





WE ARE **OMNIPRESENT**



ACROSS THE PAGES

► BUSINESS OVERVIEW 03-21

Fine Organics – A corporate inspired by nature, part of your life 04 | The Fine story of success 08 | The soul of life 10 | The heart of life 12 | The pulse of life 14 | ED and Chairman's message 16 | Financial highlights (Standalone) 18 | Board of Directors 20 | Corporate information 21

► STATUTORY REPORTS 22-70

Management Discussion and Analysis 22 | Directors' Report 27 | Corporate Governance 58

► FINANCIAL SECTION 71-187

Standalone Financials 71 | Consolidated Financials 129 | Proxy Form | Attendance Slip

Please find our online version at

<https://www.fineorganics.com/investor-relations/financial-information/annual-reports>

Or

Simply scan to download



► INVESTOR INFORMATION

CIN : U24119MH2002PLC136003
BSE code : 541557
NSE code : FINEORG
Bloomberg code : FINEORG:IN
AGM date : 25th September, 2018
Venue : Kanji Khetsey Sabhagriha,
Bhartiya Vidya Bhavan,
K.M. Munshi Marg,
Mumbai 400 007

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

► **₹ 8,520.41 Millions**

Revenue from Operations
(net off taxes) in 2017-18

► **₹ 1,639.76 Millions**

Operating EBITDA in 2017-18

► **₹ 1,013.35 Millions**

PAT in 2017-18

► **₹ 4,084.53 Millions**

Net Worth as on 31st March, 2018

*The above figures are on Standalone basis

A TECHNICAL PINCH OF



At Fine Organic Industries Limited (also mentioned as 'Fine Organics' and 'the Company' across the report), we manufacture a wide range of specialty additives that find applications in a very small proportion (0.1% - 0.5%) across development of several products in Foods, Plastics, Rubber, Cosmetics and Coatings etc. But, it touches your lives in many ways.

Our intelligent symphony of providing customised, research-driven innovative solutions to our customers have allowed us to develop a niche identity for ourselves and attain a leadership position in India as well as in the global market.

THANK YOU, INVESTORS!

After operating for 16 years as a private limited company, we made our debut in the bourses. We raised ₹600 Cr through our Initial Public Offering (IPO) and the response was overwhelming – nearly nine times over subscription.

FINE ORGANICS – A CORPORATE INSPIRED BY NATURE, PART OF YOUR



- ▶ PIONEERS AND THE LARGEST MANUFACTURERS OF OLEOCHEMICAL-BASED ADDITIVES IN INDIA AND A STRONG PLAYER GLOBALLY.
- ▶ ONE OF THE SIX GLOBAL PLAYERS IN THE FOOD ADDITIVES INDUSTRY.
- ▶ ONE OF THE FIVE GLOBAL PLAYERS IN THE PLASTIC ADDITIVES INDUSTRY.
- ▶ FIRST COMPANY TO INTRODUCE SLIP ADDITIVES IN INDIA AND LARGEST PRODUCER OF SLIP ADDITIVES IN THE WORLD.
- ▶ ONE OF THE LEADING PLAYERS TO DEVELOP PROPRIETARY TECHNOLOGY TO MANUFACTURE GREEN ADDITIVES

Established in 1970 as a food additives producer, Fine Organics enjoys the first-mover advantage in manufacturing oleochemicals-based additives in India.

These additives are organic in nature which are derivative products of various vegetable oils. Though these solutions help the end product derive its properties and distinctive characteristics, they form a very small proportion of the total input and a crucial part of manufacturing process and for the properties of the end products.

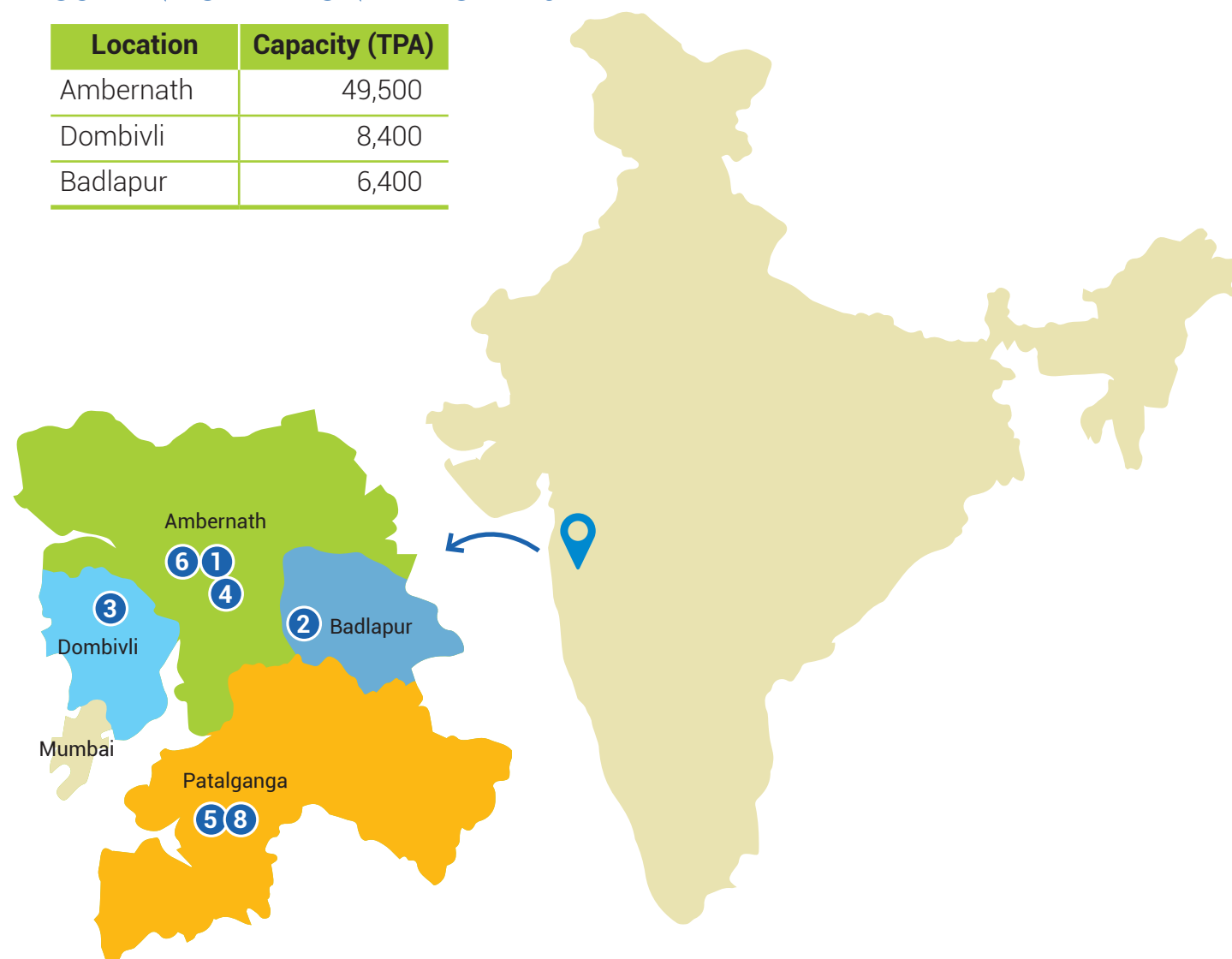
The Company has three manufacturing facilities located at Ambarnath, Badlapur and Dombivali with combined capacities of 64,300 TPA. It has developed an in-house technology and processes supported by strong Research and Development (R&D), which results in delivering best quality products and new additives and its derivatives, as per the needs of the customers.

▶ **387**

Product Basket as on
31st March, 2018

► CURRENT OPERATIONAL FACILITIES

Location	Capacity (TPA)
Ambernath	49,500
Dombivli	8,400
Badlapur	6,400



- 1 1st Ambernath Facility 2 Badlapur Facility 3 Dombivli Facility 4 2nd Ambernath Facility
 5 Fine Zeelandia (Patalganga) 6 3rd Ambernath Facility 7 German Facility 8 Patalganga Facility

► VISION

To become the preferred solution provider of Oleochemical derivatives globally.

► MISSION

- To use our expertise in oleo chemistry and build a portfolio of additives and ingredients
- To continue building state-of-the-art infrastructure for research and manufacturing
- To develop a lean empowered team that are aligned with the organisation's core values

► PROPOSED EXPANSION PLANS

67,000 TPA Proposed Expansion Plans	Location	Capacity (TPA)	Estimated completion time
	Ambernath (second facility) [@]	5,000	Q2 FY19
	Ambernath (third facility)	32,000	Q1 FY20
	Patalganga Facility	10,000	Q3 FY20
	Germany Facility	10,000	Q1 FY21*
	Fine Zeelandia (Patalganga)	10,000	Completed setting up and trial runs started

[@]Contract manufacturing conducted at second Ambernath facility by Olefine Organics on job work basis

* Subjected to all necessary approvals



► VALUES

- **Integrity**
To display trust, responsibility and accountability in building lasting relationships with customers and stakeholders
- **Execution Excellence**
To demonstrate pride, passion and professionalism
- **Customer-First**
To anticipate and fulfil customer needs
- **Entrepreneurial Thinking**
To convert unconventional ideas into action

THE FINE STORY OF SUCCESS

► 1970

Established as 'Fine Organic Industries', a partnership firm, in Mumbai by Late Shri Ramesh Shah and Shri Prakash Kamat

► 1973

Commissioned first food additives facility in Dombivli

► 1988

Set up second facility in Ambernath

► 2006

Commissioned Fatty acid esters facility in Ambernath

► 2008-2012

Commissioned Polymer additives facility phasewise in Ambernath

► 2014

Signed Joint Venture (JV) with Netherlands-based bakery premix manufacturer – Zeelandia International

► 1995

Incorporated Oleofine Organics (India) Private Limited for expanding the capacity for polymer additives

► 2002

Incorporated the Company under the name of Fine Organic Industries (Mumbai) Private Limited

► 2005

Established R&D Centre in Navi Mumbai

► 2015

Commissioned capacity expansion for food and polymer additives at Ambernath facility

► 2017

Amalgamated Fine Research and Development Centre Pvt Ltd and Fine Specialty Surfactants Pvt Ltd with Fine Organics

► 2018

► Signed JV with Adcotec, Germany for food additives
► Initiated Initial Public Offerings (IPO) and got listed on BSE and NSE



THE SOUL OF



DRIVEN BY INNOVATION AND R&D

At Fine Organics, the consistency and competitiveness of our products have given us a global recognition, acceptance and appreciation. Thanks to our innovative-approach, solution-centric mindset, backed by a strong technology and R&D capabilities.

**EFFECTIVE TECHNOLOGY +
RELENTLESS FOCUS
= INNOVATIVE PRODUCTS
AND SOLUTIONS**

Fine Organics has been touching and inspiring lives in unique ways with its wide range of products. We believe in the power of innovation and technology. Our in-house R&D facility helps in bringing our ideas to execution. The facilities at R&D include organic synthesis, spectroscopy and method development, scale-up synthesis on pilot plants and application development support. As a result, we have been able to offer solutions to unique and unconventional requirements of our customers across India and globally. Fine Organics R&D works very closely with its partners at every stage of development and supports innovation in process and product application development and delivers the desired characteristics and properties of the end products.

And it doesn't end here. Fine Organics is also equipped with self-sustaining technology for plant designing and engineering, in-house technology for process design and engineering developments which otherwise would have increased the Company's capex by over 8 times and would have taken longer commissioning time.



THE HEART OF



LARGE PRODUCT PORTFOLIO, DRIVEN BY END-USER APPLICATIONS

At Fine Organics, we have kept pace with the rising and varied demands of the end user industry and have delivered solutions that knowingly or rather unknowingly form a part of your daily life.

► FOOD ADDITIVES

PRODUCT	APPLICATIONS
Anti-fungal agents/preservatives	Enhances shelf life of Breads, Cakes and the Bakery products and keeps it safer from spoiling or from becoming toxic due to unwanted growth of bacteria, yeast and moulds.
Emulsifiers	Helps food (baked products, extruded foods, chocolates, confectionary, margarine, low-fat spreads and coffee creamer) to get the desired aesthetic structure and texture along with maintaining quality and freshness.
Specialty additives	Used in niche applications like reducing fat in high-quality biscuits or to make high-quality sponge with good volume, structure, sliceability and shelf life.

► PLASTIC ADDITIVES

Slip additives	Reduces friction between plastic products (such as films, bottle caps, wires, cables, and car wipers) and other surfaces when they come in contact while processing or product usage.
Anti-fogging additives	Converts water droplets formed on plastic films (like food packaging and agricultural films) into a continuous transparent water layer, making it suitable for cold and hot fog applications.
Anti-static additives	Dissipates the build-up of electrical charges on plastic materials like films, furniture, flooring and carpets, which otherwise results in attracting dust particles.
Lubricants	Used as flow improvers and mould release agents in PVC pipes, fittings, profiles, foam sheets, tubing, hose pipes, wires and cables and also in engineering plastics.
Anti-scratch	Improves mar resistance, imparts low fogging, improves bonding between filler, polymer and elastomer, enhances flow properties and improves mechanical properties.
Processing aids	Improves the melt processability and handling of high molecular weight polymers which are used in filled compounds for packaging, furniture and moulded articles of various plastic materials.

► OTHER ADDITIVES

Cosmetic and pharmaceutical additives	Ingredients are added in cosmetic and related pharmaceutical products to achieve certain specific properties like: ► Enabling the manufacturing of cosmetic and pharmaceutical products with different structures like creams, gels, pastes, lotions, solutions, varnishes, sticks, powders and aerosols ► Aid cosmetic products in achieving long-term physical stability for transport and storage ► Inhibit germination through moulds, yeast and bacteria ► Increase chemical stability of sensitive active agents towards atmospheric oxygen ► Influence sensory perception like consistency, dispersion on the skin, scent (fragrance) and colour
Rubber additives	Added to improve compounding & processing of Rubber. These rubber additives are used in various types of rubbers for applications such as tyres, conveyor belts, dock fenders, building foundations, automotive parts, hoses, shoe soles and a wide range of domestic appliances.
Paint, Ink and Coating additives	Used as anti-settling agents, emulsifiers, thickening/anti-sagging agents, wetting and dispersing agents, defoamers, biocides and anti-mar waxes for use in paint and coating applications. Additives significantly modify the properties of the main ingredients of paint such as binder, pigments/extenders and solvents. Although used in very small quantities, additives have a significant impact on application properties and performance of coatings and inks. Additives used in the correct order, at appropriate time, and at right levels, are capable of improving the appearance and durability of a coating, the flow of paints and inks, the efficiency of the manufacturing process, and the sustainability of formulations.
Feed nutrition additives	Replaces harmful antibiotics and improves feed efficiency and imparts several technical advantages to the end products.

THE PULSE OF LIFE

COMPETITIVELY PLACED & POISED FOR GROWTH

At Fine Organics, we are competitively placed to leverage the favourable industry dynamics. Over the years, we have developed a niche business and attained a dominant position that will allow us to comfortably meet the demand from India as well as overseas customers.

► LIMITED PLAYERS

The Indian oleochemical market is highly fragmented, while the world over has few players which are very large. Fine Organics is the largest organised player in the Indian market and is prominently marking its presence across the globe.

► HIGHLY REGULATED

The additives have a direct impact on human life as well as the environment, thus necessitating stringent regulatory parameters. The Company's eco-friendly oleo-derived additives follow stringent quality parameters and regulations, governing the industry.

► VERY HIGH ENTRY BARRIERS

Complex technology and manufacturing processes create multiple entry barriers into the oleochemical derived additives industry. Besides, product formulations, innovation and process technology are time and capital intensive. Fine Organics has the early-mover advantage in this industry and has successfully established its in-house manufacturing set up and has been consistently delivering quality products.

► CUSTOMER LOYALTY

Customers value long-term trust built over the years with existing suppliers. Lengthy and expensive product approval processes lead to high switching costs for customers. Due to this, customers rely on established suppliers, as performance ingredients are very critical to their end products. Fine Organics has worked in tandem with their customers and delivered innovative solutions to complex requirements of the customers. Technical services to assist customer to develop new products or improve existing product is highly essential. Fine Organic provides high level of technical services due to in-house application R&D facilities.



REACHING OUT GLOBALLY WITH AN EXTENSIVE DISTRIBUTION NETWORK

► **631**

Customer Base as on
31st March, 2018

► **127**

Distributors as on
31st March, 2018

► **69**

Presence in countries

► **5,000+**

End users

ED AND CHAIRMAN'S MESSAGE



Fine Organics is the largest producer of oleochemical-based additives in India and one of the few large players globally. Since our inception, we have built a diversified product portfolio catering to a variety of high growth industries. In doing so, we have successfully developed our specialised business model amidst high entry barriers in this industry. It is a result of our determination and convictions that has allowed us to prominently establish ourselves in the oleochemical additives space.

Dear Shareholders,

It gives me an immense pleasure and profound satisfaction to present you the 2017-18 annual report of Fine Organics. This is our first annual report, post the successful maiden public issue and listing this year. This has been an important milestone in our corporate strategy and I place on record my gratitude to all the shareholders for their overwhelming response to our IPO and reiterating their faith in our long-term growth story. Regardless of the fact that we are a well-established player in the oleochemical derived additives space, we believe that this move will provide us the right platform to further enhance our brand

name and contribute to the long-term benefits of the Company and its stakeholders.

Poised to grow

As you are aware, Fine Organics is the largest producer of oleochemical-based additives in India and one of the few large players globally. Since our inception, we have built a diversified product portfolio, catering to a variety of high growth industries. In doing so, we have successfully developed our specialised business model amidst high entry barriers in this industry. It is a result of our determination and conviction that has allowed us to prominently establish ourselves in the oleochemical space. We have developed our in-house proprietary technology and process development capabilities with a strong focus on engineering R&D and innovation. As such, we have built our capabilities to deliver customised solutions with a consistent quality and have established long-term relationships with our diversified customer base across India and abroad. Our end-user segments across polymer, food and cosmetics have the potential to deliver substantial growth in the coming years and we are evenly poised to leverage this opportunity and further penetrate into the global markets.

Capacity expansions – the key agenda

At Fine Organics, on-streaming of our 67,000 TPA expansion plans over the next 3 years, form our key agenda. All the facilities at present are in different stages of development. The second Ambernath facility of 5,000 TPA has received clearance from MIDC and shall be operational by Q2 FY19. The third Ambernath facility of 32,000 TPA is expected to go on stream in Q1 FY20. Beside manufacturing food, plastic and cosmetics additive products, we will be focusing on oleochemical derived Feed Nutrition additives. This is a very unique opportunity for us to capture the entire Western and European markets by eliminating the usage of harmful anti-biotics in animal and poultry feeds. The Patalganga facility of 10,000 TPA will be dedicated to food additives for export and growing domestic markets. The pilot scale is already installed and we have received satisfactory response on the sampling. This project is expected to be completed by Q3 FY20. We have also completed setting up of facility at Patalganga of 10,000 TPA for manufacturing premixes for bakery and confectioneries for which trial runs have already started. It is a joint venture

with Netherland-based entity Zeelandia International. Our Germany project of 10,000 TPA is entirely for food additives product range for European markets. It is also a joint venture with Germany-based entity Adcotec. The project is a feather in our cap as the process technology and plant-machinery for this project are entirely supplied by us. This facility is expected to be on stream in Q1 FY21, subject to all the necessary approvals.

Penetrating deeper into the global markets – the key focus

Since the time we made our first exports in the year 2000, we have gradually marked our impression across the globe. We are supplying in major quantities to the developed markets like US, Europe and the Middle East. We have built relationships and delivered solutions that has led to continuous utilisation of our capacities. We are further optimistic about the global opportunities through our product expansion and diversification, into high margin downstream products of bakery and confectionery premixes as well as feed nutrition additives. Our upcoming capacities will cater to these additional demands and enhance our penetration into the global markets.

Manpower and technology – the key drivers

Combination of skilled manpower and technology have the capability to do wonders in the additive space. We have our dedicated manpower, who understand the importance of technology and are determined to develop innovative solutions. We have the technology that meets the global standards. Going ahead, we will continue to explore newer venues of growth in the food, plastics and cosmetics segment.

On behalf of the Board, I would like to thank all the shareholders for the trust reposed in us. We shall diligently focus on expanding our shareholders' worth through our experience and the knowledge of the management team. I also take this opportunity to express my gratitude to our bankers, our customers and especially our employees for their continued support. We hope to carry forward our ambitious goals and continue meeting expectations of our stakeholders going ahead.

