures	Percentage of Ownership	
	As at March 31, 2023	As at March 31, 2022
Fine Zeelandia Private Limited (Incorporated in India)	50%	50%
FineADD Ingredients GmbH (Incorporated in Germany)	50%	50%
Fine Organic Industries (Thailand) Co., Limited (Incorporated in Thailand)	45%	45%

### NOTE 51.1 SUMMARISED FINANCIAL POSITION OF THE GROUP'S INVESTMENT IN JOINT VENTURE - FINE ZEELANDIA PRIVATE LIMITED

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current assets (A)	4,347.60	4,757.82
Current assets (B)	2,401.68	1,713.53
<b>Total assets (A+B)</b>	<b>6,749.28</b>	<b>6,471.35</b>
Non current liabilities (C)	-	-
Current liabilities (D)	1,000.39	401.63
<b>Total liabilities (C+D)</b>	<b>1,000.39</b>	<b>401.63</b>
<b>Total equity (net assets) [(A+B)-(C+D)]</b>	<b>5,748.89</b>	<b>6,069.72</b>



**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**NOTE 51.2 SUMMARISED FINANCIAL POSITION OF THE GROUP'S INVESTMENT IN JOINT VENTURE - FINEADD INGREDIENTS GMBH**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current assets (A)	-	-
Current assets (B)	36,378.52	36,378.52
<b>Total assets (A+B)</b>	<b>36,378.52</b>	<b>36,378.52</b>
Non current liabilities (C)	-	-
Current liabilities (D)	36,378.52	36,378.52
<b>Total liabilities (C+D)</b>	<b>36,378.52</b>	<b>36,378.52</b>
<b>Total equity (net assets) [(A+B)-(C+D)]</b>	<b>-</b>	<b>-</b>

**NOTE 51.3 SUMMARISED FINANCIAL POSITION OF THE GROUP'S INVESTMENT IN JOINT VENTURE - FINE ORGANIC INDUSTRIES (THAILAND) CO., LIMITED**

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current assets (A)	1,381.47	-
Current assets (B)	1,075.95	112.92
<b>Total assets (A+B)</b>	<b>2,457.42</b>	<b>112.92</b>
Non current liabilities (C)	-	-
Current liabilities (D)	86.96	0.46
<b>Total liabilities (C+D)</b>	<b>86.96</b>	<b>0.46</b>
<b>Total equity (net assets) [(A+B)-(C+D)]</b>	<b>2,370.46</b>	<b>112.46</b>

**NOTE 52 FAIR VALUES**

(₹ in lakhs)

Particulars	Carrying Value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>FINANCIAL ASSETS</b>				
<b>A] Financial assets at fair value through statement of profit &amp; loss</b>	0.00	0.00	0.00	0.00
<b>B] Financial assets at fair value through OCI</b>				
Non Current Financial Assets: Investments	4.68	4.83	4.68	4.83
<b>C] Financial assets at amortised cost</b>				
Non Current Financial Assets : Investments	3,875.15	3,056.23	3,875.15	3,056.23
Non Current Financial Assets : Loans	90.86	85.29	90.86	85.29
Non Current Financial Assets : Others	757.29	373.27	757.29	373.27
Current Financial Assets : Trade Receivables	35,064.61	30,136.59	35,064.61	30,136.59
Current Financial Assets : Cash and Cash Equivalents	51,482.97	22,566.44	51,482.97	22,566.44
Current Financial Assets : Bank Balances	814.72	689.39	814.72	689.39
Current Financial Assets : Loans	107.91	46.30	107.91	46.30
Current Financial Assets : Others	277.54	24.14	277.54	24.14

**Notes Forming Integral Part of the Consolidated Financial Statements  
 for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	Carrying Value		Fair Value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>FINANCIAL LIABILITIES</b>				
<b>A] Financial liabilities at fair value through statement of profit &amp; loss</b>	0.00	0.00	0.00	0.00
<b>B] Financial liabilities at amortised cost:</b>				
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	2,720.41	5,852.75	2,720.41	5,852.75
Non Current Financial Liabilities : Lease Liability	81.57	0.00	81.57	0.00
Non Current Financial Liabilities : Others	0.00	86.61	0.00	86.61
Current Financial Liabilities : Lease Liability	50.50	0.00	50.50	0.00
Current Financial Liabilities : Trade Payables	17,583.18	15,355.43	17,583.18	15,355.43
Current Financial Liabilities : Others	320.86	147.17	320.86	147.17

In all cases, the management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

**NOTE 53 FAIR VALUES HIERARCHY**

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

**Note 53.1 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2023 :**

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
<b>FINANCIAL ASSETS</b>					
<b>A] Financial assets at fair value through statement of profit &amp; loss</b>		0.00	0.00	0.00	0.00
<b>B] Financial assets at fair value through OCI</b>					
Non Current Financial Assets: Investments	March 31, 2022 {Refer Note No. 53.3}	4.68	4.68	4.68	4.68
<b>C] Financial assets at amortised cost</b>					
Non Current Financial Assets : Investments	March 31, 2023	3,875.15	0.00	0.00	3,875.15
Non Current Financial Assets : Loans	March 31, 2023	90.86	0.00	0.00	90.86
Non Current Financial Assets : Others	March 31, 2023	757.29	0.00	0.00	757.29
Current Financial Assets : Trade Receivables	March 31, 2023	35,064.61	0.00	0.00	35,064.61
Current Financial Assets : Cash and Cash Equivalents	March 31, 2023	51,482.97	0.00	0.00	51,482.97
Current Financial Assets : Bank Balances	March 31, 2023	814.72	0.00	0.00	814.72
Current Financial Assets : Loans	March 31, 2023	107.91	0.00	0.00	107.91
Current Financial Assets : Others	March 31, 2023	277.54	0.00	0.00	277.54