Best wishes,

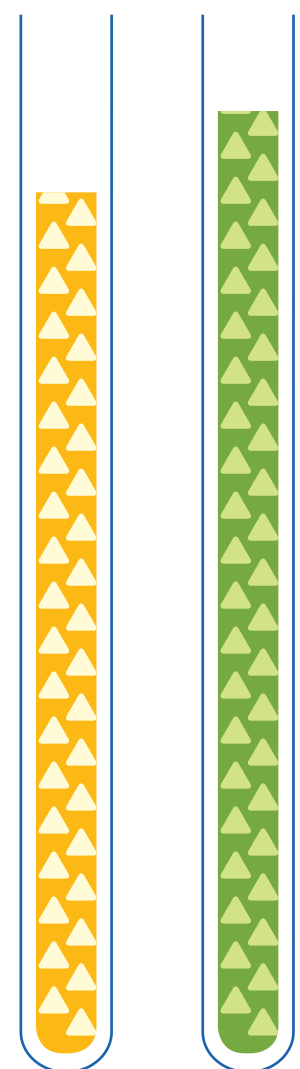
Prakash Kamat

Executive Director and Chairman

FINANCIAL HIGHLIGHTS (STANDALONE)

REVENUE NET OFF TAXES (₹ Millions)

7,776.86 8,520.41

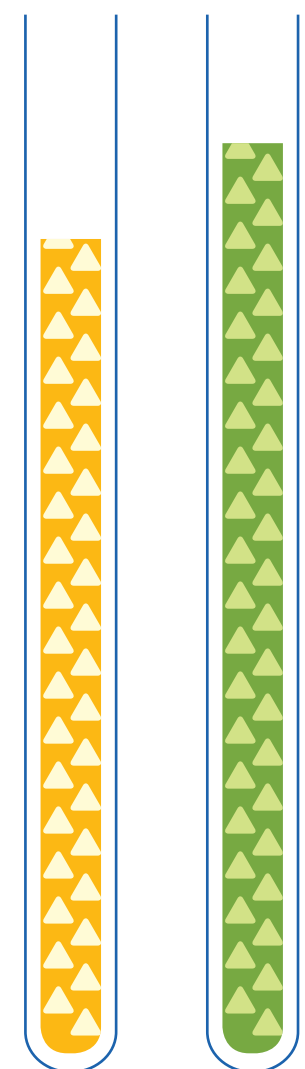


2016-17 2017-18

Up from last year
9.56%↑

EBITDA (₹ Millions)

1,466.84 1,639.76

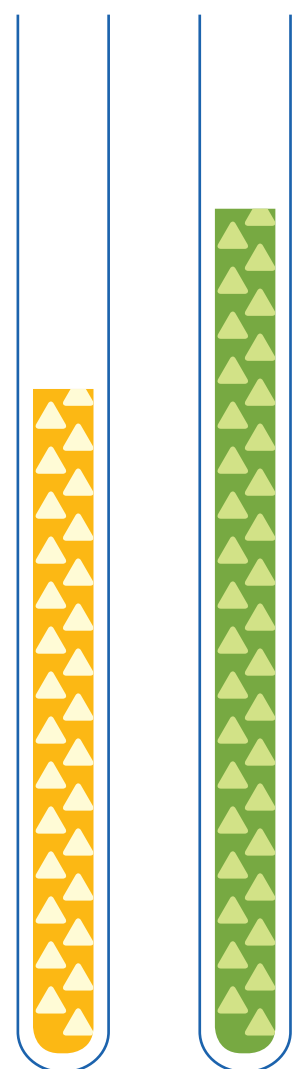


2016-17 2017-18

Up from last year
11.79%↑

PAT (₹ Millions)

799.75 1,013.35

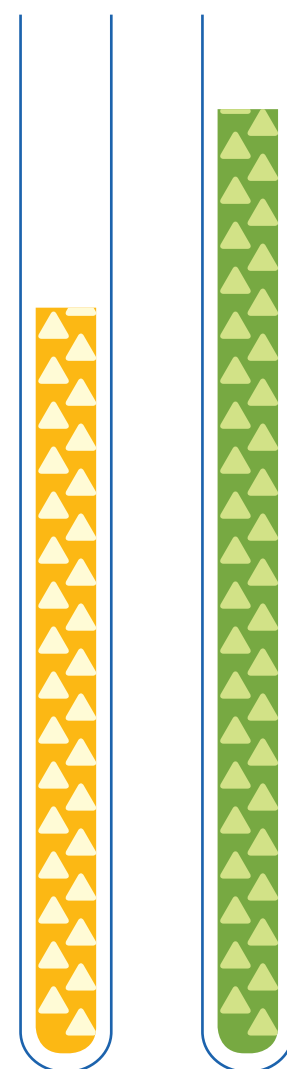


2016-17 2017-18

Up from last year
26.71%↑

EPS (₹)

26.08 33.05

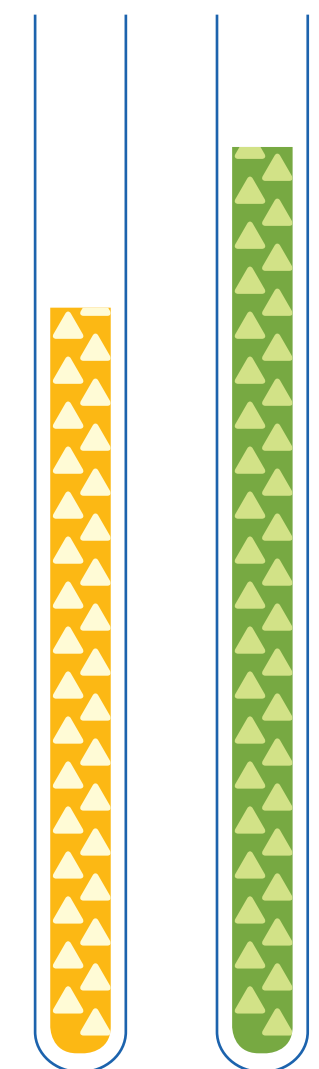


2016-17 2017-18

Up from last year
26.73%↑

NET WORTH (₹ Millions)

3,349.51 4,084.53

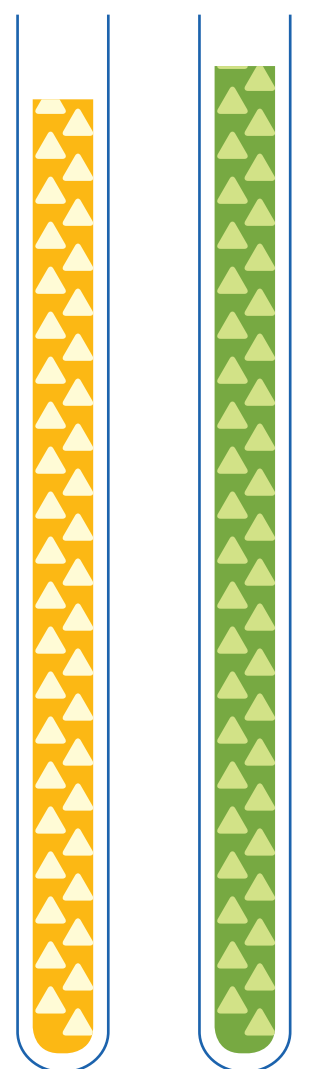


2016-17 2017-18

Up from last year
21.94%↑

ROE (%)

23.88 24.81



2016-17 2017-18

Up from last year
93 bps↑

*EBIDTA : Earnings before Interest Depreciation Tax and Amortisation | *PAT : Profit After Tax
*EPS : Earnings Per Share | *ROE : Return on Equity | *bps: Basis Points

BOARD OF DIRECTORS



Prakash Kamat

Executive Director and Chairman

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



Mukesh Shah

Managing Director

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



Jayen Shah

Executive Director and CEO

- Joined in 1986; holds a Master's degree in Science
- Instrumental in creating a strong vendor-partner network, established Fine Zeelandia private limited (Joint Venture)



Tushar Shah

Executive Director and CFO

- Joined in 1989 and led several initiatives like ERP, CRM, Logistics etc.
- Key role in the development of the first slip additive facility



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
- Led initiatives for new projects and processes, automation of manufacturing process



Prakash Apte

Independent Director

- On the Board since Nov 2017; holds a Bachelor's degree in Mechanical Engineering
- Previously served as MD of Syngenta India



Kaushik Shah

Independent Director

- On the Board since Jan 2018; holds a Bachelor's degree in Commerce, Qualified Chartered Accountant and Company Secretary
- Previously served as MD of Fulford (India)



Mahesh Sarda

Independent Director

- On the Board since Nov 2017. Qualified Chartered Accountant and holds a Bachelor's degree in Law
- Previously served as a Partner at Deloitte Haskins & Sells



Parthasarathi Thiruvengadam

Independent Director

- On the Board since Nov 2017; holds a BTech degree from IIT Madras and Post Graduate in Industrial Engineering and fellow member of the Institute of Cost Accountants of India
- Previously served as a Senior Director with Deloitte India



Pratima Umarji

Independent Director

- On the Board since Nov 2017; holds a Law degree
- Current panel member of the 'Lok Adalat', Bombay High Court

CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Mr. Prakash Damodar Kamat** Executive Director and Chairman
- **Mr. Mukesh Maganlal Shah** Managing Director
- **Mr. Jayen Ramesh Shah** Executive Director and Chief Executive Officer
- **Mr. Tushar Ramesh Shah** Executive Director and Chief Financial Officer
- **Mr. Bimal Mukesh Shah** Executive Director
- **Mr. Prakash Krishnaji Apte** Independent Director
- **Mr. Kaushik Dwarkadas Shah** Independent Director
- **Mr. Mahesh Pansukhlal Sarda** Independent Director
- **Mr. Parthasarathi Thiruvengadam** Independent Director
- **Ms. Pratima Umarji** Independent Director

BOARD COMMITTEES

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

BANKERS

Union Bank of India
Citibank, N.A.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Pooja Gaonkar

AUDITORS

B Y & Associates

Chartered Accountants

REGISTERED OFFICE

Fine House, Anandji Street, Off M.G. Road,
Ghatkopar East, Mumbai - 400077, Maharashtra, India
CIN: U24119MH2002PLC136003
Tel: +91 (22) 2102 5000 | Fax: +91 (22) 2102 8899
Email: investors@fineorganics.com
Web: www.fineorganics.com

REGISTRAR & TRANSFER AGENTS

Karvy Computershare Private Limited

Karvy Selenium, Tower B,
Plot Number 31 & 32 Gachibowli Financial,
District Nanakramguda, Hyderabad - 500032 India
CIN: U72400TG2003PTC041636
Tel: +91 (40) 6716 2222 | Fax: +91 (40) 2343 1551
Email: einward.ris@karvy.com
Website: http://www.karvycomputershare.com

WORKS

- Plot no. N-2, Additional MIDC, Ambarnath (E) - 421501
- Plot no. G-1, G-1/1, Khervai MIDC, Badlapur (E) - 421503
- Plot no. W-124, Khervai MIDC, Badlapur (E) - 421503
- Plot no. N-42/1, Additional MIDC, Ambarnath (E) - 421506
- Plot no. A-28, Millennium Business Park, MIDC, Mahape, Navi-Mumbai - 400710
- Plot no. W-260-261, Phase-II MIDC, Dombivli (E) - 421204
- Plot no. A-122-125, Phase-I MIDC, Dombivli (E) - 421203
- Plot no. N-78, Additional MIDC, Ambarnath (E) - 421506
- Plot No. W-8, MIDC, Chemical Zone, Ambarnath West, Thane, Maharashtra - 421501

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMIC REVIEW

India recorded a Gross Domestic Product (GDP) of 6.7% in 2017-18, establishing itself as the fastest growing economy. This can be accredited to an active and independent judiciary, a vibrant and uninterrupted parliamentary system of democracy. The Indian economy witnessed improvement in investments and consumptions after a temporary slowdown owing to demonetisation and Goods and Service Tax implementation. Going ahead, the economy is expected to flourish further owing to structural reforms and strong impetus on infrastructure as well as rural and agricultural segment. However, rising crude oil prices and inflationary pressures are the areas of concern. According to IMF predictions, the \$2.6 trillion economy is forecasted to grow at 7.3% in 2018-19 and 7.5% in 2019-20.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Oleo Chemistry

Fine Organics has created a niche business for itself in the fields of oleo chemistry. Since 1950s, oleo chemistry has grown in diversity thanks to technological developments due to research in various institutions and industries. New and niche oleochemicals have been developed for utilisation across variety of industries such as food, coatings, surfactants, plasticisers, lubricant additives), cosmetics, soaps, detergents, textiles, plastics ,organic pesticides and several other fields. The global oleochemicals market size is estimated to reach \$25.91 billions by 2019 and projected to witness a CAGR of 4.2% between 2014 and 2019. Asia-Pacific is the fastest growing regions for oleochemicals market and is expected to clock in a CAGR of 5.10% between 2014 and 2019. Some of the key application markets include pharmaceutical & personal care, food & beverages, soaps & detergents and polymers, among others.

Industry Segments

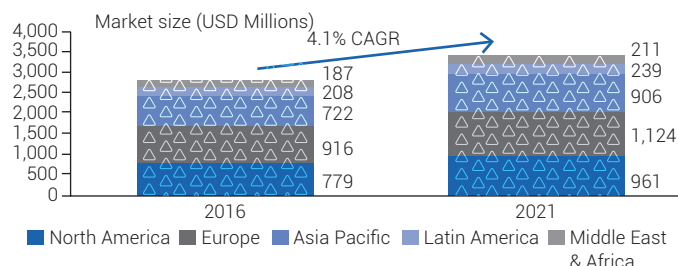
Food

The Company's products acts as key additives in the food industries. These additives can be in the form of emulsifiers, esters, preservatives and additive blends, among others.

Global Scenario

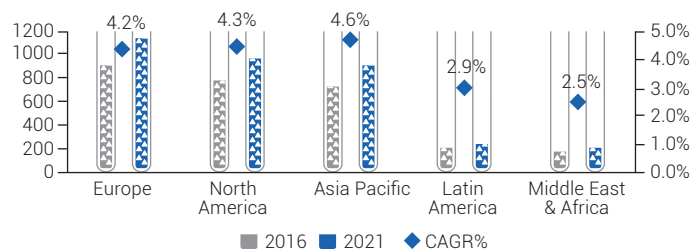
Global food emulsifiers market size is expected to witness a CAGR of 4.1% over FY2016-21 and is projected to reach US\$ 3.4 billions by 2021. The Asia Pacific region accounts for 26% global share and is expected to record a 4.6% CAGR, driven by strong growth prospects. Within Asia Pacific region, emerging economies such as China and India are envisaged to record the highest growth. Europe accounts for 33% global share and is expected to witness a steady 4.2% CAGR going ahead, with Germany and France driving this growth. Among the product categories, mono & di-glycerides and natural emulsifiers are expected to drive demand.

Market outlook on global food emulsifiers



Source: CRISIL Research, Credence Research

Regional growth



Source: CRISIL Research, Credence Research

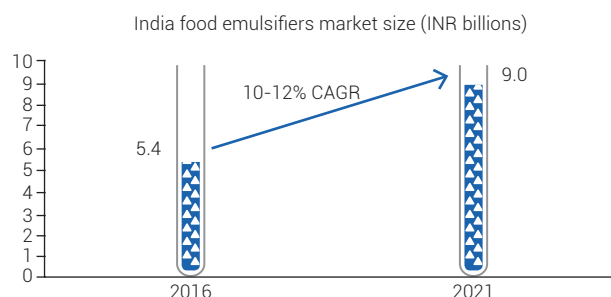
The key global growth drivers include:

- Increasing awareness among food processors about advantages and applications of food emulsifiers in various applications like bakery and confectionary industry and dairy
- High consumption of ice creams, biscuits, mayonnaise, chocolates, bread, cakes, coffee-creamers and other processed foods, etc.
- Growing population, strong economic growth and disposable income combined with changing lifestyles of emerging nations in Asia such as India, China and Vietnam
- This is further leading to high growth of packaged and convenience foods which require food emulsifiers to sustain quality for longer hours and for enhanced taste, colour, appearance etc.
- Increasing consumer demand for trans-fat products, which is driving food processors to use emulsifiers to reduce calories and fat content

Indian Scenario

The Indian food emulsifiers market size is expected to witness a CAGR of 10-12% over FY 2016-21 and is estimated to reach INR 9,000 Millions by 2021. The industry can be classified into four sub-segments of Indian consumer food industries: bread and bakery items, chocolates and confectionery, snacks and ready-to-eat (RTE)/ready-to-cook (RTC) items. Over the next five years, the consumer food industries is expected to witness a robust 13-15% CAGR, owing to higher market penetration in rural areas, wider variety of products and continuous innovation with changing consumer preferences for premium food products with increasing affluence in India following healthy GDP growth.

Indian food emulsifiers market outlook



Source: CRISIL Research, Credence Research

Indian Consumer Foods Industry Growth

Category	Market size (2016-17) INR billion	Estimated CAGR over 2011-12 to 2016-17	Forecasted CAGR over 2016-17 to 2021-22
Bakery items	400	12%	13-15%
Biscuits	280	13%	13-15%
Breads and others	120	10%	10-12%
Confectionery	200	15%	14-16%
Chocolate	108	14%	13-15%
Sugar based	92	15%	14-16%
Snacks	440	14%	13-15%
RTE/RTC	90	10%	19-21%

The key growth drivers include:

- Convenience and packaged food segments, especially premium food segments
- Changing lifestyles and hectic work schedules are widening the market for processed and packaged convenience foods
- Booming organised retail enhancing reach of processed foods
- Change in eating habits and frequent introduction of new products and product lines, particularly in the functional food and beverage market for low-fat, low-calorie products, necessitates usage of food emulsifiers
- Increasing number of nuclear families, rising affluence of the middle class, improvement in the living standards, rising urbanisation and changing consumer preferences

Plastic

The Company's products acts as key additives in the plastic industry. These additives can be in the form of, slip additives, lubricants, mould release, flow improvers, anti-scratch, anti-fogs, anti-stats and processing aids.

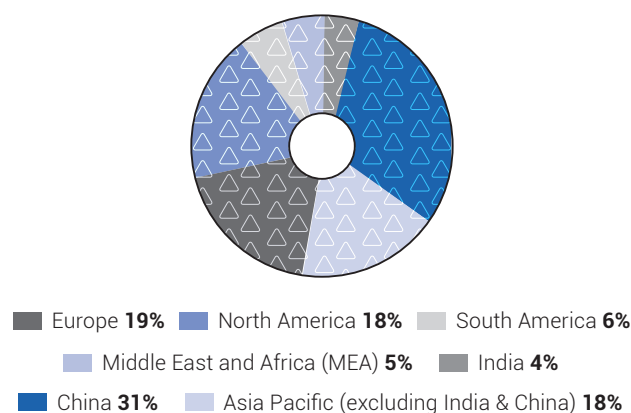
Global Scenario

The global market size of plastic additives is expected to

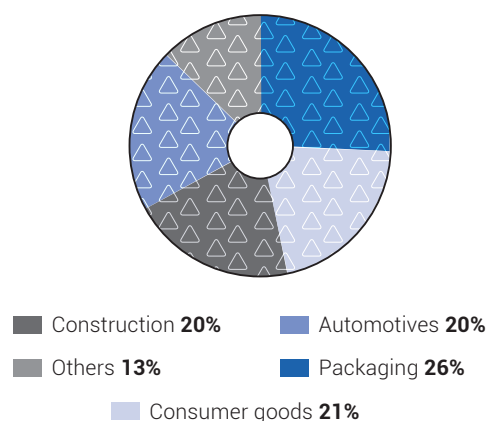
witness a CAGR of 6% over 2016-21 and is estimated to reach US\$30,000 Millions by 2021. The Asia Pacific region will be the key growth driver witnessing a 7% CAGR within the same time frame. Emerging economies like China and India are expected to record higher 8% and 6.4% CAGR, respectively. Steady recovery in the economies of Europe and the USA is also expected to aid the demand for plastic additives from these regions. Plastic additives are widely used for industrial and household purposes. The packaging industry comprises the largest share of the industrial usage, followed by consumer goods, construction and automotive, among others. Moreover, there is an increasing demand for plastic products which will also translate into further requirements of plastic additives. Increasing preference for non-toxic plastic additives and increasing environmental awareness by Governments across various countries will drive demand for natural derivatives like vegetable oil-based oleochemical derivatives.

Snapshot of global plastic additives market

Region-wise share (2016)



End-use sector-wise share (2016)



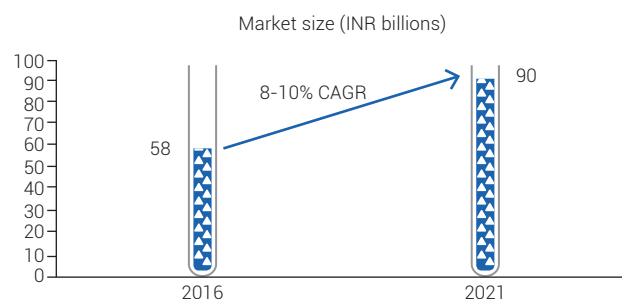
The key global growth drivers include:

- High growth in the Asia Pacific region owing to large demand from the packaging industry
- Increased product substitution by of traditional materials such as metal, paper, and glass by plastic materials such as PE, PP, and PVC plastic
- Higher usage of plastic material owing to low cost, better aesthetics, long life, superior properties and easy transportation
- Increasing preference for non-toxic plastic additives

Indian Scenario

The Indian plastic additives market size is expected to witness a CAGR of 8-10% over 2016-21 and is estimated to be reach INR 90,000 Millions by 2021. The demand is driven by increased usage in the polymer (PE, PP and PVC) sectors, which are expected to flourish at a healthy 8-10% CAGR driven by premium packaging segments. The healthy growth of the automobile industry, packaging industry coupled with increased demand from the retail industry will continue to drive demand for plastic additives in India.

Indian plastic additives market size



Source: CRISIL Research, Credence Research

End-user wise plastic additives growth

Plastic Material	Industry size (KTPA) in FY17	Growth CAGR (FY12 to FY17)	Growth Forecast
Polymers			
Polyethylene (PE)	4,200	7.1%	9-10%
Polypropylene (PP)	4,200	2.0%	9-10%
Polyvinyl chloride (PVC)	3,200	8.4%	9-10%
Styrenics			
Acrylonitrile butadiene styrene (ABS)	220	10.7%	6-7%
Polystyrene (PS)	260	2.0%	8-9%

The key growth drivers include:

- Low per capita plastic consumption of ~11 kg compared with the global average of 30 kg

- Higher plastic resins growth owing to recovery in major consumer segments such as packaging, automobiles, irrigation, construction and consumer durables
- Continued substitution of metal pipes with plastic pipes and glass and metal containers with plastic containers, as well as from increasing use of plastics for packaging due to its superior quality and cost effectiveness

The Company's products acts as key additives in the cosmetics and pharmaceuticals industry. These additives can be in the form of emulsifiers & emollients used in the creams and gels, pastes, lotions, lipsticks and ointments.

Global Scenario

The global cosmetics industry is expected to record a robust CAGR of 4-4.5% over 2017-2022. Growth will be driven by rise in disposable incomes, changing lifestyles, rising demands of skin and sun care products due to varying climatic conditions. A shift of preference towards natural and organic beauty products, particularly in U.S. and the European countries will also be the key driver of growth.

Indian Scenario

The Indian cosmetics industry is expected to record a strong CAGR of 10-12% over 2017-22 with volumes largely driven by the enhanced marketing in the semi-urban and rural areas. Growth in demand for relatively under-penetrated products like shampoos, hair dyes, and hair colours is being driven by better availability, increase in per capita consumption. With spread of organised retail to Tier II cities, development of non-traditional segments like men's cosmetics (with products like hair gels and fairness creams) and development of a wide range of products at different price points will contribute to growth of domestic cosmetics sector.

Rubber Additives

The Company's products acts as key additives in the rubber industry. These additives can be in the form of processing aids, speciality plasticizers, slip additives, anti-stats and anti-stacking agents used across conveyor belts, automotive parts and engine components, tyres and dock fenders.

Indian Scenario

Both Styrene-butadiene Rubber ('SBR') and Poly-butadiene Rubber ('PBR') domestic demand is expected to flourish at a CAGR of 6-7% between over 2017-22. The growth will be largely driven by a strong growth in the automobile sales, improving industrial activity, steady agricultural output and the government's focus on infrastructure.

Paint & Coating Additives

The Company's products acts as key additives in the paint and coating additives. These additives can be in the form of dispersing agents, emulsifiers, wetting agents, defoamers and slip additives used in paints, inks and coating materials.

Indian Scenario

Paints and coatings additives demand growth in India will depend on the growth prospects and the end-use paints and coatings sector. The paints and coatings industry is forecasted to develop at an 8-10% CAGR between over 2017-22. The per-capita paint demand in India is still very low at 3.4 kg per year as compared to 4 kg in China and 20 kg in developed countries and the global average of 15 kg. Strong macroeconomic drivers such as rise in population, income, government initiatives towards affordable housing and housing for all, urbanisation, increase in number of nuclear families and the availability of retail financing options will continue to drive the demand for paints and coatings.

BUSINESS OVERVIEW

Incorporated in 2002, the Company is the largest manufacturer of oleo chemical-based additives in India and a renowned player in the global industry. The Company produces a wide range of specialty plant derived oleo chemical-based additives used in the food, plastic, cosmetics, paint, ink, coatings and other specialty application in various industries. Fine Organics is the first company to introduce slip additives in India and is the largest producer of slip additives in the world. The Company currently has three production facilities in Ambernath, Badlapur and Dombivli in Maharashtra.

Food Additives

The Company manufactures Emulsifiers, Anti-fungal agents and Specialty products for the food industry which help food to derive its unique properties. Overall, the Company manufactures a total of 33 food grade additives, and the market for the same is spread across the globe including developed countries. The Company foresees its potential in the overseas market and going forward it is also optimistic about the growth arising from the domestic market.

Plastic Additives

The Company manufactures Additives for Polyolefins, Polyolefin Compounds Masterbatch, Styrenic Compounds, Engineering Plastics, Foamed Products, Rigid PVC Products, Plasticized PVC Products and Thermoset Products. Overall, the Company manufactures a wide range of additive products. The Company targets and plans to expand its domestic reach for this category.

FINANCIAL HIGHLIGHTS

The Company posted a strong revenue growth over past year with an increase of 9.56% from ₹ 7,776.86 Millions in 2016-17 to ₹ 8,520.41 Millions in 2017-18.

EBIDTA of the Company recorded an increase of 11.79% from ₹ 1,466.84 Millions in 2016-17 to ₹ 1,639.76 Millions in 2017-18. The EBIDTA margins rose 39 bps from 18.86% in 2016-17 to 19.25% in 2017-18.

PAT of the Company recorded an increase of 26.71% from ₹ 799.75 Millions in 2016-17 to ₹ 1,013.35 Millions in 2017-

18. The PAT margins rose 161 bps from 10.28% in 2016-17 to 11.89% in 2017-18.

RISK MANAGEMENT

At Fine Organics, we are proactively managing risks by identifying the demand using the resources available to mitigate them in a way that their effect on the Company is minimal. Some of the key risks identified include:

Raw materials: Since the Company is into manufacturing, the availability, quality and price of raw material plays a vital role. The strong regular offtake allows the Company to avail raw materials at competitive prices.

Quality: Quality plays a crucial role. A little inconsistency can cause a serious damage to the end product. The Company's products are accepted by the dominant players across the end-user industry. Consistency in quality has allowed the clients to stick to the Company on a long-term basis.

Innovation: Innovation is the key factor in company's business as many large clients approach Fine Organics for developing customised products for them.

Regulatory Bodies: Like all chemical companies, Fine Organics is subject to central, state, local and foreign laws and regulations relating to pollution, protection of the environment, greenhouse gas emissions, and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Moreover, changes in environmental regulations could inhibit or interrupt the Company's operations, or require modifications to its facilities, which can eventually affect returns and profitability. The Company ensures to abide by all the necessary requirements of the regulatory bodies and ensures environmentally friendly manufacturing processes.

HUMAN RESOURCE

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve. The Company continues to strengthen its people capabilities in its quest to build a growing and sustainable business. An increased focus is being maintained to further build employee retention at all levels in the Company. Several programs related to learning & development, reward & recognition and employee engagement activities are regularly conducted. Alongside professional training, we focus on conveying our corporate values, leadership, integrity, flexibility, efficiency and establishing a corporate culture based on trust, respect for diversity and equality of opportunity. Our responsible approach to structuring working conditions includes fair treatment at work, a transparent and equitable compensation system, the ability to combine working with family commitments, flexible worktime arrangements and a pleasant working environment.

During the year, the Company organised training programmes in different areas such as team building, communication skill, presentation skills, 5S, QMS (quality management system)

As on 31st March 2018 the Company's employee strength stood at about 608

INTERNAL CONTROL SYSTEM

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure efficiency and effectiveness of internal control systems.

CAUTIONARY STATEMENT

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation 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.

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their Sixteenth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2018.

FINANCIAL PERFORMANCE:

The Company's performance during the year ended 31st March, 2018 compared to the previous financial year, is summarised below:

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Total Revenue from operations*	86,088.85	81,442.07	8,6041.70	81,589.09
Profit before Interest, Tax & Depreciation	18,035.70	15,096.82	17,438.64	14,889.71
Less : Interest & Finance Charges	312.25	435.84	315.46	438.89
Less : Depreciation	2,003.92	2,371.25	2,004.41	2,371.31
Profit for the year before Tax	15,719.53	12,289.73	15,118.77	12,079.51
Less : Provision for Taxation				
- Current	5,650.00	4,500.00	5,650.00	4,500.00
- Deferred	(81.98)	(193.39)	(81.98)	(193.39)
Net Profit/(Loss) after Tax	10,133.50	7,997.48	9,532.74	7,787.27
Other Comprehensive Income	(15.59)	(20.86)	(15.59)	(20.86)
Total Comprehensive Income	10,117.91	7,976.62	9,517.15	7,766.41
RETAINED EARNINGS				
Opening Balance of Retained Earnings	31,372.64	23,375.16	30,761.33	22,974.07
Add: Profit for the year	10,133.50	7,997.48	9,532.74	7,787.27
Add: Other comprehensive income	(15.59)	(20.86)	(15.59)	(20.86)
Less: Appropriations: Dividend	-	-	-	-
Final Dividend	2,299.50	-	2,299.50	-
Interim Dividend	-	-	-	-
Total Dividend on Equity Shares	2,299.50	-	2,299.50	-
Provision for Corporate Dividend Tax on Dividend	468.12	-	468.12	-
Balance as at end of the Year	39,312.34	32,984.05	38,025.35	32,321.03

* Revenue from operations for the year ended 31st March, 2017 was inclusive of Excise Duty of ₹ 3,673.46 lakhs, post introduction of Goods & Service Tax (GST) effective 1st July, 2017. Revenue from operations for the year ended 31st March 2018 is net off the related GST ₹ 4,946.47 lakhs, accordingly the revenue from operations is strictly not comparable.

Pursuant to the notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind As") notified under the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the financial statements accompanying this report are in Ind AS and the previous year figures have also been restated to the new Ind AS regulations to enable comparative study.

REVIEW OF BUSINESS & FINANCIAL PERFORMANCE:

We are the largest manufacturer of oleochemical-based additives in India and a strong player globally in this industry. Our success is the result of sustained efforts over the decades in all areas of our business, such as product innovation, process technology improvements, increases in scale, improved raw material procurement and focus on cultural understanding of consumers.

During the year, we have produced a wide range of specialty plant derived oleochemical-based additives used in food, plastic, cosmetics, paint, ink, coatings and other specialty applications in various industries. As at 31st March, 2018, we had a range of 387 different products sold under the 'Fine Organics' brand and we have 631 direct customers (i.e., end-users of our products) and 127 distributors (who sold our products to more than 5,000 customers) from 69 countries.

Our direct customers are multinational, regional and local players manufacturing consumer products and petrochemical companies and polymer producers globally. Our plastics additives and specialty additives are also used in the packaging of foods and other fast moving consumer goods.

During the financial year, the standalone revenue from operations (Net off Taxes) aggregating to ₹ 85,204.10 lakhs as compared to ₹ 77,768.61 lakhs achieved during the previous year registering the growth of 9.56% over previous financial year. The standalone Net Profit after Tax increased to ₹ 10,133.50 lakhs from ₹ 7,997.48 lakhs, a growth of 26.71 % over the previous Financial Year.

During the year under review, the Company has achieved consolidated revenue from operations (Net off Taxes) aggregating to ₹ 85,156.95 lakhs as compared to ₹ 77,915.63

lakhs achieved during the previous year registering the growth of 9.29% over previous financial year. The consolidated Net Profit after Tax increased to ₹ 9,532.74 lakhs from ₹ 7,787.27 lakhs, a growth of 22.54 % over the previous Financial Year.

AMALGAMATION ORDER PASSED BY NATIONAL COMPANY LAW TRIBUNAL (NCLT)

The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench has passed the Order on 19th June, 2017 sanctioning the Scheme of Amalgamation between Fine Research and Development Centre Private Limited and Fine Speciality Surfactants Private Limited ("**Transferor Companies**") with your Company.

The Company has filed the copy of the order with the Registrar of the Companies, Mumbai on 3rd July, 2017 and the scheme became effective from the same date.

CONVERSION OF THE COMPANY FROM PRIVATE TO PUBLIC

Your Company was converted into a public limited company, the word 'private' was struck off from the name of the Company and consequently, a fresh certificate of incorporation dated 2nd November, 2017 was issued by the RoC pursuant to conversion recording the change of our Company's name to 'Fine Organic Industries Limited'.

INITIAL PUBLIC OFFERING:

Your Company made an Initial Public Offer by way of an offer for sale for 76,64,994 equity shares at ₹ 783/- per share aggregating to ₹ 600.17 crores. Total 6 shareholders who participated in the growth of your Company offered their shares in the Initial Public Offer (IPO). The Issue was opened on 20th June, 2018 and closed on 22nd June, 2018. The IPO got overwhelming response from all the categories of investors and was subscribed around 9 times with QIB portion getting oversubscribed by 14.44 times, non-institutional portion by 18.76 times and the retail portion by 1.53 times. The trading of Equity Shares of the Company commenced on 2nd July, 2018 on BSE Limited and the National Stock Exchange of India Limited.

We welcome all the new shareholders to become a part of the growth story of the Company in the future.

SHARE CAPITAL

During the year, pursuant to the scheme of amalgamation of Fine Research and Development Centre Private Limited and Fine Speciality Surfactants Private Limited with your Company ('the scheme of amalgamation'), the authorised share capital of the Company is increased from ₹ 5,10,00,000/- (Rupees Five Crore Ten Lakh only) comprising 51,00,000 equity shares of face value of ₹ 10/- (Rupees Ten only) each to ₹ 5,20,00,000/- (Rupees Five Crore Twenty Lakh only) comprising 52,00,000 equity shares of face value of ₹ 10/- (Rupees Ten only) each.

Further pursuant to the resolution passed by the shareholders in their Extra-ordinary General Meeting held on 22nd September, 2017, the authorised share capital of your Company increased from ₹ 5,20,00,000/- (Rupees Five Crore Twenty Lakh only) comprising 52,00,000 equity shares of face value of ₹ 10/- (Rupees Ten only) each to ₹ 20,00,00,000/- (Rupees Twenty Crore only) comprising 2,00,00,000 equity shares of face value of ₹ 10/- (Rupees Ten only) each by creation of additional ₹ 14,80,00,000/- (Rupees Fourteen Crore Eighty Lakh only) equity shares of ₹ 10/- (Rupees Ten each).

Further on 6th November, 2017 shareholders approved in their Extra-ordinary General Meeting, the sub-division of the face value of the Equity Shares from ₹ 10 each to ₹ 5 each in the authorised share capital of the Company i.e. ₹ 20,00,00,000/- (Rupees Twenty Crore only) comprising 2,00,00,000 equity shares of face value of ₹ 10/- (Rupees Ten only) to ₹ 20,00,00,000/- (Rupees Twenty Crore only) comprising 4,00,00,000 equity shares of face value of ₹ 5/- (Rupees Five only).

During the year, pursuant to the resolutions passed by the Board of Directors at its meeting held on 5th July, 2017 and the scheme of amalgamation, 2,80,000 equity shares of face value of ₹ 10 each were allotted to the shareholders of Fine Speciality Surfactants Private Limited and Fine Research and Development Centre Private Limited.

Further, pursuant to a resolution passed by our Shareholders on 22nd September, 2017 in their Extra-Ordinary General Meeting, for issue of Bonus shares in the proportion of two equity shares for every one equity share, 1,02,19,992 equity shares were allotted to the shareholders as of the record date, being 10th August, 2017 pursuant to the resolution passed by the Board in its meeting held on 16th October, 2017.

The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

DIVIDEND:

Your Directors are pleased to recommend a final dividend of ₹ 7/- per equity share i.e. 140% of nominal value of ₹ 5/- each for the financial year 2017-18 subject to the approval of shareholders at the ensuing Annual General Meeting. The dividend for the financial year will result in an outlay of ₹ 2,583 lakhs (including Dividend Distribution Tax of ₹ 437 lakhs).

TRANSFER TO RESERVES

The Board of Directors has not recommended transfer of any amount of profit to the General Reserve during the year under review.

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with Section 129(3) of the Companies Act, 2013 and in view of notification issued by the Ministry of

Corporate Affairs on Ind-AS, the Company has prepared consolidated financial statements of the Company and all its subsidiaries as per Ind-AS, which forms part of this Annual Report.

SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURE

As on 31st March, 2018, the Company has two subsidiaries and one joint venture Company as mentioned hereunder:

Fine Organics USA Inc. - Wholly Owned subsidiary

Fine Organics Europe BVBA - Subsidiary

Fine Zeelandia Private Limited - Joint Venture Company

However as on the date of the report, the Company has one more Joint Venture Company viz. "FineADD Ingredients GmbH". The Joint Venture Company has been formed under the laws of Germany with its registered office situated in Bitterfeld - Wolfen, Germany pursuant to the joint venture agreement dated 17th January, 2018 between your company and ADCOTEC GmbH. Both the parties will hold 50% of the issued and outstanding shares in the Joint Venture. The purpose of the Joint Venture is inter-alia (i) application, development, marketing, distribution and sale activities of inter alia derivatives of fatty acids esters, distill monoglyceride-emulsifier and enzyme formulations for use in bakery ingredients (the "Products") within the food and additives markets of Europe (excluding the Russian Federation Republic ("Territory")); (ii) establish a state of the art production facility; and (iii) set up a production plant for the Products in the Territory.

Pursuant to the provisions of sub section (3) of section 129 of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, statement containing the salient features of the financial statement of our subsidiaries and joint venture in the prescribed format AOC-1 is appended as "Annexure A" to this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES MADE PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013

All related party transactions entered into by the Company during the financial year were in the ordinary course of business and on arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. During the financial year under review, none of the transactions entered into with related parties were material as defined under the Act and Listing Regulations. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at <https://www.fineorganics.com/investor-relations/corporate-governance/policies>. There were no transactions during the year which would require to be reported in Form AOC-2. Therefore, a Nil Report is attached as "Annexure B".

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particular of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013, form part of the notes to the Standalone Financial Statements provided in this Annual Report.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS AND SECRETARIAL AUDITORS IN THEIR REPORTS

The Statutory Audit Report and Secretarial Audit Report issued for the financial year ended 31st March, 2018 do not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

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

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

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments

As on 31st March, 2018, our Board comprises ten Directors, including five executive Directors and five independent Directors.

In the Extra-Ordinary General Meeting held on 6th November, 2017, following existing Directors of the Company have been appointed /re-designated for a period of five consecutive years w.e.f 6th November, 2017.

Sr. No.	Name of the Directors	Designation
1.	Mr. Prakash Damodar Kamat (DIN 00107015)	Whole Time Director and Chairman
2.	Mr. Mukesh Maganlal Shah (DIN 00106799)	Managing Director
3.	Mr. Jayen Ramesh Shah (DIN 00106919)	Whole Time Director and Chief Executive Officer
4.	Mr. Tushar Ramesh Shah (DIN 00107144)	Whole Time Director and Chief Financial Officer
5.	Mr. Bimal Mukesh Shah (DIN 03424880)	Whole Time Director

In the Extra-Ordinary General Meeting of the Company held on 13th November, 2017, Mr. Prakash Krishnaji Apte (DIN: 00196106), Mr. Mahesh Pansukhlal Sarda (DIN: 00023776), Mr. Parthasarathi Thiruvengadam (DIN: 00016375),

Ms. Pratima Umarji (DIN: 05294496) and Mr. Sundareshan Sthanunathan (DIN: 01675195) were appointed as Independent Directors of the Company for a period of five consecutive years with effect from 13th November, 2017. However Mr. Sundareshan Sthanunathan tendered his resignation on 29th December, 2017 due to some personal reasons. Further Mr. Kaushik Dwarkadas Shah (DIN: 00124756) was appointed as an Independent Director in the Extra-Ordinary Meeting of the Company held on 24th January, 2018 for a period of five consecutive years.