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
<b>FINANCIAL LIABILITIES</b>					
<b>A] Financial liabilities at fair value through statement of profit &amp; loss</b>		0.00	0.00	0.00	0.00
<b>B] Financial liabilities at amortised cost:</b>					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2023	2,720.41	0.00	0.00	2,720.41
Non Current Financial Liabilities : Lease Liability	March 31, 2023	81.57	0.00	0.00	81.57
Non Current Financial Liabilities : Others	March 31, 2023	0.00	0.00	0.00	0.00
Current Financial Liabilities : Lease Liability	March 31, 2023	50.50	0.00	0.00	50.50
Current Financial Liabilities : Trade Payables	March 31, 2023	17,583.18	0.00	0.00	17,583.18
Current Financial Liabilities : Others	March 31, 2023	320.86	0.00	0.00	320.86

In all cases, the management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

**Note 53.2 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2022 :**

(₹ in lakhs)

Particulars	Carrying Value		Fair value measurement using		
	Date of Valuation	Total	Level 1*	Level 2*	Level 3*
<b>FINANCIAL ASSETS</b>					
<b>A] Financial assets at fair value through statement of profit &amp; loss</b>		0.00	0.00	0.00	0.00
<b>B] Financial assets at fair value through OCI</b>					
Non Current Financial Assets: Investments	March 31, 2021 {Refer Note No. 53.3}	4.83	4.83	4.83	4.83
<b>C] Financial assets at amortised cost</b>					
Non Current Financial Assets : Investments	March 31, 2022	3,056.23	0.00	0.00	3,056.23
Non Current Financial Assets : Loans	March 31, 2022	85.29	0.00	0.00	85.29
Non Current Financial Assets : Others	March 31, 2022	373.27	0.00	0.00	373.27
Current Financial Assets : Trade Receivables	March 31, 2022	30,136.59	0.00	0.00	30,136.59
Current Financial Assets : Cash and Cash Equivalents	March 31, 2022	22,566.44	0.00	0.00	22,566.44
Current Financial Assets : Bank Balances	March 31, 2022	689.39	0.00	0.00	689.39
Current Financial Assets : Loans	March 31, 2022	46.30	0.00	0.00	46.30
Current Financial Assets : Others	March 31, 2022	24.14	0.00	0.00	24.14
<b>FINANCIAL LIABILITIES</b>					
<b>A] Financial liabilities at fair value through statement of profit &amp; loss</b>		0.00	0.00	0.00	0.00
<b>B] Financial liabilities at amortised cost:</b>					
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	March 31, 2022	5,852.75	0.00	0.00	5,852.75
Non Current Financial Liabilities : Lease Liability	March 31, 2022	0.00	0.00	0.00	0.00
Non Current Financial Liabilities : Others	March 31, 2022	86.61	0.00	0.00	86.61
Current Financial Liabilities : Lease Liability	March 31, 2022	0.00	0.00	0.00	0.00
Current Financial Liabilities : Trade Payables	March 31, 2022	15,355.43	0.00	0.00	15,355.43
Current Financial Liabilities : Others	March 31, 2022	147.17	0.00	0.00	147.17

In all cases, the management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### Note 53.3 - Quantitative disclosures & Valuation Technique

Particulars	Valuation Technique
<b>FINANCIAL ASSETS</b>	
<b>A] Financial assets at fair value through statement of profit &amp; loss</b>	Not Applicable
<b>B] Financial assets at fair value through OCI</b>	
Non Current Financial Assets: Investments	Level - 2: The fair value is determined as on the reporting date based on value per share derived from net worth of the Company as per the latest available annual report, since there is no other publically available market based information for similar entities.
<b>C] Financial assets at amortised cost</b>	
Non Current Financial Assets : Investments	Level - 3 : The fair value is determined as on the reporting date based on amortised cost method by considering the discount rates based on yields of comparable investments or the transaction values where these are short term in nature.
Non Current Financial Assets : Loans	
Non Current Financial Assets : Others	
Current Financial Assets : Trade Receivables	
Current Financial Assets : Cash and Cash Equivalents	
Current Financial Assets : Bank Balances	
Current Financial Assets : Loans	
Current Financial Assets : Others	
<b>FINANCIAL LIABILITIES</b>	
<b>A] Financial liabilities at fair value through statement of profit &amp; loss</b>	Not Applicable
<b>B] Financial liabilities at amortised cost:</b>	
Non Current Financial Liabilities : Borrowings (Including Current Maturity on Long Term Borrowing)	Level - 3: The fair value is determined as on the reporting date based on amortised cost method.
Non Current Financial Liabilities : Lease Liability	
Non Current Financial Liabilities : Others	
Current Financial Liabilities : Lease Liability	
Current Financial Liabilities : Trade Payables	
Current Financial Liabilities : Others	

### NOTE 54 CAPITAL MANAGEMENT

For the purposes of the Group's capital management, capital includes issued equity share capital, all other reserves and borrowed capital less reported cash and cash equivalents.

The primary objective of the Group's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value.

The Group's policy is to borrow primarily through banks to maintain sufficient liquidity. The Group also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Group.

The Group monitors capital on the basis of cost of capital. The Group is not subject to any externally imposed capital requirements.

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**

The following table summaries the capital of the Group:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Long Term Borrowing (including current maturities of long term borrowings)	2,720.41	5,852.75
Less: Cash and cash equivalents	52,297.69	23,592.17
<b>TOTAL BORROWING (NET)</b>	<b>(49,577.28)</b>	<b>(17,739.42)</b>
Equity Share Capital	1,533.00	1,533.00
Other Equity	1,52,591.89	94,387.19
<b>TOTAL EQUITY</b>	<b>1,54,124.89</b>	<b>95,920.19</b>
<b>Gearing ratio (Net Debt/ Total Equity)</b>	<b>(0.32)</b>	<b>(0.18)</b>

No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

**NOTE 55 FINANCIAL RISK MANAGEMENT FRAMEWORK**
**A] Financial Risk Management**

The Group monitors capital on the basis of cost of capital. The Group is not subject to any externally imposed capital requirements.

**1) Market Risk**

Market Risks arise due to Changes in Interest rates, Foreign Exchange rates and changes in Market prices.

**(i) Interest Rate Risks**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's exposure to the risk of changes in market rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's policy is generally to undertake long-term borrowings using facilities that carry floating-interest rate. The Group manages its interest rate risk by entering into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Moreover, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure.

As the Group does not have exposure to any floating-interest bearing assets its interest income and related cash inflows are not materially affected by changes in market interest rates.

As at the end of reporting period, the Group had following long term variable interest rate borrowings and derivatives to hedge the interest rate risk as follows:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Notional value of liability	2,720.41	5,852.75
Less: Interest Rate Swap on above Liability	(2,720.41)	(5,852.75)
<b>Net exposure</b>	<b>0.00</b>	<b>0.00</b>

## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

Disclosure of Effects of Interest Rate Swaps Hedge accounting on Financial Position as at March 31, 2023

(₹ in lakhs)

Particulars	Nominal value of liability	Carrying amount of hedging instrument	Maturity date	Hedge ratio
Interest Rate Risk				
- Interest Rate Swaps	2,720.41	0.00	December 2023	1:1

### Disclosure for gain / (loss) recognised in cashflow hedging reserve and recycled during the year

For 2022-23

(₹ in lakhs)

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	86.61	0.00	0.00	(109.05)	(109.05)	(22.44)

For 2021-22

(₹ in lakhs)

Particulars	Opening Balance	Net amount recognised	Recycled			Closing Balance
			Net amount to P & L	Net amount added to non financial assets	Total amount recycled	
Forex - Interest Rate Swaps	435.30	0.00	0.00	348.69	348.69	86.61

### Interest rate sensitivity

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

### (ii) Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group enters into forward exchange contracts to hedge its foreign currency exposures in US\$ and Euro.

#### a) Exposure in foreign currency - Hedged

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

The Forward Exchange Contracts used for hedging foreign exchange currency exposure and outstanding as at reporting date as at under:

(₹ in lakhs)

Particulars	As At March 31, 2023			As At March 31, 2022		
	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent	No. of Contracts	Amount in Foreign Currency	Indian Rupee Equivalent
Forward Contract to Sell	57	\$180.34	15,006.74	122	\$197.25	14,953.52
Forward Contract to Purchase	11	\$29.21	477.50	21	\$61.62	4,671.15
Forward Contract to Sell	53	€ 110.00	9,948.87	51	€ 64.25	5,439.41

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**
**b) The unhedged exposures as at the end of the reporting date are as follows**

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
<b>Financial Assets</b>				
Trade Receivables	6,684.96	\$82.31	3,693.89	\$48.71
Trade Receivables	0.00	€ 0.00	1,002.60	€ 11.84
<b>Financial Liabilities</b>				
Trade Payables	448.32	\$5.52	0.00	\$0.00
Trade Payables	86.92	€ 0.97	5.63	€ 0.07
Long term Borrowings	1,103.74	\$13.59	5,852.75	\$77.21
<b>Net Exposure - US\$</b>	<b>5,132.90</b>	<b>\$63.20</b>	<b>(2,158.86)</b>	<b>(\$28.50)</b>
<b>Net Exposure - EUR</b>	<b>(86.92)</b>	<b>(€ 0.97)</b>	<b>996.97</b>	<b>€ 11.77</b>

In case of change in the currencies by 1%, the change in the profit would be as under :

(₹ in lakhs)

Particulars	As At March 31, 2023			As At March 31, 2022		
	Change	US\$	EURO €	Change	US\$	EURO €
1% Depreciation in ₹	1%	51.33	(0.87)	1%	(21.59)	9.97
1% Appreciation in ₹	1%	(51.33)	0.87	1%	21.59	(9.97)

**(iii) Market Price Risks**

The Group is exposed to the price risk associated with purchasing of the raw materials. . The Group typically does not enter into formal long-term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the Group's business and results of operations. To mitigate this the Group has a risk management strategy in place wherein the senior management reviews the supply chain scenarios, commodity prices and supplier contracts periodically to avoid material impact on profitability of the Group.

**2) Credit Risk**

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares and Balances with Banks.

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

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits (generally between 30 to 90 days) and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The outstanding trade receivables due for a period exceeding 180 days as at the year ended March 31, 2023 is 0.39% (P.Y. 0.18%) of the total trade receivables. The Group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.



## Notes Forming Integral Part of the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### 3) Liquidity Risk

The Group manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Group has obtained fund based borrowings from banks. The Group invests its surplus funds in bank fixed deposit which carry low credit risks.