Declarations by Independent Directors

The Company has received and taken on record the declarations received from the Independent Directors of the Company in accordance with the Section 149(6) of the Companies Act, 2013 confirming their independence and Regulation 25 of the Listing Regulations.

Retire by rotation

In the forthcoming AGM, Mr. Mukesh Maganlal Shah will retire by rotation and will be considered for re-appointment because of his eligibility.

Familiarisation Programme

In compliance with the requirements of the Listing Regulations, the Company has put in place a familiarisation programme for the Independent Directors to familiarise them with their roles, rights and responsibilities as Independent Directors, the working of the Company, nature of the industry in which the Company operates, business model and so on. The same is also available on the Company website at www.fineorganics.com.

DISCLOSURES RELATED TO BOARD, COMMITTEES

Board Meeting:

The Board met twenty times during the period under review. The details of the Board meetings and the attendance of Directors thereat are provided in the Corporate Governance Report forming part of the Annual Report.

Board Committees

In order to strengthen its functioning, the Board of Directors has constituted the following Committees as per the requirement of Companies Act, 2013 and the SEBI Regulations:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

Details of the Committees along with their charter, composition and meetings held during the year, are provided in the Corporate Governance Report which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, your Directors state that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors had 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 at 31st March, 2018 and of the profit of the Company for that period;
- c) the directors had 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 had prepared the annual accounts on a going concern basis;
- e) the directors had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VIGIL MECHANISM

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and requirements of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a vigil mechanism which has been incorporated in the Whistle Blower Policy for Directors and Employees to report genuine concerns. The Whistle Blower Policy also provides for adequate safeguards against victimization of persons who use vigil mechanism and for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Whistle Blower Policy is uploaded on the website of your Company at <https://www.fineorganics.com/investor-relations/corporate-governance/policies>

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The company strives to identify opportunities that enhance organisational values while managing or mitigating risks that can adversely impact its future performance. The Company has developed & implemented Risk Management Policy. Major risks identified by the Company's business and functions are systematically addressed through mitigating actions on a continuing basis.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report. Your Company has also formulated a CSR Policy and the same is available on your Company's website at <https://www.fineorganics.com/investor-relations/corporate-governance/policies>.

Your Company strongly believes and emphasizes on contributing towards the welfare of society by utilizing some profits earned by the Company through its business operations. The CSR committee had series of discussion with the NGO partner's to indentify and adoption of long term CSR projects during the period under review. As on the date of the report, the Company has indentified certain CSR projects and finalisation and implementation of these projects are under process.

The Report on CSR Activities is annexed herewith as **"Annexure C"**.

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

The Company is committed to provide a safe and conducive work environment to its employees. The Company has complied with the provisions relating to the constitution of internal complaints committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no cases received in relation to the sexual harassment.

NOMINATION REMUNERATION POLICY

The Board of Directors on the recommendation of the Nomination & Remuneration Committee has framed a policy which inter alia lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company and criteria for selection and appointment of Board members. The policy is annexed as **'Annexure D'** to this report.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD

The Board has carried out the annual performance evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. The manner in which the evaluation has been carried out has been provided in the Corporate Governance Report.

The Independent Directors were satisfied with the overall functioning of the Board, its various committees and performance of Individual Directors.

PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION:

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the Company has not employed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are also provided in the Annual Report as **"Annexure E"**, which forms part of this Report.

HUMAN RESOURCES

As at 31st March, 2018, we had 608 full-time employees. We have never had a labour strike and none of our full-time employees are in a union. Employees are considered to be one of the most important assets and one of the most critical resources in the business which maximize the effectiveness of the organisation. Human resources build the enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources. Company makes continuous and consistent efforts to attract and retain best talent in the industry as employees are indispensable factor for growth of the organisation.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The details in respect of Internal Financial Controls and their adequacy are included in the Management Discussion & Analysis Report, which forms part of this Report.

STATUTORY AUDITORS

M/s. B Y & Associates, Chartered Accountants, Mumbai (Firm Registration No. 123423W) were appointed as the statutory auditors of the Company to hold office for a term of 5 years from the conclusion of the 15th Annual General Meeting held on 10th July, 2017 until the conclusion of the 19th Annual General Meeting of the Company to be held in the year 2022.

Pursuant to the notification issued by the Ministry of Corporate Affairs on 7th May, 2018, amending section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of Auditors by the members at every Annual General Meeting has been omitted and hence

your Company has not proposed ratification of appointment of M/s. B Y & Associates, Chartered Accountants, Mumbai, at the forthcoming Annual General Meeting.

COST AUDITORS:

Your Board of Directors based on recommendation of the Audit Committee has appointed M/s Y. R. Doshi & Associates, Cost Accountants in practice, to audit the cost accounts of the Company for the Financial Year 2018-19. In term of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders. Accordingly, a resolution seeking ratification by the members for the remuneration is listed as Item No. 4 of the AGM Notice as Ordinary Resolution.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s KS & Associates, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor for Financial Year 2017-18 is appended as **"Annexure F"** to this Report.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **"Annexure G"** to this report.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **"Annexure H"** to this report.

CORPORATE GOVERNANCE

Your Company is committed to maintain highest standards of Corporate Governance. Your Company continues to be compliant with the requirements of Corporate Governance as enshrined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). A Report on Corporate Governance along with the Certificate from the practicing Company Secretary confirming all the compliance with the Conditions of Corporate Governance, as stipulated in the Listing Regulations forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming an integral part of this Annual Report.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on the following items during the year under review:

1. Deposits covered under Chapter V of the Act;
2. Material changes and/ or commitments that could affect the Company's financial position, which have occurred between the end of the financial year of the Company and the date of this report;
3. Significant or material orders passed by the Regulators or Courts or Tribunals, which would impact the going concern status and Company's operations in future;
4. Non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
5. Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director or the Whole-time Directors of the Company.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the customers, shareholders, suppliers, investors, bankers, business partners/associates, financial institutions and regulatory bodies for their consistent support and encouragement to the Company.

For and On Behalf of the Board
Fine Organic Industries Limited

Place: Mumbai
Date: 13th August, 2018

Prakash Kamat
Executive Chairman

ANNEXURE A

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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

Part A Subsidiaries

		(₹ in lakhs)	
Sr. No.	Name of Subsidiary Company	Fine Organics (USA) Inc.	Fine Organics Europe BVBA
1	The date since when subsidiary was acquired	29 th July, 2013	10 th February, 2016
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	-	-
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD 64.49/65.33	EURO 80.00/81.19
4	Share capital	0.625	14.31
5	Reserves and surplus	368.08	414.85
6	Total assets	637.09	1,577.62
7	Total Liabilities	637.09	1,577.62
8	Investments	-	-
9	Turnover	1,507.39	2,767.68
10	Profit before taxation	(96.49)	(266.85)
11	Provision for taxation	-	-
12	Profit after taxation	(96.49)	(266.85)
13	Proposed Dividend	-	-
14	Extent of shareholding (in percentage)	100%	99.46%

Notes:

- Names of subsidiaries which are yet to commence operations: **NIL**
- Names of subsidiaries which have been liquidated or sold during the year: **NIL**

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

		(₹ in lakhs)	
Sr. No.	Name of Subsidiary Company	Fine Zeelandia Private Limited	
1.	Latest audited Balance Sheet Date	8 th August, 2018	
2.	Date on which the Associate or Joint Venture was associated or acquired	1 st December, 2014	
3.	No. Shares of Associate or Joint Ventures held by the company on the year end	1,12,84,250	
i.	Amount of Investment in Associates or Joint Venture	1,128.43	
ii.	Extent of Holding (in percentage)	50%	
4.	Description of how there is significant influence	Joint Venture	
5.	Reason why the associate/joint venture is not consolidated	Consolidated	
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	1,062.75	
7.	Profit or Loss for the year	(78.07)	
i.	Considered in Consolidation	(39.04)	
ii.	Not Considered in Consolidation	(39.04)	

- Names of associates or joint ventures which are yet to commence operations. **"FineADD Ingredients GmbH"**
- Names of associates or joint ventures which have been liquidated or sold during the year: **NIL**

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

Prakash Kamat
Executive Chairman

Mukesh Shah
Managing Director

Jayen Shah
Director & CEO

Tushar Shah
Director & CFO

Pooja Gaonkar
Company Secretary

Date : 13th August, 2018

Place: Mumbai

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 - NIL

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

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

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

For and On Behalf of the Board
Fine Organic Industries Limited

Place: Mumbai
Date: 13th August, 2018

Prakash Kamat
Executive Chairman

ANNEXURE C

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2017-18

1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

Philosophy And Policy: We, Fine Organic Industries Limited ("Fine Organics" or "Company") is a responsible organization with high regard for community well-being and human welfare. Through its social investments, Fine Organics addresses the needs of communities by taking sustainable initiatives in the areas such as education, health, environment conservation and community development. It partners with NGOs and social service institutions in delivering projects that leave maximum impact in the lives of the people affected.

The CSR policy of the Company has been framed in accordance with the provisions of Section 135 of the Companies Act, 2013. The web link to the CSR Policy is: <https://www.fineorganics.com/investor-relations/corporate-governance/policies>.

Resources: For achieving CSR objectives through implementation of meaningful and sustainable CSR programs, Company will allocate at least 2% or such percentage of the average net profits of the Company made during the last three immediately preceding financial years, as its Annual CSR Budget as may deem fit.

2. COMPOSITION OF THE CSR COMMITTEE:

Sr. No.	Name of the Member	Designation	Nature of Membership
1.	Mr. Jayen Ramesh Shah	Executive Director	Chairman
2.	Mr. Prakash Krishnaji Apte	Independent Director	Member
3.	Mr. Kaushik Dwarkadas Shah	Independent Director	Member
4.	Mr. Mukesh Maganlal Shah	Managing Director	Member
5.	Mr. Tushar Ramesh Shah	Executive Director	Member

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS: ₹ 1,08,26,87,624/-

4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE): ₹ 2,16,50,000/-

5. DETAILS OF CSR SPEND FOR THE FINANCIAL YEAR:

- A. Total amount spent for the financial year: Nil
- B. Amount unspent out of the budgeted, if any: ₹ 2,16,50,000/-

The Company has devoted time in structuring its CSR projects and enhanced governance, in line with Schedule VII of Companies Act, 2013 and rules made thereunder. During 2017-18, the Company had series of discussion with the NGO partner's to identify and adopt long term CSR projects and the prescribed amount of ₹ 2,16,50,000/- for the financial year 2017-18 has been kept aside as provision for CSR activity to be utilized as per the CSR policy of the Company in the coming years in the long term projects/activities. As on this report, the Company has identified certain CSR projects and finalization of such projects are under consideration.

- C. Manner in which the amount spent during the financial year is detailed below: NA

6. RESPONSIBILITY STATEMENT

We, the CSR Committee, hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and On Behalf of the Board
Fine Organic Industries Limited

Place: Mumbai
Date: 13th August, 2018

Jayen Shah
Chairman of CSR Committee

Mukesh Shah
Managing Director

ANNEXURE D

Nomination and Remuneration Policy

I. PREAMBLE

Pursuant to Section 178 of Companies Act, 2013, as amended and rules made thereunder (the "Act") and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations"), the board of directors of every listed company is required to constitute the nomination and remuneration committee.

II. OBJECTIVE

The primary objective of the remuneration policy is to provide a framework and set standards for paying remuneration to the Directors, Key Managerial Personnel and Other Employees. The Company has therefore formulated the remuneration policy keeping in view the following objectives:

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the board of directors of the Company (the "Board"), policies relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management.
- b. To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. To guide Board of Directors in remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- e. To devise a policy on Board diversity.
- f. To develop a succession plan for the Board and to regularly review the plan.
- g. To determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

III. DEFINITIONS

- a. "Act": means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- b. "Board" means Board of Directors of the Company.
- c. "Company" means Fine Organic Industries Limited.
- d. "Directors" shall mean Directors of the Company.

- e. "Nomination and Remuneration Committee or NRC" means a Committee of the Board acting as the Nomination and Remuneration Committee pursuant to section 178 of the Act and Clause 49.
- f. "Key Managerial Personnel" or "KMP" means:
 - i. Chief Executive Officer or the Managing Director or the Manager;
 - ii. Whole-time director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary; and
 - v. such other officer as may be prescribed under the Act.
- g. "Senior Management" means personnel of the Company who are members of its core management team excluding the Board. This would include all members of management one level below the executive directors, including all the functional heads.
- h. "Independent Director" means a director referred to in Section 149(6) of the Act.

IV. APPOINTMENT AND REMOVAL OF DIRECTORS, KMPS AND SENIOR MANAGEMENT

- a. Appointment criteria and qualifications:
 - i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
 - ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 - iii. The Committee shall review the criteria for the role and define the role specifications for the appointment of Directors, KMP and Senior Management.
 - iv. The NRC shall assign the responsibility of identifying the candidate for the final interview by the NRC to the following:
 - a) to Chairman of the Board and Chairman of NRC, in case of selection of Directors; and

- b) To the MD & any whole time director in case of selection of KMP & Senior Management Personnel.
 - v. The NRC shall identify member(s) of the Board who will interview the candidate recommended to the NRC as above.
 - vi. Upon selection of the candidate, the NRC shall make a recommendation to the Board for appointment of Director/ KMP/ Senior Management Personnel. For discharging this duty the NRC may seek inputs from the persons responsible for identifying the candidates as stated above.
 - vii. The appointment of Directors and KMP shall be subject to the compliance of the Act, and the Articles of Association of the Company.
- b. Term / Tenure:
- i. Managing Director/Whole-time Director:
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- c. Independent Director:
- i. An Independent Director shall hold office for a term up to five consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
 - iii. At the time of appointment of Independent Director it should be ensured that number of board of directors on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a whole-time director of a listed company or such other number as may be prescribed under the Act or the SEBI Listing Regulations.

d. Evaluation:

- i. The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. Towards this end, the NRC shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board.
- ii. The Board is responsible for monitoring and reviewing of the Board Evaluation framework.
- iii. The NRC is responsible for carrying out evaluation of every director's performance.
- iv. The performance evaluation shall take place annually. It shall be the responsibility of the Chairperson of the NRC to organise the evaluation process;
- v. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.
- vi. Meeting of Independent Directors:

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.

Such meeting shall:

- a) Review the performance of Non-independent Directors and the Board as a whole;
- b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors;
- c) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors may call such meeting(s) at any point of time as desired.

e. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, such other applicable law, rules and regulations.

- f. Policy relating to the Remuneration for the Whole-time Director:
 - i. The remuneration / compensation / commission etc. to the Whole-time Director, will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
 - ii. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
 - iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in the case of Whole-time Director.
- g. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management:
 - i. Fixed pay:

The Whole-time Director/ Managing Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.

The remuneration of KMP and Senior Management largely consists of basic salary, perquisites, and allowances (both fixed and variable). Perquisites and retirement benefits are paid according to the Company policy.

They are also entitled to customary non-monetary benefits such as Company car and Company health care, telephone & accommodation on case to case basis.
 - ii. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

V. PROVISIONS FOR EXCESS REMUNERATION:

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

VI. REMUNERATION TO NON - EXECUTIVE DIRECTORS

- (a) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non - Executive Directors of the Company within the overall limits approved by the shareholders.
- (b) Non - Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees subject to recommendation of the Board and subject to the approval of the shareholders.
- (c) The sitting fees to the Independent Directors shall not be less than the sitting fees payable to other directors.
- (d) Remuneration/ Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- (e) An Independent Director shall not be entitled to any stock option of the Company.

VII. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

VIII. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

ANNEXURE E

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

- A. Ratio of remuneration paid to each Director to the median remuneration of the employees of the Company and percentage increase/ decrease in remuneration for the financial year 2017-18 is as follows:

Sr. No.	Name of the Director	Designation	Ratio of remuneration of Director to the median remuneration	% increase/ (Decrease)
1.	Mr. Prakash Damodar Kamat	Executive Chairman and Whole Time Director	57.70	(67.77)
2.	Mr. Mukesh Maganlal Shah	Managing Director	62.70	(57.24)
3.	Mr. Jayen Ramesh Shah	Whole Time Director and Chief Executive Officer	57.70	(67.77)
4.	Mr. Tushar Shah	Whole Time Director and Chief Financial Officer	57.70	(67.77)
5.	Mr. Bimal Shah	Whole Time Director	46.76	(40.08)
6.	Mr. Prakash Krishnaji Apte	Independent Director	0.30	Refer Note-5
7.	Mr. Kaushik Dwarkadas Shah	Independent Director	0.09	Refer Note-5
8.	Mr. Mahesh Pansukhlal Sarda	Independent Director	0.38	Refer Note-5
9.	Mr. Parthasarathi Thiruvengadam	Independent Director	0.28	Refer Note-5
10.	Ms. Pratima Umarji	Independent Director	0.43	Refer Note-5
11.	Mr. Sundareshan Sthanunathan*	Independent Director	0.17	Refer Note-5

* Ceased to be a Director of the Company with effect from 29th December, 2017 due to his resignation.

Notes:

- The aforesaid details are calculated on the basis of remuneration paid during the financial year 2017-18.
 - The remuneration to Non Executive Directors comprises of sitting fees paid to them during the financial year 2017-18.
 - The median remuneration is ₹ 4.03 Lakhs for the financial year 2017-18.
 - The remuneration to Directors is within the overall limits approved by the shareholders.
 - Independent Directors are appointed during financial year 2017-18.
 - Remuneration paid to Whole time directors (Sr. no 1 to 5) includes Commission upto 30th April, 2017 and it has been discontinued thereafter.
 - There was no employee whose remuneration was in excess of the remuneration of the highest paid Director during the financial year 2017-18.
- B. Percentage increase in remuneration of Company Secretary for the financial year 2017-18 is as follows:

Sr. No.	Name	Designation	% increase
1.	Ms. Pooja Gaonkar	Company Secretary	36.44

- C. Percentage increase in the median remuneration of employee in the financial year 2017-18: 9.79%
- D. Number of permanent employees on the rolls of the Company as on 31st March 2018: 608
- E. Average percentage 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: Increase in remuneration is based on remuneration policy of the Company. Average increase in salary of all employees in 2017-18 compared to 2016-17:

The percentage increase in the salaries of employees other than the managerial personnel in the financial year 2017-18 is 16%, as against an decrease of 62.91% in the salary of managerial personnel as defined under the Act. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.

- F. 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.

ANNEXURE F

To,
The Members

Fine Organic Industries Limited

Fine House, Anandji Street, Off. M G Road,
Ghatkopar (E), Mumbai - 400077.

Our secretarial audit report for the financial year ended 31st March, 2018 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper system and to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Whenever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit Report 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.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For KS & Associates

Company Secretaries

Kartik Shah

Membership No. 5732
Certificate of Practice No. 5163

Place: Mumbai
Date: 13th August, 2018

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,

The Members,

Fine Organic Industries Limited

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

Based on our verification of the Company's books, papers, minute books, forms and based on Internal Audit Reports, returns filed, Statutory Auditor's Report, Audited & signed Annual Accounts for financial year ended 31st March, 2018, draft Director's Report for the financial year ended 31st March, 2018 and other records maintained by the Company and also the information provided by the Company, its Company Secretary, Compliance Officer, Board of Directors, its officers, agents and authorized representatives as well as the Management Representations and Management Certifications made by the Company during the conduct of secretarial audit, we hereby report that in our opinion & as per our understanding & belief, the company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions as mentioned hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and based on Internal Audit Reports, returns filed, Statutory Auditor's Report, Audited & signed Annual Accounts for financial year ended 31st March, 2018, draft Director's Report for the financial year ended 31st March, 2018 and other records maintained by the Company and also the information provided by the Company, its Company Secretary, Compliance Officer, Board of Directors, its officers, agents and authorized representatives as well as the Management Representations and Management Certifications made by the Company during the conduct of secretarial audit, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, wherever applicable for the referred financial year;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, wherever applicable for the referred financial year;
- (iii) The Depositories Act, 1996 and the Regulations and

Bye-laws framed thereunder, wherever applicable for the referred financial year;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable for the referred financial year;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), wherever applicable for the referred financial year:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever applicable for the referred financial year;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, wherever applicable for the referred financial year;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, wherever applicable for the referred financial year;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, wherever applicable for the referred financial year;
- (vi) We have relied on the representation made by the Company, its Company Secretary, Compliance Officer, Board of Directors, its officers, agents & authorized representatives, Management's Representation and based on Internal Audit Reports, returns filed, Statutory Auditor's Report, Audited & signed Annual Accounts for financial year ended 31st March 2018, draft Director's

Report for the financial year ended 31st March, 2018, for systems and mechanism put in place by the Company for Compliances under various other applicable Act, Laws and Regulations to the Company & We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards with respect to Board and General Meetings issued by the Institute of Company Secretaries of India.
- We have also examined compliance with the applicable clauses of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited, wherever applicable for the referred financial year;
- During the period under review and as per the explanations and clarifications given to us and the representation made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned in this report subject to following observations:

The Company made the provision for the CSR in the financials for the referred financial year. As explained & informed to us, the Company has identified long term projects for the same; to expend the same in the due course of time in future.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors & Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance or consent for holding meeting shorter notice was obtained, 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.
- Majority decisions are carried through unanimously.