All payments are made on due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Group has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

#### Maturity Profile of Financial Liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

#### As At March 31, 2023

Particulars	(₹ in lakhs)				
	Balance As At March 31, 2023	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings (including Current maturity on Long Term Borrowings)	2,720.41	2,720.41	0.00	0.00	0.00
Lease Liability	132.07	50.50	67.37	14.20	0.00
Trade Payable	17,583.18	17,583.18	0.00	0.00	0.00
Deposits from customer	318.87	318.87	0.00	0.00	0.00
Dividend Payable	1.99	1.99	0.00	0.00	0.00

### NOTE 56 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 FOR COMPANY PREPARING CONSOLIDATED FINANCIAL STATEMENTS:

Sr. No	Name of the entity	(₹ in lakhs)							
		Net Assets i.e Total Assets (minus) Total Liabilities		Share in Profit or Loss		Share in other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other comprehensive Income	Amount
<b>A</b>	<b>Parent</b>								
A.1	Fine Organic Industries Limited	98.76%	1,52,213.20	95.55%	59,059.89	100.00%	63.11	95.55%	59,123.00
<b>B</b>	<b>Subsidiaries- Foreign</b>								
B.1	Fine Organics (USA) Inc	3.40%	5,240.49	7.78%	4,807.13	0.00%	-	7.77%	4,807.13
B.2	Fine Organics Europe BV	4.08%	6,281.40	6.56%	4,055.42	0.00%	-	6.55%	4,055.42
<b>C</b>	<b>Joint Ventures (Investment as per equity method)</b>								
C.1	Fine Zeelandia Private Limited	(0.77%)	(1,186.04)	(0.26%)	(160.58)	0.00%	-	(0.26%)	(160.58)
C.2	Fine Organic Industries (Thailand) Co., Limited	(0.01%)	(17.58)	(0.03%)	(16.85)	0.00%	-	(0.03%)	(16.85)
<b>D</b>	<b>Adjustments arising out of consolidation</b>	(5.45%)	(8,406.56)	(9.60%)	(5,934.77)	0.00%	-	(9.59%)	(5,934.77)
	<b>Total</b>	<b>100.00%</b>	<b>1,54,124.89</b>	<b>100.00%</b>	<b>61,810.23</b>	<b>100.00%</b>	<b>63.11</b>	<b>100.00%</b>	<b>61,873.35</b>

**Notes Forming Integral Part of the Consolidated Financial Statements  
for the year ended March 31, 2023 (Contd.)**

(₹ in lakhs)

Sr. No	Name of the entity	Net Assets i.e Total Assets (minus) Total Liabilities		Share in Profit or Loss		Share in other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other comprehensive Income	Amount
<b>A</b>	<b>Parent</b>								
1	Fine Organic Industries Limited	99.93%	95,849.60	96.52%	25,066.93	100.00%	271.50	96.56%	25,338.43
<b>B</b>	<b>Subsidiaries- Foreign</b>								
1	Fine Organics (USA) Inc	1.17%	1,126.66	4.81%	1,248.40	0.00%	-	4.76%	1,248.40
2	Fine Organics Europe BV	2.55%	2,441.94	7.29%	1,892.69	0.00%	-	7.21%	1,892.69
	Minority Interest on all Subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>C</b>	<b>Joint Ventures (Investment as per equity method)</b>								
	Fine Zeelandia Private Limited	(1.07%)	(1,025.47)	(0.39%)	(102.15)	0.00%	-	(0.39%)	(102.15)
	Fine Organic Industries (Thailand) Co., Limited	(0.00%)	(0.73)	(0.00%)	(0.73)	0.00%	-	(0.00%)	(0.73)
<b>D</b>	<b>Adjustments arising out of consolidation</b>	<b>(2.58%)</b>	<b>(2,471.81)</b>	<b>(8.22%)</b>	<b>(2,134.23)</b>	<b>0.00%</b>	<b>-</b>	<b>(8.13%)</b>	<b>(2,134.23)</b>
	<b>Total</b>	<b>100.00%</b>	<b>95,920.19</b>	<b>100.00%</b>	<b>25,970.91</b>	<b>100.00%</b>	<b>271.50</b>	<b>100.00%</b>	<b>26,242.41</b>







**We manufacture specialty green additives for diverse applications:**



**FINE ORGANIC INDUSTRIES LIMITED**

Fine House, Anandji Street, Off M.G. Road,  
Ghatkopar East, Mumbai 400 077, Maharashtra, India  
Tel: +91 (22) 2102 5000 | Fax: +91 (22) 2102 8899  
Email: [investors@fineorganics.com](mailto:investors@fineorganics.com)  
Website: [www.fineorganics.com](http://www.fineorganics.com)

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that Twenty-First Annual General Meeting (“AGM”) of the Members of Fine Organic Industries Limited will be held on Thursday, August 24, 2023, at 11.00 a.m. through video conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, along with the Report of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, along with the Report of Auditors thereon.
3. To declare a Final Dividend of Rs. 9/- per equity share of face value of Rs. 5/- each for the financial year ended March 31, 2023.
4. To appoint a Director in place of Mr. Jayen Shah (DIN: 00106919), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

### 5. Ratification of Remuneration to Cost Auditors.

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force, the remuneration payable to M/s. Y. R. Doshi & Associates, Cost Accountants, having Firm Registration Number 000286, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of cost

records of the Company for the financial year ending on March 31, 2024, amounting to Rs. 3,50,000/- (Rupees Three Lakh Fifty Thousand only) plus Goods and Service Tax as applicable and reimbursement of actual out of pocket expenses, be and is hereby ratified.”

### 6. Commission to Non-Executive Directors of the Company (other than Managing Director and Whole Time Directors)

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

“**RESOLVED THAT** in supersession of the resolution passed by the members in the Twentieth Annual General Meeting held on August 23, 2022, pursuant to the provisions of Section 197, 198 and all other applicable provisions of the Companies Act, 2013 (“the Act”), read with Schedule V to the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof), so long as the Company has a Managing Director or Whole-time Director or Manager, the Company do pay to its Directors (other than the Managing Director and Whole-time Director), a commission not exceeding 1% of the net profits of the Company in any financial year, commencing from April 1, 2023, computed in the manner laid down in Section 198 of the Act, such commission being divisible among the Directors (other than the Managing Director and Whole-time Director) in such proportion as the Board of Directors may from time to time determine PROVIDED HOWEVER THAT the aggregate amount of commission being paid to such Directors (other than the Managing Director and Whole-time Director) shall not exceed Rs. 1.50 Crore (Rupees One Crore Fifty Lakh Only) during any financial year.



**NOTICE OF ANNUAL GENERAL MEETING (Contd.)**

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter and take such further steps, as may be considered desirable or expedient by the Board for the purpose of giving effect to this Resolution.”

**By Order of the Board of Directors**  
For **Fine Organic Industries Limited**

**Pooja Lohor**  
**Company Secretary**

Date: May 24, 2023  
Place: Mumbai

**Registered Office:**  
**FINE ORGANIC INDUSTRIES LIMITED**  
CIN: L24119MH2002PLC136003  
Fine House, Anandji Street,  
Off M.G. Road, Ghatkopar East,  
Mumbai - 400 077, Maharashtra, India  
Tel: +91-22-21025000, Fax: +91-22-21026666  
E-mail: investors@fineorganics.com  
Website: www.fineorganics.com

## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

### NOTES:

1. The Ministry of Corporate Affairs ('MCA') has vide its General circular dated December 28, 2022, read with General Circulars dated May 5, 2022, January 13, 2021, May 5, 2020, April 13, 2020, and April 8, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM without physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its Circulars dated January 5, 2023, May 13, 2022, January 15, 2021 and May 12, 2020 ('SEBI Circulars') has also granted relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permitted the holding of AGM through VC/OAVM without physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and the MCA Circulars, the 21<sup>st</sup> AGM of the Company is being held through VC/OAVM.
2. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy by the Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In accordance with the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on the applicability of Secretarial Standards - 1 and 2 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc. authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote either through remote e-voting or during AGM together with attested specimen signature(s) of the duly authorised representative(s). The said Resolution / Authorization shall be sent electronically through registered email address to the Scrutinizer at [co.secretaries@gmail.com](mailto:co.secretaries@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com).
5. Participation of Members through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
6. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 and 6 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
7. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website [www.fineorganics.com](http://www.fineorganics.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of KFin Technologies Limited (KFinTech) at <https://evoting.kfintech.com>.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 17, 2023, to Thursday, August 24, 2023, (both days inclusive) for the purpose of determining the members who shall be entitled to receive the dividend for the financial year 2022-23. The final dividend for the Financial Year 2022-23, if declared at the AGM, will be paid on and from 6th day from the conclusion of AGM to those members, whose names appear in the Register of Members and Register of Beneficial Owners maintained by NSDL and CDSL as at the close of business hours on Wednesday, August 16, 2023.
9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, PAN etc., to their depository participant (DP).

## **NOTICE OF ANNUAL GENERAL MEETING (Contd.)**

Changes intimated to the DP will then be automatically reflected in the Company records which will help the Company and the Company's Registrars and Transfer Agents, KFintech to provide efficient and better services.

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, has made it mandatory for shareholders holding shares in physical form to furnish PAN, KYC (i.e., postal address with pin code, email address, mobile number, bank account details, specimen signature, Demat account details) and their nominee details to the KFintech. Further details and relevant forms to update the abovementioned are available on the Company's website at <https://www.fineorganics.com/investor-kyc-updation/>

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the weblink at <https://www.fineorganics.com/investor-kyc-updation/>

- 10.** As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members are requested to hold the shares in dematerialized form.
- 11.** As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their Depository Participant (DP) in case the shares are held in electronic form and to KFintech in case the shares are held in physical form.
- 12.** Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.
- 13.** In case the Company is unable to pay the dividend to any Member directly in their bank account through the electronic mode, due to non-availability of their latest bank account details, the Company shall dispatch the dividend warrant/demand draft to such Members.
- 14.** Pursuant to Section 101 and Section 136 of the Act read with the relevant Rules made thereunder, to support the 'Green Initiative' announced by the Government of India; read with applicable circulars, the Company is sending the Annual Report, Notice of the AGM and e-voting instructions only in electronic form to the registered email addresses of the Members. Therefore, those Members who have not yet registered their email addresses or who have become Members post sending this Notice of AGM are requested to get their email addresses registered by following the procedure given below:
  - i. Those Members who have not registered their email address, mobile numbers, address and bank details (including any changes thereof) may please contact and validate/update their details with their respective Depository Participant(s) for shares held in electronic form.
  - ii. Member may send an email request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy for electronic folios for sending the Annual report, Notice of AGM and the e-voting instructions by email.
  - iii. Members only desiring to download the Annual Report and Notice of the AGM, may visit the website of the Company [www.fineorganics.com](http://www.fineorganics.com) or the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively, or the website of the RTA viz. <https://evoting.kfintech.com/> for the same.

## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

- 15.** Pursuant to Finance Act, 2020, dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source from dividend paid to the Members at the prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to the Finance Act, 2020 and amendments thereof. The Members are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual Member if the total dividend to be received during F.Y. 2023-24 does not exceed Rs. 5,000/-. The withholding tax rate (TDS rate) would vary depending on the residential status of the Member and the documents submitted by them and accepted by the Company.

A Resident individual Member with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to investors@fineorganics.com latest by 11:59 p.m. (IST) on August 16, 2023.

Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

In respect of resident Members, the TDS rate is subject to section 206AB of the Income-tax Act (effective from July 1, 2021) which specifies higher rate of TDS for specified persons who have not furnished their PAN / Not filed ITR for preceding two years. In such cases tax has to be deducted at higher of the following rates in case of payments to the specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

In cases where Sections 206AA and 206AB are applicable i.e. the Member has not submitted the PAN as well as not filed the return; tax will be deducted at higher of the two rates prescribed in these sections.

Non-resident Members can avail beneficial rates under tax treaty between India and their country of residence,

subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investors@fineorganics.com. The aforesaid declarations and documents need to be submitted by the Members latest by 11:59 p.m. (IST) on August 16, 2023.

- 16.** The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to investors@fineorganics.com.

### **17. Voting through electronic means**

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with, Rule 20 of Companies (Management and Administration) Rules, 2014 (amended from time to time) and sub-regulation (1) & (2) of Regulation 44 of Listing Regulations, the Company is pleased to provide Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 21<sup>st</sup> AGM by electronic means and has engaged the services of KFinTech to provide the facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') as well as e-voting at the AGM through VC/OAVM ('e-voting at the AGM').

Remote E-voting: The remote e-voting period commences on Saturday, August 19, 2023, from 9.00 a.m. and ends on Wednesday, August 23, 2023, at 5.00 p.m. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being Wednesday, August 16, 2023, may cast their vote by electronic means in the manner and process set out herein below. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.





**NOTICE OF ANNUAL GENERAL MEETING (Contd.)**

The instructions and other information relating to remote e-voting are as under:

**I. Login method for e-Voting: Applicable only for Individual Members holding securities in Demat**

As per the SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with their respective Depositories and Depository Participants as detailed below. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Option 1 – Login through Depositories**

NSDL	CDSL
<p><b>1. Members who have already registered and opted for IDeAS facility to follow below steps:</b></p> <ul style="list-style-type: none"> <li>i) Go to URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>ii) Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</li> <li>iii) On the new page, enter the existing User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>iv) Click on the company name or e-Voting service provider and you will be re-directed to e-Voting service provider website (i.e. KFintech) for casting the vote during the remote e-Voting period.</li> </ul>	<p><b>1. Members who have already registered and opted for Easi / Easiest to follow below steps:</b></p> <ul style="list-style-type: none"> <li>i) Go to URL: <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a> or</li> <li>ii) URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> and then go to Login and select New System Myeasi.</li> <li>iii) Login with user id and password.</li> <li>iv) The option will be made available to reach e-Voting page without any further authentication.</li> <li>v) Click on Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.</li> </ul>
<p><b>2. User not registered for IDeAS e-Services</b></p> <ul style="list-style-type: none"> <li>i) To register click on the link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> (Select “Register Online for IDeAS”); or <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>ii) Proceed with completing the required fields.</li> </ul>	<p><b>2. User not registered for Easi/Easiest</b></p> <ul style="list-style-type: none"> <li>i) Option to register is available at: <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a></li> <li>ii) Proceed with completing the required fields.</li> </ul>
<p><b>3. First-time users can visit the e-Voting website directly and follow the process below:</b></p> <ul style="list-style-type: none"> <li>i) Go to URL: <a href="http://www.evoting.nsd.com/">www.evoting.nsd.com/</a></li> <li>ii) Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>iii) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>iv) Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>v) Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website (i.e. KFintech) for casting your vote during the remote e-Voting period.</li> </ul>	<p><b>First-time users can visit the e-Voting website directly and follow the process below:</b></p> <ul style="list-style-type: none"> <li>i) Go to URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii) Click on the icon “E-Voting”</li> <li>iii) Provide demat Account Number and PAN No.</li> <li>iv) System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress.</li> <li>vi) Click on the company name and you will be redirected to e-Voting service provider website (i.e. KFintech) for casting your vote during the remote e-Voting period.</li> </ul>
<p><b>4. Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for a seamless voting experience</b></p> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>       <b>Google Play</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>	

## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

### Option 2 - Login through Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website of KFintech for casting your vote during the remote e-Voting period.

#### Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the abovementioned website. For any technical issues, Members may contact as below:

NSDL	CDSL
NSDL helpdesk by email to: evoting@nsdl.co.in or call at toll-free no.: 1800 1020 990 or 1800 22 44 30	CDSL helpdesk by email to: helpdesk.evoting@cdslindia.com or call at 022-23058738, 23058542-43

### II. Login method for e-Voting: Applicable only for Members holding shares in physical form and for Non-Individual Members (holding shares either in physical or demat):

A. Members whose email IDs are registered with the Company / Depository Participant(s):

- (i) Launch internet browser by typing the URL: <https://evoting.kfintech.com/>.
- (ii) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN) i.e. 7445, USER ID and password. Members are requested to use these credentials at the Remote Voting Login at the abovementioned URL.
- (iii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.

- (iv) After entering these details appropriately, click on "LOGIN".
- (v) You will now reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc). The system will prompt you to change your password and update your contact details like mobile number, email ID etc., on first login. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (vi) You need to login again with the new credentials.
- (vii) On successful login, the system will prompt you to select the "EVENT" i.e., Fine Organic Industries Limited –.
- (viii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST", it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- (x) Voting has to be done for each resolution of the 21<sup>st</sup> AGM Notice separately. In case you do not desire to cast your vote on any specific resolution it will be treated as abstained.
- (xi) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xii) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they confirm the voting on all the resolutions by clicking "SUBMIT".