We further report that as per explanations & informations 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:

- Amalgamation of Fine Research & Development Center Pvt. Ltd. & Fine Speciality Surfactants Pvt. Ltd was done with the Company vide order passed by the National Company Law Tribunal on 19th June, 2017.
- The Company allotted 2,80,000 shares of ₹ 10 each pursuant to amalgamation of Fine Research & Development Center Pvt. Ltd. & Fine Speciality Surfactants Pvt. Ltd with the Company vide order passed by the National Company Law Tribunal on 19th June, 2017.
- The Company approved for entering into a Joint Venture Company in Germany with ADCOTEC GMBH.
- The Company has obtained Shareholders approval for the following matters by way of Special Resolutions passed as follows:
 - ◊ Resolution passed at the Extra-ordinary General Meeting held on 22nd September, 2017
 - for in principle approval for conversion of the company from Private Limited to a Public Limited Company
 - Increase of Authorised Capital to ₹ 20 crores
 - for alteration of Capital Clause V of Memorandum of Association pursuant to increase of Authorised Capital to ₹ 20 crores
 - Issue of 1,02,19,992 Equity shares of ₹ 10 each as Bonus shares
 - In principle approval for alteration of Name Clause I of Memorandum of Association pursuant to conversion of the company from Private Limited to a Public Limited Company
 - In principle approval for adaption of new sets of Articles of Association pursuant to conversion of the company from Private Limited to a Public Limited Company
 - ◊ Resolution passed at the Extra-ordinary General Meeting held on 14th October, 2017
 - Approval for conversion of the company from Private Limited to a Public Limited Company and consequent amendment in the Memorandum and Articles of Association

- Approval for alteration of Name Clause I of Memorandum of Association pursuant to conversion of the company from Private Limited to a Public Limited Company
 - Approval for adaption of new sets of Articles of Association pursuant to conversion of the company from Private Limited to a Public Limited Company
- ◇ Resolution passed at the Extra-ordinary General Meeting held on 6th November, 2017
- for authorising the Board of Directors to borrow from time to time such sum(s) of money(ies) which together with the monies already borrowed by the Company in terms of Section 180(1)(c) of the Companies Act, 2013 shall not exceed ₹ 3,00,00,00,000/-.
 - for authorising the Board of Directors to mortgaging, hypothecating & disposing assets of the Company in terms of Section 180(1)(a) of the Companies Act, 2013 shall not exceed ₹ 3,00,00,00,000/-.
 - for sub-division of 1,53,29,988 fully paid up equity shares of face value of ₹ 10/-(Rupees Ten only) each in the share capital of the Company into 3,06,59,976 fully paid up equity shares of face value of ₹ 5/- (Rupees Five only) each.
 - for alteration of Capital Clause V of Memorandum of Association pursuant to sub division of share from equity shares of face value of ₹ 10/-(Rupees Ten only) each in the share capital of the Company into fully paid up equity shares of face value of ₹ 5/- (Rupees Five only) each.
 - for approval for Initial Public Offer of shares
- ◇ Resolution passed at the Extra-ordinary General Meeting held on 24th January, 2018 for alteration of Articles of Association regarding common seal.

For KS & Associates

Company Secretaries

Kartik Shah

Membership No. 5732

Certificate of Practice No. 5163

Place: Mumbai

Date: 13th August, 2018

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 we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis and Management Representations, from the Prospectus of the Company filed in SEBI & other documents received for applicability of relevant acts as well as viewing of the following registrations:
 - Registration under Bombay Shop and Commercial Establishment Act, 1958
 - Registration & payments under Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - Registration and Payments made under the Professional Tax Act, 1975.
 - Registration and License issued under Factories Act, 1948.
 - Registration and Payments made to the Employees State Insurance Corporation (ESIC) under the Employees State Insurance Act, 1948
 - Registrations Certificate of Import Export Code (IEC) obtained from the Director General of Foreign Trade
 - Certificate obtained from the Maharashtra Pollution Control Board
 - Payments made under the Payment of Gratuity Act, 1972
 - The Maharashtra Labour Welfare Fund Act, 1953
 - The Food Safety and Standards Act, 2006
 - Legal Metrology Act, 2009 read with relevant rules and regulations
 - Bureau of Indian Standards (BIS) Act, 2016
 - Export (Quality Control and Inspection) Amendment Act, 1984
 - Narcotic Drugs and Psychotropic Substances Act, 1985
 - Environment Regulations
 - Environment Protection Act, 1986
 - Water (Prevention and Control of Pollution) Act, 1974
 - Air (Prevention and Control of Pollution) Act, 1981
 - Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008
 - The payment of Wages Act, 1936
 - The payment of Bonus act, 1965
 - Minimum Wages Act, 1948
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KS & Associates

Company Secretaries

Kartik Shah

Membership No. 5732

Certificate of Practice No. 5163

Place: Mumbai

Date: 13th August, 2018

ANNEXURE G

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL PERIOD ENDED ON 31st MARCH, 2018

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	U24119MH2002PLC136003
ii	Registration Date	24 th May, 2002
iii	Name of the Company	Fine Organic Industries Limited
iv	Category Sub-Category of the Company	Public Company Limited By Shares, Indian Non Govt. Company
v	Address of the Registered office and contact details	Fine House, Anandji Street, off M.G. Road, Ghatkopar East, Mumbai - 400 077 Tel :+91 (22) 21025000 Fax: +91 (22) 21028899
vi	Whether listed company	Yes
vii	Name, Address and Contact Details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot Number 31 & 32 Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Tel :+ 91 (40) 6716 2222 Fax:+91 (40) 2343 1551 Email: einward.ris@karvy.com Website: http://www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture Of Organic And Inorganic Chemical Compounds n.e.c.	20119	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i. Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 st April, 2017)				No. of Shares held at the end of the year (As on 31 st March, 2018)				% Change during The year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	PROMOTER									
1)	Indian									
a)	Individual/ HUF	-	4817996	4817996	99.75	30537078	-	30537078	99.60	(0.15)
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp	-	-	-	-	-	-	-	-	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total(A)(1):-	-	4817996	4817996	99.75	30537078	-	30537078	99.60	(0.15)
2)	Foreign									
a)	NRI's-Individuals	-	12000	12000	0.25	122898	-	122898	0.40	0.15
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total(A)(2):-	-	12000	12000	0.25	122898	-	122898	0.40	0.15
B.	PUBLIC / OTHER THAN PROMOTER SHAREHOLDING									
1.	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FII's	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total(B)(1)	-	-	-	-	-	-	-	-	-

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 st April, 2017)				No. of Shares held at the end of the year (As on 31 st March, 2018)				% Change during The year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Non Institutions									
a)	Bodies Corporate (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals (Non Promoter)	-	-	-	-	-	-	-	-	-
	(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	-	-	-	-	-	-	-	-	-
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c)	Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
	TotalPublic Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C.	Shares held by Custodian for GDR & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	-	4829996	4829996	100.00	30659976	-	30659976	100.00	-

The percentage change in shareholding due to the following reasons. :

- 1) Company had made an allotment of 2,80,000 equity shares of face value of ₹ 10 each pursuant to scheme of amalgamation approved by the National Company Law Tribunal, Mumbai by its order dated 19th June, 2017 in relation to amalgamation of Fine Research and Development Centre Private Limited and Fine Speciality Surfactants Private Limited with our Company.
- 2) Further Company had issued and allotted bonus equity shares 1,02,19,992 of face value of ₹ 10 each pursuant to the Shareholders resolution dated 22nd September, 2017 and Board resolution dated 16th October, 2017 respectively.
- 3) Company had sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each with effect from 6th November, 2017. Therefore, the cumulative number of issued, subscribed and paid-up equity shares pursuant to sub-division is 3,06,59,976 Equity Shares of the face value of ₹ 5 each.

ii. Shareholding of Promoters/ Promoters Group

Sr. No.	Shareholder's Name	Category	Shareholding at the beginning of the year (As on 1 st April, 2017)			Shareholding at the end of the year (As on 31 st March, 2018)			
			No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	% change in share holding during the year
1.	Mukesh Maganlal Shah Jointly With Jayshree Mukesh Shah	Promoter	403945	8.36	-	2588442	8.44	-	0.08
2.	Prakash Damodar Kamat	Promoter	941355	19.49	-	5982840	19.51	-	0.02
3.	Jayen Ramesh Shah Jointly With Neeta Jayen Shah	Promoter	808455	16.74	-	4953630	16.16	-	(0.58)
4.	Tushar Ramesh Shah Jointly With Bina Tushar Shah	Promoter	860715	17.82	-	5229186	17.06	-	(0.76)
5.	Bimal Mukesh Shah Jointly With Mukesh Maganlal Shah	Promoter	456244	9.45	-	2822436	9.21	-	(0.24)
6.	Jyotsna Ramesh Shah	Promoter	922489	19.10	-	5870862	19.15	-	0.05
7.	Rhea Tushar Shah Jointly With Tushar Ramesh Shah	Promoter Group	17000	0.35	-	106614	0.35	-	-
8.	Bina Tushar Shah Jointly With Tushar Ramesh Shah	Promoter Group	52300	1.08	-	574380	1.87	-	0.79
9.	Neeta Jayen Shah Jointly With Jayen Ramesh Shah	Promoter Group	80600	1.67	-	659892	2.15	-	0.48
10.	*Shailee Nirav Doshi	Promoter Group	12000	0.25	-	122898	0.40	-	0.15
11.	Jayshree Mukesh Shah Jointly With Mukesh Maganlal Shah	Promoter Group	80600	1.67	-	568572	1.85	-	0.18
12.	Mukesh Maganlal Shah (Karta of M M Shah - HUF)	Promoter Group	23211	0.48	-	140574	0.46	-	(0.02)
13.	P D Kamat (Karta of P D Kamat - HUF)	Promoter Group	22645	0.47	-	137178	0.45	-	(0.02)
14.	Manali Bhayani Jointly With Jayen Ramesh Shah	Promoter Group	12000	0.25	-	76614	0.25	-	-
15.	Tushar R Shah (Karta of Tushar R Shah - HUF)	Promoter Group	16985	0.35	-	103218	0.34	-	0.01
16.	**ESHA TUSHAR SHAH	Promoter Group	17000	0.35	-	106620	0.35	-	-
17.	Jayen Ramesh Shah (Karta of Jayen R Shah - HUF)	Promoter Group	50945	1.05	-	306978	1.00	-	(0.05)
18.	Jayen Ramesh Shah (Karta of R M Shah - HUF)	Promoter Group	51507	1.07	-	309042	1.00	-	(0.07)
	Total		4829996	100.00	-	30659976	100.00	-	-

* Ms. Shailee Nirav Doshi was holding shares jointly with Mr. Jayen Ramesh Shah. On 15th January, 2018, all the 1,22,898 equity shares held by them jointly, were transferred by Mr. Jayen Ramesh Shah (second holder) to Ms. Shailee Nirav Doshi (first holder).

** Ms. Esha Tushar Shah was holding shares jointly with Mr. Tushar Ramesh Shah. On 15th January, 2018, all the 1,06,620 equity shares held by them jointly, were transferred by Mr. Tushar Ramesh Shah (second holder) to Ms. Esha Tushar Shah (first holder).

iii. Change in Promoters' Shareholding:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1 st April, 2017)		Cumulative Shareholding during the year (As on 31 st March, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4829996	100	4829996	100
	Increase / Decrease in Shareholding	25829980	100	30659976	100
	At the End of the year			30659976	100

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

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1 st April, 2017)		Cumulative Shareholding during the year (As on 31 st March, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	*Mukesh Maganlal Shah				
	At the beginning of the year	403945	8.36	403945	8.36
	#Pursuant to scheme of amalgamation	27462	0.54	431407	8.44
	Bonus Allotment	862814	5.63	1294221	8.44
	Pursuant to a resolution passed by Shareholders for sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each with effect from 6 th November, 2017. Therefore, the aggregate number of equity shares pursuant to sub-division held by Mukesh Maganlal Shah is 25,88,442 Equity Shares (including Equity Shares held jointly) of the face value of ₹ 5 each.				
	At the End of the year			2588442	8.44

*Equity shares held by Mukesh Maganlal Shah jointly with Jayshree Mukesh Shah.

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1 st April, 2017)		Cumulative Shareholding during the year (As on 31 st March, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Prakash Damodar Kamat				
	At the beginning of the year	941355	19.49	941355	19.49
	#Pursuant to scheme of amalgamation	47868	0.94	989223	19.36
	Purchase of Shares from Mr. Nikhil Kamat	7917	0.15	997140	19.51
	Bonus Allotment	1994280	13.01	2991420	19.51
	Pursuant to a resolution passed by Shareholders for sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each with effect from 6 th November, 2017. Therefore, the aggregate number of equity shares pursuant to sub-division held by Prakash Damodar Kamat is 59,82,840 Equity Shares of the face value of ₹ 5 each.				
	At the End of the year			5982840	19.51

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1 st April, 2017)		Cumulative Shareholding during the year (As on 31 st March, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	*Jayen Ramesh Shah				
	At the beginning of the year	808455	16.74	808455	16.74
	#Pursuant to scheme of amalgamation	17150	0.34	825605	16.16
	Bonus Allotment	1651210	10.77	2476815	16.16
	Pursuant to a resolution passed by Shareholders for sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each with effect from 6 th November, 2017. Therefore, the aggregate number of equity shares pursuant to sub-division held by Jayen Ramesh Shah is 49,53,630 Equity Shares (including Equity Shares held jointly) of the face value of ₹ 5 each.				
	At the End of the year			4953630	16.16

*Equity shares held by Jayen Ramesh Shah jointly with Neeta Jayen Shah.

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1 st April, 2017)		Cumulative Shareholding during the year (As on 31 st March, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	*Tushar Ramesh Shah				
	At the beginning of the year	860715	17.82	860715	17.82
	#Pursuant to scheme of amalgamation	10816	0.21	871531	17.06
	Bonus Allotment	1743062	11.37	2614593	17.06
	Pursuant to a resolution passed by Shareholders for sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each with effect from 6 th November, 2017. Therefore, the aggregate number of equity shares pursuant to sub-division held by Tushar Ramesh Shah is 52,29,186 Equity Shares (including Equity Shares held jointly) of the face value of ₹ 5 each.				
	At the End of the year			5229186	17.06

*Equity shares held by Tushar Ramesh Shah jointly with Bina Tushar Shah.

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1 st April, 2017)		Cumulative Shareholding during the year (As on 31 st March, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	*Bimal Mukesh Shah				
	At the beginning of the year	456244	9.45	456244	9.45
	#Pursuant to scheme of amalgamation	14162	0.28	470406	9.21
	Bonus Allotment	940812	6.14	1411218	9.21
	Pursuant to a resolution passed by Shareholders for sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each with effect from 6 th November, 2017. Therefore, the aggregate number of equity shares pursuant to sub-division held by Bimal Mukesh Shah is 28,22,436 Equity Shares (including Equity Shares held jointly) of the face value of ₹ 5 each.				
	At the End of the year			2822436	9.21

*Equity shares held by Bimal Mukesh Shah jointly with Mukesh Maganlal Shah.

#Amalgamation of Fine Speciality Surfactants Private Limited and Fine Research and Development Centre Private Limited with our Company approved by the National Company Law Tribunal, Mumbai by its order dated 19th June, 2017.

IV. INDEBTEDNESS

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,98,75,714	29,68,09,843	-	39,66,85,557
ii) Interest due but not paid	-	59,37,883	-	59,37,883
iii) Interest accrued but not due for payment	-	-	-	-
Total (i+ii+iii)	9,98,75,714	30,27,47,726	-	40,26,23,440
Change in Indebtedness during the financial year				
i Addition	43,62,16,468	-	-	43,62,16,468
ii (Reduction)	-	(30,27,47,726)	-	(30,27,47,726)
Net Change (i+ii)	43,62,16,468	(30,27,47,726)	-	13,34,68,742
Indebtedness at the end of the financial year				
i) Principal Amount	53,60,92,182	-	-	53,60,92,182
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	53,60,92,182	-	-	53,60,92,182

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross Salary	Mukesh Maganlal Shah Managing Director	
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		2,28,00,000
b.	Value of perquisites u/s 17(2) of Income Tax Act, 1961		-
c.	Profits in lieu of salary under section 17(3) Income Tax Act, 1961		-
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission		
	- as % of profit		-
	- others, specify...(%) of Sales		27,64,436
5.	Others, please specify		-
6.	Total		2,55,64,436

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross Salary	Prakash Damodar Kamat Whole Time Director	
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,95,75,000
b.	Value of perquisites u/s 17(2) of Income Tax Act, 1961		-
c.	Profits in lieu of salary under section 17(3) Income Tax Act, 1961		-
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission		
	- as % of profit		-
	- others, specify...(%) of Sales		41,46,654
5.	Others, please specify		-
6.	Total		2,37,21,654

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross Salary	Jayen Ramesh Shah Whole Time Director & CEO	
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,95,75,000
b.	Value of perquisites u/s 17(2) of Income Tax Act, 1961		-
c.	Profits in lieu of salary under section 17(3) Income Tax Act, 1961		-
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission		
	- as % of profit		-
	- others, specify...(%) of Sales		41,46,654
5.	Others, please specify		-
6.	Total		2,37,21,654

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross Salary	Tushar Ramesh Shah Whole Time Director & CFO	
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,95,75,000
b.	Value of perquisites u/s 17(2) of Income Tax Act, 1961		-
c.	Profits in lieu of salary under section 17(3) Income Tax Act, 1961		-
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission		
	- as % of profit		-
	- others, specify...(% of Sales)		41,46,654
5.	Others, please specify		-
6.	Total		2,37,21,654

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross Salary	Bimal Mukesh Shah Whole Time Director	
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,79,24,167
b.	Value of perquisites u/s 17(2) of Income Tax Act, 1961		-
c.	Profits in lieu of salary under section 17(3) Income Tax Act, 1961		-
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission		
	- as % of profit		-
	- others, specify...(% of Sales)		13,82,218
5.	Others, please specify		-
6.	Total		1,93,06,385

B. Remuneration to other directors:

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors	Mahesh Sarda Independent Director	
	•Fee for attending board committee Meetings		1,55,000
	•Commission		-
	•Others, please specify		-
	Total (1)		1,55,000
2.	Other Non-Executive Directors		
	•Fee for attending board committee meetings		-
	•Commission		-
	•Others, please specify		-
	Total (2)		-
	Total = (1+2)		1,55,000

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors	Prakash Apte Independent Director	
	•Fee for attending board committee Meetings		1,20,000
	•Commission		-
	•Others, please specify		-
	Total (1)		1,20,000
2.	Other Non-Executive Directors		
	•Fee for attending board committee meetings		-
	•Commission		-
	•Others, please specify		-
	Total (2)		-
	Total = (1+2)		1,20,000

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors	Pratima Umarji Independent Director	
	•Fee for attending board committee Meetings		1,75,000
	•Commission		-
	•Others, please specify		-
	Total (1)		1,75,000
2.	Other Non-Executive Directors		
	•Fee for attending board committee meetings		-
	•Commission		-
	•Others, please specify		-
	Total (2)		-
	Total = (1+2)		1,75,000

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors	Thiruvengadam Parthasarathi Independent Director	
	•Fee for attending board committee Meetings		1,12,500
	•Commission		-
	•Others, please specify		-
	Total (1)		1,12,500
2.	Other Non-Executive Directors		
	•Fee for attending board committee meetings		-
	•Commission		-
	•Others, please specify		-
	Total (2)		-
	Total = (1+2)		1,12,500

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors	Kaushik Shah Independent Director	
	•Fee for attending board committee Meetings		35,000
	•Commission		-
	•Others, please specify		-
	Total (1)		35,000
2.	Other Non-Executive Directors		
	•Fee for attending board committee meetings		-
	•Commission		-
	•Others, please specify		-
	Total (2)		-
	Total = (1+2)		35,000

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors	*Sundareshan Sthanunathan Independent Director	
	•Fee for attending board committee Meetings		70,000
	•Commission		-
	•Others, please specify		-
	Total (1)		70,000
2.	Other Non-Executive Directors		
	•Fee for attending board committee meetings		-
	•Commission		-
	•Others, please specify		-
	Total (2)		-
	Total = (1+2)		70,000

* Ceased to be a Director of the Company with effect from 29th December, 2017.