**NOTICE OF ANNUAL GENERAL MEETING (Contd.)**

- B. Members who have not registered their e-mail address
- i. Please register your email address as mentioned in para 14 of the “Notes” and obtain the User ID and Password.
  - ii. Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
    - I. Voting at the AGM: Those Members who are present in the Meeting through VC / OAVM and have not cast their vote on resolutions through remote e-voting, can vote through e-voting at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.
    - II. A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

**Other Instructions:**

- a. Members holding shares either in physical form or in dematerialized form, as on the close of business hours on Wednesday, August 16, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Any person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- b. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date, i.e. Wednesday, August 16, 2023, may obtain the login ID and password in the manner as mentioned below:
  - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event

Number + Folio No. or DP ID Client ID to +91 9212993399

1. Example for NSDL:  
MYEPWD <SPACE> IN12345612345678
  2. Example for CDSL:  
MYEPWD <SPACE> 1202345612345678
  3. Example for Physical:  
MYEPWD <SPACE> XXXX1234567890  
(XXXX being E-Voting Event Number)
- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> , the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. In case of any queries, you may refer Help or ‘FAQs’ and ‘User Manual’ for Members available at the ‘Download’ section on the website (bottom corner) of Kfintech at <https://evoting.kfintech.com/> or call KFintech on Toll-Free No. 1-800-3094-001.
  - iv. Member may send an e-mail request to [ris@kfintech.com](mailto:ris@kfintech.com). However, KFintech shall endeavour to send User ID and Password to those new Members whose e-mail IDs are available.
  - c. The Board of Directors has appointed M/s. K S & Associates, Practicing Company Secretaries (C. P. No.5163) as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - d. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon 3 unsuccessful attempts to key in the correct password. In such an event, you will need to go through the ‘Forgot User Details/Password?’ option available on [https://evoting.kfintech.com](https://evoting.kfintech.com/) to reset the password.
  - e. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make not



## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

- f. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.fineorganics.com](http://www.fineorganics.com)) and on e-voting at <https://evoting.kfintech.com> and will be communicated to the BSE Ltd. and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

### 18. Instructions for Members attending the AGM through VC/OAVM and E-voting at the AGM

- a. Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com/> by clicking on the tab 'video conference' and using their e-voting login credentials provided in the email received from the Company / KFintech. After logging in, click on the Video Conference tab and select the EVENT and name of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the Members who have not registered their e-mail address or do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice.
- b. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such scheduled time.
- c. The e-Voting window shall be activated upon instructions of the Chairman during the AGM proceedings. Upon the declaration by the Chairperson about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page. Members would need to click on the "Instapoll" icon and follow the instructions to vote on the resolutions. Only those shareholders, who are present in the AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.
- d. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- e. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- f. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by visiting <https://emeetings.kfintech.com> and clicking on the tab 'Speaker Registration' and mentioning their registered email id, mobile number and city during the period starting from Saturday, August 19, 2023, (from 9.00 a.m.) to Tuesday, August 22, 2023 (up to 5.00 p.m.) Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- g. Post your Question: Members may who may want to express their views or post questions with regard to the accounts or any matter to be placed at the AGM, may do so by visiting <https://emeetings.kfintech.com>. On successful login select "Post Your Question" option to post their queries in the window provided. The window shall remain active from Saturday, August 19, 2023, at 9.00 a.m. up to Tuesday, August 22, 2023, at 5.00 p.m.

Please note that questions of only those Members will be entertained/considered who are holding shares of Company as of the cut-off date i.e. Wednesday, August 16, 2023.

**NOTICE OF ANNUAL GENERAL MEETING (Contd.)**

- h. A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL:

<https://cruat04.kfintech.com/emeetings/video/howitworks.aspx>

- i. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at toll free number 1-800-309-4001 or write to them at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Applications developed by Kfintech which can be used by the shareholders**

As an ongoing endeavour to enhance investor experience and leverage new technology, our Registrar and transfer agents (RTAs), KFIN Technologies Limited have been continuously developing new applications. Here is a list of applications that has been developed by Kfintech.

**Investor Support Centre:** A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption

status, Upload exemption forms (TDS), Download all ISR and other related forms.

URL: <https://ris.kfintech.com/clientservices/isc/default.aspx>

**eSign Facility:** Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to investors for raising service requests. Kfintech is the only RTA which has enabled the option and can be accessed via the link below.

<https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d>

**KYC Status:** Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have the requisite information regarding their folios.

URL: <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>

**KPRISM:** A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.

URL: <https://kprism.kfintech.com/signin.aspx>

**Summarized information at glance:**

Particulars	Details
Time and Date of AGM	Thursday, August 24, 2023 at 11.00 a.m. (IST)
Venue/Mode	Through video conference at below link: <a href="https://emeetings.kfintech.com/">https://emeetings.kfintech.com/</a>
Book closure dates	Thursday, August 17, 2023 to Thursday, August 24, 2023 (both days inclusive)
Record date for payment of final dividend	Wednesday, August 16, 2023
Final dividend recommended for FY'23	Rs. 9/- per equity share
Cut-off date for e-voting	Wednesday, August 16, 2023
E-voting Start time and date	Saturday, August 19, 2023 at 9.00 a.m.
E-voting end time and date	Wednesday, August 23, 2023 at 5.00 p.m.
E-voting website links (Please use as applicable to you)	<a href="https://emeetings.kfintech.com/">https://emeetings.kfintech.com/</a> <a href="https://evoting.kfintech.com">https://evoting.kfintech.com</a> <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a>
E-voting Event Number (EVEN)	7445

**NOTICE OF ANNUAL GENERAL MEETING (Contd.)**

<b>Particulars</b>	<b>Details</b>
Contact details of RTA	Mr. Umesh Pandey, Manager KFin Technologies Limited Selenium, Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500032, Telangana, India Email ids: einward.ris@kfintech.com umesh.pandey@kfintech.com Website: <a href="https://www.kfintech.com">https://www.kfintech.com</a> Toll free number 1-800-309-4001.

**By Order of the Board of Directors**  
For **Fine Organic Industries Limited**

**Pooja Lohor**  
**Company Secretary**

Date: May 24, 2023  
Place: Mumbai

**Registered Office:**  
**FINE ORGANIC INDUSTRIES LIMITED**

CIN: L24119MH2002PLC136003  
Fine House, Anandji Street,  
Off M.G.Road, Ghatkopar East,  
Mumbai - 400 077, Maharashtra, India  
Tel: +91-22-21025000, Fax: +91-22-21026666  
E-mail: [investors@fineorganics.com](mailto:investors@fineorganics.com)  
Website: [www.fineorganics.com](http://www.fineorganics.com)

## **NOTICE OF ANNUAL GENERAL MEETING (Contd.)**

### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

#### **Item No. 5**

Pursuant to the provisions of Section 148 of the Act, the Company is required to conduct the audit of its cost records by a Cost Accountant in Practice. Upon the recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment and remuneration of M/s. Y. R. Doshi & Associates, Cost Accountants as the Cost Auditors of the Company to conduct audit of cost records of the Company for the financial year 2023-24, at a remuneration of Rs. 3,50,000/- (Rupees Three Lakh Fifty Thousand only) plus Goods and Service Tax (GST) as applicable and reimbursement of actual out-of-pocket expenses incurred.

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2023-24.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the Resolution mentioned at Item No. 5 of the Notice.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 5 of the Notice for the approval of the Members.

#### **Item No. 6**

A company may pay remuneration to its directors who are neither managing directors nor whole-time directors in accordance with the provisions of section 197 the Companies Act, 2013 ("the Act"), the Rules made thereunder and as per Schedule V to the Act.

Further, in accordance with the provisions of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any remuneration to non-executive directors other than sitting fees shall be approved by the shareholders of the Company in general meeting.

The Company at its 20th Annual General Meeting held on August 23, 2022 had approved the payment of commission to non-executive Directors of the Company which shall not be exceeding 1% of net profits of the Company (computed in the manner laid down in section 198 of the Act) subject to aggregate amount not exceeding Rs. 1.00 crore in any financial year, commencing from April 1, 2021, and such commission shall be divisible among the Directors in such proportion as the Board of Directors may from time to time determine.

On recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on May 24, 2023, approved revision in the aforesaid ceiling of aggregate amount towards payment of commission to Non-executive Directors of the Company (other than Managing Director and Whole Time Directors) from Rs. 1.00 crore to Rs. 1.50 crore which shall not be exceeding 1% of the net profits of the Company (computed in the manner laid down in Section 198 of the Act) in any financial year, commencing from April 1, 2023, and such commission shall be divisible among the Directors in such proportion as the Board of Directors may from time to time determine.

It is proposed to seek Members approval for the revision in payment of commission described as above to Non-executive Directors of the Company (other than Managing Director and Whole Time Directors) in any financial year with effect from April 1, 2023.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives except all of the Non-Executive Directors and their respective relatives are deemed to be concerned or interested in the Resolution mentioned at Item No. 6.

The Board of Directors recommends the Special Resolution as set out in Item No. 6 of the Notice for the approval of the Members.

**NOTICE OF ANNUAL GENERAL MEETING (Contd.)****Details of the Director seeking appointment/ re-appointment at the ensuing Annual General Meeting**

<b>Name of Director</b>	<b>Jayen Shah</b>
<b>Date of Birth</b>	August 6, 1963
<b>Age</b>	58 years
<b>Director Identification Number</b>	00106919
<b>Date of First Appointment</b>	May 24, 2002
<b>Qualification, Experience in specific functional areas and brief resume</b>	Mr. Jayen Shah holds a Master's degree in science (Oil Technologies) from the University of Mumbai (UDCT). He joined the Fine Organics Group in 1986 and has been associated with the Company since inception. He was instrumental in creating a vendor-partner network needed to support the Company. He played a key role in developing and managing channel partners for the organization's products in India. He has experience in procurement, vendor development and business development. He has received the distinguished alumnus award under the entrepreneurship category by UAA, ICT in May 2021.
<b>Directorship in other Companies*</b>	NIL
<b>Chairperson / Member of the Committees of the Board of Directors of the Company</b>	Corporate Social Responsibility Committee - Chairman Audit Committee - Member Stakeholders Relationship Committee - Member Risk Management Committee - Member Executive Committee - Member Strategic Growth Committee - Member
<b>Chairperson / Member of the Committees of the Board of Directors of the other Companies in which he is a Director**</b>	NIL
<b>Terms and conditions of Reappointment / Appointment</b>	Being eligible for retirement by rotation and seeking reappointment at the AGM, the terms and conditions of reappointment are the same as approved by the shareholders at the 20th Annual General Meeting of the Company held on August 23, 2022.
<b>Last Drawn Remuneration (for FY 2022-23)</b>	Salary - Rs. 30,00,000/- p.m. Commission - Rs. 1,00,00,000/- (for the FY 2022-23)
<b>No. of shares held in the Company</b>	34,23,627 Equity shares (Face value of Rs. 5/- per share)
<b>Inter se Relationship between Directors</b>	Brother of Mr. Tushar Shah - Executive Director and CFO of the Company
<b>No. of Board meetings attended during the Financial Year (2022-23)</b>	5
<b>Listed Companies from which he/she resigned in the past three years</b>	NIL

\*Includes Directorships in Public Companies only.

\*\*Includes the Chairpersonship/ Membership in the Audit Committee and Stakeholders Relationship Committee only of the Public Companies.