Total Managerial Remuneration (A+B)	₹ 11,67,03,283/-
Overall Ceiling as per the Act	₹ 19,82,13,947/-

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

Amount in ₹

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total
1	Gross Salary	Ms. Pooja Dattatray Gaonkar	
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		8,54,395
	b. Value of perquisites u/s 17(2) of Income Tax Act, 1961		-
	c. Profits in lieu of salary under section 17(3) Income Tax Act, 1961		-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit		
	- others, specify...(% of Sales)		
5.	Others, please specify	-	-
6.	Total		8,54,395

VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the breach of any sections of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and On Behalf of the Board
Fine Organic Industries Limited

Place: Mumbai
Date: 13th August, 2018

Prakash Kamat
Executive Chairman

ANNEXURE H

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

A. CONSERVATION OF ENERGY

Your Company is continuously taking adequate measures for conservation and saving of energy. All our major processes are continuous and we run our plants for 365 days. The machinery is used at 90% efficiency and in such a process energy conservation is very high compared to batch type process. Your Company has installed instruments which perform accurately and precisely to conserve energy.

Your Company has used VFD for motors and pumps to get the desired performance at lower consumption of energy. Your Company has installed LED lighting throughout plant area, admin area and streets to conserve energy. Your Company has installed solar street lights at certain locations to study its feasibility.

Your Company has also installed sunlight diffraction system called as "Sky pipes" in all warehouses. These Sky pipes work on principle of utilizing solar energy as a resource for lighting. Thus during day-time your Company do not use any electrical power in warehouses, thereby reducing electricity utilization leading to energy conservation. The capital cost of installing these Sky pipes is approx ₹ 12,32,500/- with total cost recovery in next 2 and 1/2 years and the life of each sky pipe is for 20 years.

Initiated OPEX- ABD Meter-Grid system for utilising renewable source of electricity generated from Wind mill farms / Solar farms. Tentative capital investment is around ₹ 9,80,166 /- (basic cost + taxes).

In case of Thermic Fluid Heaters, the flue gases heat recovery system for two no's of TFH were installed and the heat recovered from the waste flue gases equivalent to around 288 m3/day of Natural gas. Total expenses for this process modification and implementation was ₹ 12,00,000/-. Thus with this initiation based on Heat exchange principles, we were able to save Natural gas usage by 288 m3/day, achieving energy conservation.

Similarly, your Company has also achieved continuous modulation for burner firing system of TFH. Originally it was high-low modulation system and now it is modified to continuous modulation system which results in approx. 336 m3/day saving of Natural gas as compared with the old process. The investment cost was approx. ₹ 1,57,474/-.

For one of our production processes, after doing the process modification, we were able to achieve reduction in release of spent gases by capturing these gases to form a by-product, which has a commercial demand,

thereby achieving eco-friendly process development. Captive cost of ₹ 16,56,250/- was invested to make this modification feasible.

Your Company has shifted use of burning fuel from Furnace oil to Natural gas, which is one of the clean burning fuel reducing the CO2 emission. Also the SOx levels are very well lowered in case of Natural gas as compared to Furnace oil. This initiative leading to reduction in air pollution and thereby achieving eco-friendly production facility.

Tree plantation programme was also conducted by our plant team by planting nearly 60 plus trees in the surrounding area. This has added the benefit of air screening as well as reducing the CO2 level, thereby gaining the Carbon footprint benefit. Tentative expenditure of ₹ 20,000 / - was occurred in this project.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Your Company is continuously taking steps to improve the product and process technology in the effort to provide value added goods to consumers. In India your Company is the first company to adopt a unique process to achieve purity of 99.9%. This technology is used rarely in developed countries but Fine Organics adopted it nearly 18 years back and achieved significant export market. By adopting this technique your company is now world's largest producer of product range in our field.

Your Company now holds a big share in global market for our product range. Your Company not only absorbs new technology but also develops In- House technology and implement the same in practice. Your Company is the first in our area to make Zero Liquid Discharge (ZLD) plant. While designing any reactor, your Company considers new technology and test reactivity of material to be processed with MOC of the reactor and fabricate / design reactor accordingly.

In plant, your Company has over 90% eliminated manual material handling of liquid and solid materials, as they are handled mechanically and computerized system controlled. This development not only helps to improve the quality of the product but also helps in safety of plant and health of workers. Technology absorption is an ongoing process and project team is always in search of new developments globally. We ensure that project teams of your Company attend world trade expo likeACHEMA regularly to understand newer developments taking place in the world in the field of process technology and equipments.

Your Company has an independent, well developed Research and Development (R and D) Center which is highly focused on the development of new products. Several processes have been upgraded using new catalysts. This has resulted in reduced reaction time at lower temperatures than was used earlier. This obviously has improved the productivity and the energy conservation.

Several new products have been commercialised as a result of our Company's development efforts. Some of these products were hitherto not made in India so far.

Your Company has developed new technology to manufacture existing range of food preservatives, by avoiding water usage from that of previous method, resulting in Water and energy savings, leading to save natural resources. A new production facility is being set-up for the same.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with regard to Foreign Exchange earnings and outgoing is as follows:

Foreign Exchange Inflows And Outflows	₹ in lakhs	
	As at 31 st March, 2018	As at 31 st March, 2017
Foreign exchange outflows	16,764.63	12,651.74
Foreign exchange inflows	48,957.08	48,916.32

For and On Behalf of the Board
Fine Organic Industries Limited

Place: Mumbai
Date: 13th August, 2018

Prakash Kamat
Executive Chairman

CORPORATE GOVERNANCE

A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is essentially the management of an organisation's activities in accordance with policies that are value-accretive for all stakeholders.

The Company believes in doing business the right way and always seeks to ensure that the performance is driven by integrity and value. At the heart of the Company's Corporate Governance policy, is the ideology of transparency and openness in the effective working of the Management and Board.

Corporate Governance is considered as an important tool for shareholders protection and maximization of their long - term values. The Company's Corporate Governance policy aims towards attainment of high level of transparency, integrity, accountability and fairness in all facets of its operations. Good Corporate Governance contributes to a sustainable economic development of corporations by enhancing their performance and increasing shareholders' value. The Company has complied with the requirements of Corporate Governance as laid down under provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The equity shares of the Company have been listed on BSE Limited and National Stock Exchange of India Limited w.e.f. 2nd July, 2018. Subsequent to listing of equity shares of the Company, provisions of SEBI (LODR) Regulations have become applicable.

BOARD OF DIRECTORS

The Board of Directors of the Company comprises ten Directors, of which five are Executive Directors and five Independent Directors. Out of five independent directors, one is a woman director. All members of the Board are eminent persons with considerable professional expertise and experience. The Board consists of a balanced combination of Executive Directors and Independent Directors in accordance with the requirements of the Companies Act, 2013; and the same is in compliance with the requirements of Regulation 17 of the Listing Regulations.

a. Composition of Board of Directors

The composition of the Board of Directors of the Company is in compliance with the provisions of the Companies Act, 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As at the end of financial year 31st March, 2018, the total Board strength comprises of the following:

Sr. No.	Name of Directors	Category of Director	*No of Directorships in other public limited companies	**No of committee positions held in other public limited companies		Equity Shares Held (Face value of ₹ 5 per share)
				Chairman	Member	
1	Mr. Prakash Damodar Kamat (DIN: 00107015)	Promoter and Executive Director	NIL	NIL	NIL	59,82,840
2	Mr. Mukesh Maganlal Shah (DIN: 00106799)	Promoter and Executive Director	NIL	NIL	NIL	25,88,442
3	Mr. Jayen Ramesh Shah (DIN: 00106919)	Promoter and Executive Director	NIL	NIL	NIL	49,53,630
4	Mr. Tushar Ramesh Shah (DIN: 00107144)	Promoter and Executive Director	NIL	NIL	NIL	52,29,186
5	Mr. Bimal Mukesh Shah (DIN: 03424880)	Promoter and Executive Director	NIL	NIL	NIL	28,22,436
6	Mr. Prakash Krishnaji Apte (DIN: 00196106)	Non-Executive, Independent Director	3	3	1	NIL
7	Mr. Kaushik Dwarkadas Shah (DIN: 00124756)	Non-Executive, Independent Director	NIL	NIL	NIL	NIL
8	Mr. Mahesh Pansukhlal Sarda (DIN: 00023776)	Non-Executive, Independent Director	1	NIL	1	NIL
9	Mr. Parthasarathi Thiruvengadam (DIN: 00016375)	Non-Executive, Independent Director	1	NIL	3	NIL
10	Ms. Pratima Madhukar Umarji (DIN: 05294496)	Non-Executive, Independent Woman Director	NIL	NIL	NIL	NIL

*Includes Directorships of public limited companies or a private company that is either a holding or subsidiary company of a public company registered under the Companies Act 1956 / the Companies Act, 2013 other than Fine Organic Industries Limited.

**only Audit Committee and Stakeholders Relationship Committee is considered for the purpose

other than Independent Directors and Chairman, all other directors are liable to retire by rotation.

None of the Directors on the Board serve as an Independent Director in more than seven listed companies. Further, there is no Director on the Board of the Company, who serves as a Whole-time Director with any listed company.

b. Board Meetings held during the year and attendance of Directors at the said meetings:

During the financial year ended on 31st March 2018, twenty board meetings were held and dates were: 11th April, 2017, 19th April, 2017, 20th April, 2017, 23rd May, 2017, 13th June, 2017, 26th June, 2017, 5th July, 2017, 7th July, 2017, 9th August, 2017, 23rd August, 2017, 22nd September, 2017, 8th October, 2017, 16th October, 2017, 3rd November, 2017, 11th November, 2017, 21st November, 2017, 15th December, 2017, 15th January, 2018, 29th January, 2018, and 21st March, 2018. The maximum interval between any two meetings was well within the maximum allowed gap of one hundred and twenty days. The 15th Annual General Meeting (AGM) of the Company was held on 10th July, 2017.

Directors	Number of Board Meetings attended	Attendance at the AGM
Mr. Prakash Damodar Kamat	20	Yes
Mr. Mukesh Maganlal Shah	18	Yes
Mr. Jayen Ramesh Shah	19	Yes
Mr. Tushar Ramesh Shah	18	Yes
Mr. Bimal Mukesh Shah	12	No
Mr. Prakash Krishnaji Apte	3	NA
Mr. Kaushik Dwarkadas Shah	1	NA
Mr. Mahesh Pansukhlal Sarda	4	NA
Mr. Parthasarathi Thiruvengadam	3	NA
Ms. Pratima Madhukar Umarji	5	NA
Mr. Sundareshan Sthanunathan*	2	NA

* Ceased to be a Director of the Company with effect from 29th December, 2017 due to his resignation.

The Company became a Public Limited Company with

effect from 2nd November, 2017 and therefore all the independent directors were appointed on the Board after the Company became a Public Limited Company.

c. Inter - Se Relationship Between Directors

Sr. No.	Name of Director	Related To	Nature of Relationship of director
1.	Mr. Mukesh Maganlal Shah	Mr. Bimal Mukesh Shah	Father
		Mr. Jayen Ramesh Shah	Uncle
		Mr. Tushar Ramesh Shah	Uncle
2.	Mr. Jayen Ramesh Shah	Mr. Tushar Ramesh Shah	Brother
		Mr. Mukesh Maganlal Shah	Nephew
		Mr. Bimal Mukesh Shah	Cousin
3.	Mr. Tushar Ramesh Shah	Mr. Jayen Ramesh Shah	Brother
		Mr. Mukesh Maganlal Shah	Nephew
		Mr. Bimal Mukesh Shah	Cousin
4.	Mr. Bimal Mukesh Shah	Mr. Mukesh Maganlal Shah	Son
		Mr. Jayen Ramesh Shah	Cousin
		Mr. Tushar Ramesh Shah	Cousin

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

d. Familiarisation Programme

At the time of appointment, the Independent directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. At Board and Committee meetings, the Independent Directors are regularly being familiarized on the business model, strategies, operations, functions, policies and procedures of the Company and its subsidiaries. All Directors attend the familiarization programs as these are scheduled to coincide with the Board meeting calendar.

The details of training programs have been posted on the Company's website at www.fineorganics.com

B. COMMITTEES OF THE BOARD OF DIRECTORS

The Company is in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in reference to constitution of Committees. Composition, terms of reference, duties and responsibilities of each Committee is based on the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee meetings are held on a timely basis and such committees make necessary recommendation and/or observations and decisions are placed before the Board for their information or approval. The Chairman of respective Committee updates the Board regarding the discussions held / decisions taken at the Committee Meeting.

A. Audit Committee

The Audit Committee was last reconstituted by the Board on 29th January, 2018. The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 and its terms of reference include the following:

Terms of Reference:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
- (d) Significant adjustments made in the financial statements arising out of audit findings;
- (e) Compliance with listing and other legal requirements relating to financial statements;
- (f) Disclosure of any related party transactions; and
- (g) Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
9. Scrutinising of inter-corporate loans and investments;
10. Valuing of undertakings or assets of the Company, wherever it is necessary;
11. Evaluating of internal financial controls and risk management systems;
12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussing with internal auditors on any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations

by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

17. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act or the Listing Regulations or by any other regulatory authority.

Composition and Meetings

During the last financial year ended 31st March, 2018, two meetings of the Audit Committee were held on 29th January, 2018 and 21st March, 2018.

Sr. No.	Name of Directors and their Category	Chairman or Member	Number of meetings attended
1.	Mr. Mahesh Pansukhlal Sarda Non-Executive, Independent Director	Chairman	2
2.	Mr. Prakash Krishnaji Apte Non-Executive, Independent Director	Member	2
3.	Mr. Kaushik Dwarkadas Shah Non-Executive, Independent Director	Member	Nil
4.	Mr. Parthasarathi Thiruvengadam Non-Executive, Independent Director	Member	1

Sr. No.	Name of Directors and their Category	Chairman or Member	Number of meetings attended
5.	Mr. Jayen Ramesh Shah Promoter and Executive Director	Member	2
6.	Mr. Tushar Ramesh Shah Promoter and Executive Director	Member	2

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last reconstituted by our Board on 15th December, 2017. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

Terms of Reference:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
8. 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;

9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
12. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act or the Listing Regulations, or by any other regulatory authority.

Composition and Meetings

During the last financial year ended 31st March, 2018, No meeting of the Nomination and Remuneration Committee was held.

Sr. No.	Name of Directors and their Category	Chairman or Member
1.	Mr. Parthasarathi Thiruvengadam Non-Executive, Independent Director	Chairman
2.	Ms. Pratima Madhukar Umarji Non-Executive, Independent Director	Member
3.	Mr. Mahesh Pansukhlal Sarda Non-Executive, Independent Director	Member
4.	Mr. Prakash Damodar Kamat Promoter and Executive Director	Member

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTOR

The performance evaluation of Independent Directors was based on various parameters such as Board/Committee structure and composition, frequency of meetings, participation of Independent Directors in the meeting, execution and performance of specific duties of the Directors, review of Independent Director's competency, experience, contribution along with criteria mentioned in the policy adopted by the Board.

C. REMUNERATION OF DIRECTORS

Remuneration to Executive Directors for the Financial Year 2017-18:

Name of Executive Directors	Stock Option	Sweat Equity	Gross Remuneration (in ₹)		
			Salary	Commission	Total Amount
Mr. Prakash Damodar Kamat	Nil	Nil	1,95,75,000	41,46,654	2,37,21,654
Mr. Mukesh Maganlal Shah	Nil	Nil	2,28,00,000	27,64,436	2,55,64,436
Mr. Jayen Ramesh Shah	Nil	Nil	1,95,75,000	41,46,654	2,37,21,654
Mr. Tushar Ramesh Shah	Nil	Nil	1,95,75,000	41,46,654	2,37,21,654
Mr. Bimal Mukesh Shah	Nil	Nil	1,79,24,167	13,82,218	1,93,06,385

The Independent Directors of the Company are paid sitting fees, due to their responsibilities, and professional expertise and knowledge they bring across. The details of sitting fees paid during the financial year are as under:

Sr. No.	Name of Non-Executive Directors	Sitting Fees (in ₹)
1.	Mr. Prakash Krishnaji Apte	1,20,000
2.	Mr. Mahesh Pansukhlal Sarda	1,55,000
3.	Mr. Parthasarathi Thiruvengadam	1,12,500
4.	Mrs. Pratima Madhukar Umarji	1,75,000
5.	Mr. Kaushik Dwarkadas Shah	35,000
6.	Mr. Sundareshan Sthanunathan*	70,000

* Ceased to be a Director of the Company with effect from 29th December, 2017 due to his resignation. Besides, the Company also provides reimbursement of travelling expenses incurred for attending meetings of the Company.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was last reconstituted by our Board on 29th January, 2018. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013.

Terms of Reference

1. To formulate and recommend to our Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken;
2. To recommend the amount of expenditure to be incurred on the CSR activities;
3. To monitor the CSR Policy and its implementation by the Company from time to time;
4. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013 and the rules framed thereunder.

Composition and Meetings

During the last financial year ended 31st March, 2018, two meetings of the Corporate Social Responsibility Committee were held on 8th December, 2017 and 21st March, 2018.

Sr. No.	Name of Directors and their Category	Chairman or Member	Number of Meetings attended
1.	Mr. Jayen Ramesh Shah Promoter and Executive Director	Chairman	2

Sr. No.	Name of Directors and their Category	Chairman or Member	Number of Meetings attended
2.	Mr. Prakash Krishnaji Apte Non-Executive, Independent Director	Member	1
3.	Mr. Kaushik Dwarkadas Shah Non-Executive, Independent Director	Member	Nil
4.	Mr. Mukesh Maganlal Shah Promoter and Executive Director	Member	2
5.	Mr. Tushar Ramesh Shah Promoter and Executive Director	Member	2

E. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee was last reconstituted by our Board on 29th January, 2018. The scope and functions of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

Terms of Reference

- (i) Consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- (ii) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (iii) Approval of allotment of shares, approval of transfer or transmission of shares, debentures or any other securities.
- (iv) Issue of duplicate certificates and new certificates on split/consolidation/renewal; and
- (v) Carrying out any other function as may be decided by the Board or prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition and Meetings

During the last financial year ended 31st March, 2018, no meeting of the Stakeholders Relationship Committee was held.

Sr. No.	Name of Directors and their Category	Chairman or Member
1.	Ms. Pratima Madhukar Umarji - Non-Executive, Independent Director	Chairman
2.	Mr. Prakash Krishnaji Apte - Non-Executive, Independent Director	Member
3.	Mr. Kaushik Dwarkadas Shah - Non-Executive, Independent Director	Member
4.	Mr. Mukesh Maganlal Shah - Promoter and Executive Director	Member
5.	Mr. Jayen Ramesh Shah - Promoter and Executive Director	Member
6.	Mr. Tushar Ramesh Shah - Promoter and Executive Director	Member

NAME AND DESIGNATION OF COMPLIANCE OFFICER

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

STATUS OF SHAREHOLDER COMPLAINTS

The Company has not received any shareholder complaint during the Financial Year 2017-18.

F. GENERAL BODY MEETINGS

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

Date	Time	Location	Special Resolution passed
27 th July, 2015	11:00 a.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	NIL
28 th September, 2016	12:00 noon	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	NIL
10 th July, 2017	10:00 a.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	NIL

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

Financial Year	Date & Time	Location	Special Resolution passed
2015-16	4 th February, 2016 at 11.00 a.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	Item No. 1: Alteration of Object Clause of memorandum of Association. Item No. 2: Adoption of New Set of Articles of Association
2017-18	22 nd September, 2017 at 11.00 a.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	Item No. 1: Conversion from Private Limited to Public Limited Company Item No. 2: Increase in the Authorised Share Capital Item No. 3: Issue of Bonus Shares Item No. 4: Alterations of the Memorandum of Association of the Company Item No. 5: Adoption of New Articles of Association
2017-18	14 th October, 2017 at 11.00 a.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	Item No. 1: Conversion from Private Limited to Public Limited Company Item No. 2: Alterations of the Memorandum of Association of the Company Item No. 3: Adoption of New Articles of Association

Financial Year	Date & Time	Location	Special Resolution passed
2017-18	6 th November, 2017 at 3.00 p.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	Item No. 1: Increase in Borrowing Powers of the Company Item No. 2: The Authority for Mortgaging/Hypothecating/Disposing the Assets of the Company Item No. 3: Subdivision of Face Value of Equity Shares of the Company Item No. 4: Alterations of the Memorandum of Association of the Company Item No. 5: Initial Public Offer of Equity Shares Item No. 6: Increase in Investment Limits for Foreign Portfolio Investor/Foreign Institutional Investor Item No. 7: Appointment of Mr. Mukesh Shah as Managing Director of the Company Item No. 8: Appointment of Mr. Jayen Shah as Whole Time Director and Chief Executive Officer of the Company Item No. 9: Appointment of Mr. Tushar Shah as Whole Time Director and Chief Financial Officer of the Company Item No. 10: Appointment of Mr. Bimal Shah as Whole Time Director of the Company Item No. 11: Appointment of Mr. Prakash Kamat as Chairman and Whole Time Director of the Company
2017-18	13 th November, 2017 at 3.00 p.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	Item No. 1: Appointment of Mr. Prakash Apte as Independent Director Item No. 2: Appointment of Mr. Mahesh Sarda as Independent Director Item No. 3: Appointment of Mr. Parthasarathi Thiruvengadam as Independent Director Item No. 4: Appointment of Mr. Sundareshan Sthanunathan as Independent Director Item No. 5: Appointment of Ms. Pratima Umarji as Independent Director
2017-18	24 th January, 2018 at 11.00 a.m.	Fine House, Anandji Street, Off. M.G. Road, Ghatkopar (East), Mumbai – 400 077	Item No. 1: Appointment of Mr. Kaushik Shah as Independent Director Item No. 2: Alteration in Articles of Association of the Company

POSTAL BALLOT

No resolution was required to be passed by means of a postal ballot during the financial year 2017-18.

G. MEANS OF COMMUNICATION

The equity shares of the Company have been listed on National Stock Exchange of India Limited and BSE Limited w. e. f. 2nd July, 2018. Subsequent to listing of equity shares of the Company, provisions of SEBI (LODR) Regulations have become applicable. Accordingly, the announcement of quarterly and annual results will be made within the statutory period as per above Regulations. The Company from time to time shall provide information as required under various regulations of SEBI (LODR) Regulations to Stock Exchanges and the same will be updated on the website of the Company.

The Company's website <https://www.fineorganics.com> has a separate section for investors where shareholders information is available.

The Company has also separate email id i.e investors@fineorganics.com for investor grievances.

Annual Reports and any other communication will be sent to email ids of members whose emails are registered with the Company. For others a copy of Annual Report would be dispatched at the registered address of the shareholder with the Company.

H. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting: Day, Date, Time and Venue	Tuesday, 25 th September, 2018, 11:00 a.m., Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai - 400 007														
Financial Year	01 st April, 2017 to 31 st March, 2018														
Dividend Payment Date	On or before Thursday, 25 th October, 2018.														
Name and Address of Stock Exchange	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Code: 541557	National Stock Exchange of India Limited Plot No. C/I, “6” Block, Exchange Plaza Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Code: FINEORG													
Annual Listing Fees to Stock Exchanges	The Company was listed on 2 nd July, 2018 and therefore payment of listing fees was not applicable to the Company during financial year 2017-18														
ISIN	INE686Y01026														
Market price data- high, low during each month in last financial year	The Company was listed on 2 nd July, 2018 and therefore the said information of the Company for the last financial year is not available.														
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc:	Same as explained above.														
Suspension from trading , if any	Same as explained above.														
Registrar & Share Transfer Agents	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot Number 31 & 32 Gachibowli Financial, District Nanakramguda, Hyderabad - 500 032 India Tel: 91 40 6716 2222 Fax: 91 40 2343 1551														
Distribution of shareholding	Shareholding Pattern as on 31 st March, 2018														
	<table><tr><th>Sr. No.</th><th>Category of Shareholders</th><th>Total number of shares</th><th>% of holding</th></tr><tr><td>1.</td><td>Promoter and Promoter Group</td><td>3,06,59,976</td><td>100%</td></tr><tr><td>2.</td><td>Public Shareholding</td><td>Nil</td><td>Nil</td></tr></table>	Sr. No.	Category of Shareholders	Total number of shares	% of holding	1.	Promoter and Promoter Group	3,06,59,976	100%	2.	Public Shareholding	Nil	Nil		
Sr. No.	Category of Shareholders	Total number of shares	% of holding												
1.	Promoter and Promoter Group	3,06,59,976	100%												
2.	Public Shareholding	Nil	Nil												

Dematerialisation of shares and liquidity	The Company has established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialisation of shares. As on 31 st March, 2018, total 3,06,59,976 Equity shares representing 100% of paid up capital were in dematerialised form.
Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	Nil
Commodity price risk or foreign exchange risk and hedging activities	During the financial year ended 31 st March, 2018, the Company had managed the foreign exchange risk and hedged the same to some extent. Further the details of foreign currency exposures are disclosed in notes to accounts of the financial statements.
Factory Address/Plant Locations	Plot no. N-2, Additional MIDC, Ambarnath (E) - 421501 Plot no. G-1, G-1/1, Khervai MIDC, Badlapur (E) - 421503 Plot no. W-124, Khervai MIDC, Badlapur (E) - 421503 Plot no. N-42/1, Additional MIDC, Ambarnath (E) - 421506 Plot no. A-28, Millennium Business Park, MIDC, Mahape, Navi-Mumbai - 400710 Plot no. W-260,261, Phase-II MIDC, Dombivili (E) - 421204 Plot no. A-122-125, Phase-I MIDC, Dombivili (E) - 421203 Plot no. N-78, Additional MIDC, Ambarnath (E) - 421506 Plot No. W-8, MIDC, Chemical Zone, Ambarnath (W) - 421501
Address for correspondence	Shareholders may correspond with the Registrar and Transfer Agents at: Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot Number 31 & 32 Gachibowli Financial, District Nanakramguda, Hyderabad - 500 032 India Tel: 91 40 6716 2222 Fax: 91 40 2343 1551 Email: einward.ris@karvy.com Website:www.karvycomputershare.com The Company has also designated investors@fineorganics.com as an exclusive email ID for Investors for the purpose of registering complaints and the same has been displayed on the Company's website. Shareholders would have to correspond with the respective Depository Participants for shares held in dematerialised form for transfer/transmission of shares, change of address, change in bank details, etc. The Compliance Officer can also be contacted at: Ms. Pooja Gaonkar 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 Email: investors@fineorganics.com The Company can also be visited at its website: www.fineorganics.com

I. OTHER DISCLOSURES

- i. The transactions entered into with the related parties were at arm's length basis and in ordinary course of business. During the financial year ended 31st March, 2018, the Company had not entered into any related party transactions which were material in nature pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013.
- ii. There have been no instances of non compliance on any matter with the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other Statutory Authority relating to the capital market during the previous 3 (three) financial years.
- iii. The Company has in place whistle blower policy and vigil mechanism for directors and employees to report concerns about unethical behaviour. No person is denied access to the Chairman of the Audit Committee. The Whistle Blower Policy can be accessed on the Company's website:
- iv. The Company has complied with requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015.
- v. 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 Listing Regulations.
- vi. As stipulated in Para E of Schedule V of the Listing Regulations, the Practicing Company Secretary's Certificate regarding the compliance of conditions of corporate governance is attached with the Director's Report.
- vii. Policy for determining 'material' subsidiaries:
The Company has no material subsidiary in the financial year 2017-18. The Company has formulated the policy for determining material subsidiaries in terms of the Listing Regulations. This Policy has been posted on the website of the Company at the Web link: <https://www.fineorganics.com/investor-relations/corporate-governance/policies>
- viii. Policy on Materiality of and Dealing with Related Party Transactions

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

ix. Compliance with Mandatory Requirements

The Company has complied with all the mandatory requirements relating to Corporate Governance under the Listing Regulations. No penalties, strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

x. Compliance with Non-mandatory Requirements

The non-mandatory requirements under the Listing Regulations as adopted by the Company are as under:

- a) There is no audit qualification in the Company's financial statements for the year ended 31st March, 2018.
- b) The Internal Auditor of the Company reports to the Audit Committee and participates in the meetings of the Audit Committee of the Board of Directors of the Company and presents his internal audit observations to the Audit Committee.
- c) The company has appointed separate persons to the post of Chairman (who chairs the Board Meetings), Managing Director and the Chief Executive Officer.
- xi. The disclosures with respect to demat suspense account / unclaimed suspense account is not applicable to the Company for financial Year 2017-18

Declaration - Code of Conduct

Declaration under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015:

All the members of the Board and the Senior Management Personnel of the Company have for the year ended 31st March 2018, 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 Fine Organic Industries Limited

Mukesh Shah

Managing Director

DIN: 00106799

Place: Mumbai

Date: 13th August, 2018

Independent Auditors Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 31st March, 2018, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation').

Management Responsibility

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

PCS Responsibility

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and from the representations made by the Company, Board of Directors and authorized persons as well as from the Management Representations made by the Company during the conduct of audit & from the records maintained by the Company, 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 31st March, 2018.

We further state that such compliance is neither an assurance as to the future viability of the company not 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

Place: Mumbai

Date: 13th August, 2018

CEO AND CFO CERTIFICATION

To,

The Board of Directors

Fine Organic Industries Limited

Fine House, Anandji Street,

Off M. G. Road, Ghatkopar (E),

Mumbai – 400077

Dear Sirs/Madam,

Certificate under Regulation 17(8) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and the same has been disclosed to the Auditors.
- D. We have indicated to the auditors and the Audit committee that
- (1) no significant changes has taken place in internal control over financial reporting during the year;
 - (2) no significant changes has taken place in accounting policies during the year other than adopting IND AS; and
 - (3) no instances of fraud has occurred by the management or any employee during the financial year.

For Fine Organic Industries Limited

Place: Mumbai

Date: 13th August, 2018

Jayen Shah

Director & CEO

DIN 00106919

Tushar Shah

Director & CFO

DIN 00107144

INDEPENDENT AUDITOR'S REPORT

To the Members of

Fine Organic Industries Limited

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

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **Fine Organic Industries Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('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 flow of the Company in accordance with the Indian Accounting Standards (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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies only, making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under Section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

OTHER MATTERS

The comparative financial information of the Company for the transition date opening Balance Sheet as at 1st April, 2016 included in this standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2016 dated 3rd August, 2016 expressed an unmodified opinion on that standalone financial statements, and have been restated to comply with Ind AS, Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

INDEPENDENT AUDITOR'S REPORT (Contd)

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The 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 books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure A**'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the 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:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in '**Annexure B**' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For B Y & Associates

Chartered Accountants

Firm's registration number: 123423W

CA Bhavesh Vora

Partner

Membership Number: 043908

Date: 13th August, 2018

Place : Mumbai

INDEPENDENT AUDITOR'S REPORT (Contd)

'ANNEXURE A' TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act') We have audited the internal financial controls over financial reporting of **Fine Organic Industries Limited** ('the Company') as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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.

For B Y & Associates

Chartered Accountants

Firm's registration number: 123423W

CA Bhavesh Vora

Partner

Membership Number: 043908

Date: 13th August, 2018

Place : Mumbai

INDEPENDENT AUDITOR'S REPORT (Contd)

'ANNEXURE B' TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of the Company's fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us, the records examined by us and based on our examination of the records provided to us, we report that, the title deeds, comprising immovable properties of land and buildings which are freehold if any, are held in the name of the Company as at the Balance Sheet date.
- (ii) In respect of the Company's Inventories:
 - a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
 - b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of stock as compared to book records.
- (iii) The Company has not granted any loans, secured or unsecured, other than advances for expenses, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2018 as prescribed under the provision of the section 73 to 76 of the Companies Act, 2013 and rules framed there under.

- (vi) The Central Government has prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013. As observed by us such accounts and records have been made and maintained by company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at 31st March, 2018 on account of dispute are given below :

Sr. No.	Financial Year / Period	Nature of Demand	Appellate Authority where dispute is pending	Amounts (₹ in lakhs)
1	2005-2006	Income Tax	Hon'ble High Court, Mumbai	74.90
2	2008-2009	Income Tax	Hon'ble High Court, Mumbai	126.00
3	2009-2010	Income Tax	Hon'ble High Court, Mumbai	140.58
4	April' 2010 to March' 2012	Service Tax	Commissioner of Central Excise (Appeal), Thane	11.96

- (viii) According to records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. The Company has not issued any debentures during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence

INDEPENDENT AUDITOR'S REPORT (Contd)

reporting under Clause 3 (ix) of the Order is not applicable to the Company.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act
- (xii) The Company is not a nidhi company and hence, reporting under Clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence, reporting under Clause 3 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For B Y & Associates

Chartered Accountants

Firm's registration number: 123423W

CA Bhavesh Vora

Partner

Membership Number: 043908

Date: 13th August, 2018

Place : Mumbai

BALANCE SHEET

AS AT 31ST MARCH, 2018

₹ In lakhs

Particulars	Notes	Figures at the end of current Reporting period 31 st March, 2018	Figures as at the end of previous reporting period 31 st March, 2017	Figures as at the beginning of the previous reporting period 1 st April, 2016
ASSETS				
A) Non Current Assets				
Property, Plant and Equipment	Note 4	8,805.18	9,677.23	10,247.17
Capital work-in-progress	Note 5	3,167.49	279.74	564.99
Investment Property		-	-	-
Goodwill		-	-	-
Intangible Assets	Note 6	26.68	21.00	13.22
Intangible Assets under development		-	-	-
Biological Assets other than bearer plants		-	-	-
Financial Assets				
- Investment	Note 7	1,432.99	1,432.99	653.38
- Loans	Note 8	496.19	431.15	195.14
- Trade Receivables		-	-	-
- Others	Note 9	44.94	12.83	49.53
Deferred tax assets (Net)	Note 10	484.87	394.63	190.21
Other Non-current Assets	Note 11	5,999.05	4,895.66	5,290.06
Total Non Current Assets (A)		20,457.39	17,145.23	17,203.70
B) Current Assets				
Inventories	Note 12	8,331.15	8,845.84	7,370.48
Financial Assets				
- Investments		-	-	-
- Trade Receivables	Note 13	16,108.22	12,030.32	9,347.30
- Cash and Cash Equivalents	Note 14	538.05	1,027.98	3,669.15
- Other Bank Balances	Note 15	170.43	394.60	156.83
- Loans	Note 16	96.74	73.49	76.10
- Others	Note 17	11.01	9.15	10.17
Current Tax Assets (Net)	Note 18	-	397.03	-
Other Current Assets	Note 19	8,104.05	5,524.46	4,134.38
Total Current Assets (B)		33,359.65	28,302.87	24,764.41
Total Assets (A + B)		53,817.04	45,448.10	41,968.11
EQUITY AND LIABILITIES				
A) Equity				
Equity Share Capital	Note 20	1,533.00	483.00	483.00
Equity Share Suspense account	Note 20	-	28.00	28.00
Other Equity	Note 21	39,312.34	32,984.05	25,007.43
Total Equity (A)		40,845.34	33,495.05	25,518.43
LIABILITIES				
B) Non Current Liabilities				
Financial Liabilities				
- Borrowings	Note 22	-	-	5,162.83
- Trade Payables		-	-	-
- Others		-	-	-
Provisions		-	-	-
Deferred tax liabilities (Net)		-	-	-
Other non-current Liabilities		-	-	-
Total Non Current Liabilities (B)		-	-	5,162.83
C) Current Liabilities				
Financial Liabilities				
- Borrowings	Note 23	5,360.92	4,026.23	4,250.78
- Trade Payables	Note 24	6,929.82	6,761.10	5,320.31
- Others	Note 25	109.94	91.15	863.71
Other current liabilities	Note 26	233.97	1,074.57	755.51
Provisions	Note 27	216.50	-	32.52
Current tax liabilities (Net)	Note 28	120.55	-	64.02
Total Current Liabilities (C)		12,971.70	11,953.05	11,286.85
Total Equity and Liabilities (A + B + C)		53,817.04	45,448.10	41,968.11

The Accompanying notes 1 to 51 are integral part of the financial statements.

As per our report of even date

For B Y & Associates
Chartered Accountants
ICAI Firm Registration No.: 123423W

CA Bhavesh Vora
Partner
Membership No. 043908

Place: Mumbai
Date : 13th August, 2018

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Prakash Kamat
Chairman

Tushar Shah
Director & CFO

Place: Mumbai
Date : 13th August, 2018

Mukesh Shah
Managing Director

Pooja Gaonkar
Company Secretary

Jayen Shah
Director & CEO

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2018

₹ In lakhs

Particulars	Notes	Figures for the current reporting period	Figures for the previous reporting period
		31 st March, 2018	31 st March, 2017
INCOME			
Revenue from Operations	Note 29	86,088.85	81,442.07
Other Income	Note 30	1,638.09	428.40
Total Income		87,726.94	81,870.47
EXPENSES			
Cost of Materials Consumed	Note 31	54,821.66	50,275.74
Purchase of Stock-in-trade	Note 31.1	60.39	22.14
Changes in Inventories of Finished Goods, Work-In-Progress and Trading Goods	Note 32	805.91	(479.13)
Excise Duty / Goods and Service Tax Expenses		884.75	3,673.46
Employee Benefits Expense	Note 33	4,903.93	6,214.30
Finance Costs	Note 34	312.25	435.84
Depreciation / Impairment & Amortisation Expenses	Note 35	2,003.92	2,371.25
Other Expenses	Note 36	8,214.60	7,067.14
Total Expenses		72,007.41	69,580.74
Profit before exceptional items and tax		15,719.53	12,289.73
Exceptional Item		-	-
Profit before tax		15,719.53	12,289.73
Tax Expenses			
Current Tax	Note 37	5,650.00	4,500.00
Deferred Tax Expense / (Income)	Note 38	(81.98)	(193.39)
Short / (Excess) Provision for earlier years		18.01	(14.36)
		5,586.03	4,292.25
Profit for the year from continuing operations		10,133.50	7,997.48
PROFIT / (LOSS) FOR THE YEAR		10,133.50	7,997.48
OTHER COMPREHENSIVE INCOME			
(A) (i) Items that will not be reclassified to Profit or Loss			
(a) Changes in fair value of Equity instruments through OCI		-	0.08
(b) Remeasurement of employees defined benefits plan		(23.84)	(31.97)
(ii) Income tax relating to items that will not be reclassified to profit or loss		8.25	11.04
Total Other Comprehensive Income		(15.59)	(20.86)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		10,117.91	7,976.62
Earnings Per Equity Share (for continuing operations)	Note 39		
Basic		33.05	26.08
Diluted		33.05	26.08

The Accompanying notes 1 to 51 are integral part of the financial statements.

As per our report of even date

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Bhavesh Vora

Partner

Membership No. 043908

Place: Mumbai

Date: 13th August, 2018

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Prakash Kamat

Chairman

Mukesh Shah

Managing Director

Jayen Shah

Director & CEO

Tushar Shah

Director & CFO

Pooja Gaonkar

Company Secretary

Place: Mumbai

Date: 13th August, 2018

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2018

A) EQUITY SHARE CAPITAL

₹ In lakhs

Particulars	No. of Shares	Amounts
Equity Share Capital at the beginning of the year i.e. 1 st April, 2016	4,829,996	483.00
Add / (Less) : Changes in equity share capital during the year 2016-17	-	-
Equity Share Capital at the end of the year i.e. 31st March, 2017	4,829,996	483.00
Equity Share Capital at the beginning of the year i.e. 1 st April, 2017	4,829,996	483.00
Add / (Less) : Changes in equity share capital during the year 2017-18		
Issued on account of Amalgamation of FRDCPL & FSSPL	280,000	28.00
Issued on account of Bonus issue	10,219,992	1,022.00
Issued on account of Subdivision of shares	15,329,988	-
Equity Share Capital at the end of the Year i.e. 31st March, 2018	30,659,976	1,533.00

B) OTHER EQUITY

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	General Reserve	Amalgamation Reserve	Securities Premium	Retained Earnings		
Balance as at 1 st April, 2016	473.87	1,155.24	0.00*	23,375.16	3.16	25,007.43
Add: Profit for the year	-	-	-	7,997.48	-	7,997.48
Add: Other Comprehensive Income (net of tax)	-	-	-	-	(20.86)	(20.86)
Total Comprehensive Income for the year	473.87	1,155.24	0.00*	31,372.64	(17.70)	32,984.05
Less: Dividend Paid on Equity shares	-	-	-	-	-	-
Less: Dividend Distribution Tax	-	-	-	-	-	-
Balance As At 31st March, 2017	473.87	1,155.24	0.00*	31,372.64	(17.70)	32,984.05
Balance at 1 st April, 2017	473.87	1,155.24	0.00*	31,372.64	(17.70)	32,984.05
Add: Profit for the year				10,133.50	-	10,133.50
Add: Other Comprehensive Income (net of tax)					(15.59)	(15.59)
Total Comprehensive Income for the year	473.87	1,155.24	0.00*	41,506.15	(33.29)	43,101.96
Less: Utilised for Bonus Issue of Equity shares	473.87	-	0.00*	548.13	-	1,022.00
Less: Dividend Paid on Equity shares				2,299.50		2,299.50
Less: Dividend Distribution Tax				468.12		468.12
Balance as at 31st March, 2018	-	1,155.24	-	38,190.40	(33.29)	39,312.34

* Denoted as amount below ₹1,000/-

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Bhavesh Vora

Partner

Membership No. 043908

Place: Mumbai

Date: 13th August, 2018

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Prakash Kamat
Chairman

Mukesh Shah
Managing Director

Jayen Shah
Director & CEO

Tushar Shah
Director & CFO

Pooja Gaonkar
Company Secretary

Place: Mumbai

Date: 13th August, 2018

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

₹ In lakhs

Particulars	Figures for the current reporting period		Figures for the previous reporting period	
	31 st March, 2018		31 st March, 2017	
Net Profit Before Tax		15,719.53		12,289.73
A) CASH FLOWS FROM OPERATING ACTIVITIES				
Adjustments for:				
Depreciation of property, plant and equipment	1,999.84		2,362.98	
Amortisation of intangible assets	4.08		8.27	
Loss/(Profit) on sale of fixed assets (net)	(13.07)		(2.29)	
Interest income	(46.03)		(102.50)	
Interest expenses	207.77		381.98	
Remeasurement of Employees benefit Plans	(23.84)		(31.97)	
Net loss/ (gain) on foreign exchange fluctuations (unrealised)	(1,327.30)		(254.75)	
Lease rent on Leasehold Properties	25.07		25.07	
		826.52		2,386.80
Operating profit before working capital movements		16,546.05		14,676.53
Movement in working capital:				
Decrease / (Increase) in Inventories	514.69		(1,475.36)	
Decrease / (Increase) in Trade Receivables	(4,077.89)		(2,683.02)	
Decrease / (Increase) in Other Bank Balances	224.16		(237.76)	
Decrease / (Increase) in Current Financial Assets : Loans	(23.26)		2.61	
Decrease / (Increase) in Current Financial Assets : Others	(0.19)		1.02	
Decrease / (Increase) in Other Current Assets	(2,579.58)		(1,390.09)	
Increase / (Decrease) in Trade Payables	168.72		1,440.79	
Increase / (Decrease) in Current Financial Liabilities : Others	18.78		(772.56)	
Increase / (Decrease) in Other Current Liabilities	(840.59)		319.05	
Increase / (Decrease) in Current Provisions	216.50		(32.52)	
		(6,378.66)		(4,827.84)
Cash generated from operations		10,167.39		9,848.69
Income tax paid		(5,087.34)		(4,946.69)
Net cash flows from operating activities (A)		5,080.05		4,902.00
B) CASH FLOWS (USED IN) / GENERATED FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment, including CWIP	(4,026.06)		(1,509.95)	
Advances Given for Capital Goods	(1,165.36)		386.13	
Purchase of intangible assets	(9.76)		(16.05)	
Proceeds from sale of property, plant and equipment	23.60		4.44	
Additional Investment in Bank Fixed Deposits	(18.25)		36.70	
Additional Investment in Joint Venture	-		(600.00)	
Interest received	(6.66)		72.30	
Net cash flows used in investing activities (B)		(5,202.49)		(1,626.43)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd)

₹ In lakhs

Particulars	Figures for the current reporting period		Figures for the previous reporting period	
	31 st March, 2018		31 st March, 2017	
C) NET CASH FLOWS (USED IN)/ GENERATED FROM FINANCING ACTIVITIES				
Repayment of Non Current : Borrowings	-		(5,162.83)	
Repayment of Current : Borrowings	1,334.69		(224.54)	
Advances given to / (Received Back from) Subsidiaries	(12.35)		(385.34)	
Security Deposit Received Back / (Given)	(41.73)		(16.80)	
Dividend paid	(2,299.50)		-	
Tax on dividend	(468.12)		-	
Interest paid	(207.77)		(381.98)	
Net loss/ (gain) on foreign exchange fluctuations	1,327.30		254.75	
Net cash flows used in financing activities (C)		(367.48)		(5,916.74)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(489.92)		(2,641.17)
Cash and cash equivalents at the beginning of the year		1,027.98		3,669.15
Cash and cash equivalents at the year end {Refer to note no. 14}		538.05		1,027.98
Components of cash and cash equivalents :				
Balances with banks				
In Current Account	215.89		488.24	
In Exchange Earning Foreign Currency Account	302.66		313.76	
In Fixed Deposit Account	3.65		215.61	
Cash on hand	15.85		10.37	
		538.05		1,027.98

The Accompanying notes 1 to 51 are integral part of the financial statements.

As per our report of even date

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Bhavesh Vora

Partner

Membership No. 043908

Place: Mumbai

Date: 13th August, 2018

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Prakash Kamat

Chairman

Tushar Shah

Director & CFO

Place: Mumbai

Date: 13th August, 2018

Mukesh Shah

Managing Director

Pooja Gaonkar

Company Secretary

Jayen Shah

Director & CEO

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Fine Organic Industries Limited {Formerly known as "Fine Organic Industries Private Limited"} is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Company was converted into Public Company with effect from 2nd November, 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 standalone Financial Statements were approved and authorised for issue with the resolution of the Board of Directors on 13th August, 2018 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 flavours, perfumes and flavouring chemicals, oil and colours, surface active agents, emulsifiers, preservatives, clouding agents, textile auxiliaries, lubricants, oleo chemicals and their derivatives, fatty acids and their derivatives, salt and esters. It also develops, processes, manufactures, deals in and carries on business in India and abroad in fine and heavy chemicals, oils, fats, dyes, dyestuffs, dye retardants, dye assistants, organic and inorganic chemicals.

The Company has completed Initial Public offering (IPO) of 76,64,994 shares of ₹ 5/- each at an offer price of ₹ 783/- per Equity Share aggregating to ₹ 6,00,16,90,302/-, through offer for sale. Equity shares of the Company are listed on 2nd July, 2018 on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Company has following investments in subsidiaries and Joint Venture:

Particulars	Name of Entity		
	Fine Organics (USA), Inc	Fine Organics Europe BVBA	Fine Zealandia Private Limited
Principal place of business and Country of Incorporation	United States of America	Belgium	India
Description of the method used to account for investments	Consolidation	Consolidation	Equity Method
Investee relationship	Subsidiary Company	Subsidiary Company	Joint Venture
Proportion of ownership interest	100.00%	99.46%	50.00%

2. BASIS OF PREPARATION:

2.1 Statement of compliance

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

The Company's standalone Financial Statements up to and for the year ended 31st March, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under the section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

These Financial Statements are the first standalone Financial Statements of the Company under Ind AS. Previous period numbers for the year ended 31st March, 2017 in the Financial Statements have been restated to conform to Ind AS. Accordingly, the date of transition to Ind AS is 1st April, 2016.

As these are the Company's first standalone Financial Statements prepared in accordance with Ind AS, Ind AS 101, "First-time adoption of Indian Accounting Standards" has been applied. An explanation of how the transition to Ind AS has affected the previously reported Financial position, Financial performance and cash flows of the Company is provided in Note no. 51.

2.2 Functional and presentation currency

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

2.3 Basis of measurement

The standalone 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 standalone 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 FINANCIAL STATEMENTS (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 31st March, 2018 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, 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, manufacturer's warranties and maintenance support

b) **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.

c) **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 base, and unutilised business loss and depreciation carry-forward and tax credits. 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-forward and unused tax credits could be utilised.

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

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.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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 twelve 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:

- It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realise the asset within twelve months after the reporting period; or
- 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-

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

- 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 derecognition 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.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on pro-rata basis using the diminishing balance method on cost of items of property, plant and equipment less their estimated residual values over the estimated residual useful lives based on Schedule II of the Companies Act, 2013.

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

Tangible Assets	Useful lives as per Schedule II
Buildings	30 Years
Computers	3 Years
Office Equipment's	5 Years
Plant & Machinery	5 - 15 Years
Furniture and Fixtures	10 Years
Electrical Installation	10 Years
Motor Cars & Vehicles	8 Years
Office Equipment's	5 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

3.2 Intangible Assets

Recognition and measurement

Intangible assets comprise of computer software and patents, which are acquired by the Company are

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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 using the diminishing value method over their estimated useful lives and 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 lives as per Schedule II
Computer Software	3 Years
Patents	10 Years

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognised as at 1st April, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Intangible Assets.

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.

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 of 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 also includes any tax arising from dividends.

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.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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 and finished goods 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.

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.

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

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 presented as current liabilities unless payment is not due within twelve 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 assets.

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.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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 change in value recognised in Statement of Profit and Loss, except for those equity investments for which the Company has made an irrevocable choice to present the change in value in 'Other Comprehensive Income'.

Impairment of Financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The twelve months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within twelve 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 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 twelve 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 & options to mitigate the risk of changes in exchange 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.

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

Cash flow hedge

The Company designates derivative contracts or non-derivative Financial assets/liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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) Derecognition 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 derecognition 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.

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 acquirer'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 acquirer'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 acquirer'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 Amalgamation Reserve i.e. Capital 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

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of Products

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and acceptance by the buyer. Any additional amount based on the terms of the agreement entered into with customers, is 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.

As per Ind AS 18, the Company has assumed that recovery of excise duty 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.

However, sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Other Operating Revenues

Other Operating revenue mainly consist of Sale of Scrap arising from the production of finished goods and Research and Development income from various activities.

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

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

3.12 Foreign Currencies

The Financial Statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

3.13 Employee benefits

Short term employee benefits

Liabilities for short term employee benefits that are expected to be settled wholly within twelve 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 presented 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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity.

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.

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.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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.

3.18 Ind AS Yet to be notified

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received

or paid advance consideration in a foreign currency. The amendment will come into force from 1st April, 2018. There is no material impact expected to arise out of this amendment on the financial statements.

Ind AS 115- Revenue from Contract with Customers:

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

There is no material impact expected to arise out of this amendment on the financial statements.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 4 - PROPERTY PLANT AND EQUIPMENT (PPE)

Particulars	Factory / Research Centre Building	Residential Premises	Office Premises	Factory Flat / Land	Plant and Equip- ments	Electrical Equip- ments	Laboratory Equip- ments	Office Equip- ments	Furni- ture & Fixtures	Computer	Vehicles	Total Property Plant and Equipment
Gross Carrying Amount												
Balance as at 1 st April, 2016	7,310.12	77.44	48.26	2.76	9,855.57	901.42	148.74	236.38	526.37	322.08	591.00	20,020.15
Add: Opening gross carrying value of assets Transferred from Amalgamating Companies	415.76	-	44.09	-	31.58	5.12	444.41	71.33	78.48	10.59	14.53	1,115.89
Balance as at 1 st April, 2016 (After taking over assets/liabilities of amalgamating Companies)	7,725.88	77.44	92.35	2.76	9,887.15	906.54	593.15	307.71	604.86	332.68	605.53	21,136.04
Add: Additions during the year	685.62	-	-	-	658.40	43.97	43.53	128.99	43.02	109.40	82.27	1,795.20
Less: Disposals/ Adjustments	16.22	-	-	-	-	-	-	0.05	1.99	1.43	9.74	29.42
Balance as at 31st March, 2017	8,395.28	77.44	92.35	2.76	10,545.55	950.51	636.68	436.64	645.90	440.65	678.06	22,901.82
Add: Additions during the year	203.74	-	-	-	608.96	23.20	7.37	72.80	11.25	70.70	140.29	1,138.32
Less: Disposals/ Adjustments	-	-	-	-	8.59	-	-	-	-	-	79.88	88.47
Balance as at 31st March, 2018	8,599.02	77.44	92.35	2.76	11,145.92	973.71	644.04	509.44	657.15	511.35	738.47	23,951.66
Accumulated Depreciation												
Balance as at 1 st April, 2016	2,561.63	4.22	30.61	1.00	5,941.80	488.61	112.48	132.22	294.39	198.12	333.84	10,098.92
Add: Opening Accumulated Depreciation on Assets Transferred from Amalgamating Companies	256.02	-	27.42	-	19.07	4.61	331.32	60.35	72.53	6.83	11.80	789.95
Balance as at 1 st April, 2016 (After taking over assets/liabilities of amalgamating Companies)	2,817.64	4.22	58.03	1.00	5,960.87	493.23	443.80	192.58	366.92	204.95	345.63	10,888.87
Add: Depreciation for the Year	496.21	3.56	1.68	0.08	1,355.62	120.01	46.42	78.98	67.74	103.26	89.42	2,362.98
Less: Disposals/ Adjustments	15.01	-	-	-	-	-	-	0.05	1.83	1.13	9.25	27.27
Balance as at 31st March, 2017	3,298.85	7.77	59.71	1.09	7,316.49	613.24	490.22	271.51	432.83	307.09	425.80	13,224.58
Add: Depreciation for the Period	494.30	3.38	1.59	0.08	1,047.60	93.79	35.37	82.64	54.35	92.90	93.84	1,999.84
Less: Disposals/ Adjustments	-	-	-	-	5.08	-	-	-	-	-	72.86	77.94
Balance as at 31st March, 2018	3,793.14	11.16	61.30	1.17	8,359.01	707.03	525.59	354.14	487.18	399.99	446.79	15,146.48
Net Carrying Amount												
Balance as at 1 st April, 2016	4,748.49	73.22	17.65	1.76	3,913.78	412.81	36.26	104.16	231.98	123.96	257.16	9,921.23
Balance as at 1 st April, 2016 (After taking over assets / liabilities of amalgamating Companies)	4,908.23	73.22	34.32	1.76	3,926.28	413.31	149.35	115.13	237.94	127.72	259.89	10,247.17
Balance as at 31 st March, 2017	5,096.43	69.67	32.64	1.68	3,229.06	337.28	146.46	165.14	213.07	133.56	252.26	9,677.23
Balance as at 31st March, 2018	4,805.88	66.28	31.05	1.60	2,786.92	266.69	118.45	155.30	169.97	111.36	291.68	8,805.18

Out of the total deduction of Costs of ₹ 29.42 lakhs in Financial Year 2016-17, ₹ 19.68 lakhs is due to Fire at Dombivli Plant of amalgamating Company "FSSPL". (Refer to note no. 44)

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 5 - CAPITAL WORK-IN-PROGRESS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Gross Carrying Amount			
Balance as at the beginning of the year	279.74	564.99	
Additions during the year	3,706.69	1,489.97	
Written off during the year	-	-	
Capitalisation during the year	818.94	1,775.21	
Balance as at the end of the year	3,167.49	279.74	564.99

NOTE 6 - INTANGIBLE ASSETS

₹ In lakhs

Particulars	Software	Patents	Total Intangible Assets
Gross Carrying Amount			
Balance as at 1 st April, 2016	9.39	-	9.39
Add: Assets Transferred from Amalgamating Companies	-	6.60	6.60
Balance as at 1 st April, 2016 (After taking over assets / liabilities of amalgamating Companies)	9.39	6.60	15.99
Add: Additions during the year	4.20	11.85	16.05
Less: Disposals/ Adjustments	-	-	-
Balance as at 31st March, 2017	13.59	18.45	32.04
Add: Additions during the year	3.43	6.33	9.76
Less: Disposals/ Adjustments	-	-	-
Balance as at 31st March, 2018	17.02	24.78	41.80
Accumulated Depreciation			
Balance as at 1 st April, 2016	2.03	-	2.03
Add: Depreciation on Assets Transferred from Amalgamating Company	-	0.74	0.74
Balance as at 1 st April, 2016 (After taking over assets / liabilities of amalgamating Companies)	2.03	0.74	2.77
Add: Depreciation for the Year	6.86	1.40	8.27
Less: Disposals/ Adjustments	-	-	-
Balance as at 31st March, 2017	8.89	2.14	11.03
Add: Depreciation for the Period	1.99	2.10	4.08
Less: Disposals/ Adjustments	-	-	-
Balance as at 31st March, 2018	10.88	4.24	15.12
Net Carrying Amount			
Balance as at 1st April, 2016	7.36	-	7.36
Balance as at 1st April, 2016 (After taking over assets / liabilities of amalgamating Companies)	7.36	5.86	13.22
Balance as at 31st March, 2017	4.70	16.30	21.00
Balance as at 31st March, 2018	6.14	20.54	26.68

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 7 - NON CURRENT FINANCIAL ASSETS : INVESTMENTS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Unquoted Investment in Equity Instruments of Subsidiaries (At Cost)			
Fine Organics (USA), Inc.	252.58	252.58	105.65
(Current Year: 1,000 shares of \$ 1 each fully paid up)			
(Previous Year Ending : 1,000 shares of \$ 1 each fully paid up)			
(Previous Year Beginning : 1,000 shares of \$ 1 each fully paid up)			
Fine Organics Europe BVBA	46.83	46.83	14.23
(Current Year: 185 shares of Euro 100 each fully paid up)			
(Previous Year Ending: 185 shares of Euro 100 each fully paid up)			
(Previous Year Beginning: 185 shares of Euro 100 each fully paid up)			
Unquoted Investment in Equity Instruments of Jointly Controlled Entity (At Cost)			
Fine Zeelandia Private Limited	1,128.43	1,128.43	528.43
(Current Year: 1,12,84,250 shares of ₹ 10/- each fully paid up)			
(Previous Year Ending: 1,12,84,250 shares of ₹ 10/- each fully paid up)			
(Previous Year Beginning: 52,84,250 shares of ₹ 10/- each fully paid up)			
Unquoted Investment in Equity Instruments at FVTOCI			
Saraswat Co-Operative Bank Limited	5.15	5.15	5.08
(Current Year: 2,500 shares of ₹ 10/- each fully paid up)			
(Previous Year Ending: 2,500 shares of ₹ 10/- each fully paid up)			
(Previous Year Beginning: 2,500 shares of ₹ 10/- each fully paid up)			
Total	1,432.99	1,432.99	653.38

Note 7.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Non Current Financial Investments'

2,500 Equity shares of Saraswat Co-Operative Bank Limited has been transferred from amalgamating Company FRDCPL on 1st April, 2016.

NOTE 8 - NON CURRENT FINANCIAL ASSETS : LOANS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Unsecured, considered good			
Advances to Subsidiaries (Amortised Cost)	496.19	431.15	195.14
Total	496.19	431.15	195.14

NOTE 9 - NON CURRENT FINANCIAL ASSETS : OTHERS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Security Deposits (Amortised Cost)	18.02	4.15	4.15
Fixed Deposits with Bank (Original Maturity of more than 12 months)	26.92	8.67	45.37
Total	44.94	12.83	49.53

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 10 - DEFERRED TAX ASSETS (NET)

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Tax effect of items constituting deferred tax liabilities			
Intangible Assets	2.42	0.59	1.04
Others	106.02	100.17	47.91
Gross Deferred Tax Liability (a)	108.44	100.77	48.95
Tax effect of items constituting deferred tax assets			
Property, Plant and Equipments	447.29	339.57	152.67
Others	146.02	155.83	86.48
Gross Deferred Tax Asset (b)	593.31	495.40	239.16
Deferred Tax Assets (Net) (b-a)	484.87	394.63	190.21

Note 10.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Deferred Tax Assets (Net)'

- (i) Deferred Tax Assets (Net) as at 1st April, 2016 includes ₹ 2.18 lakhs (DTL) from FSSPL and ₹ 18.86 lakhs (DTA) from FRDCPL transferred from amalgamating Companies.

NOTE 11 - OTHER NON-CURRENT ASSETS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Capital Advances			
(Unsecured, Considered good)	3,623.00	2,457.64	2,843.76
Security Deposits	185.14	161.41	144.61
Income Tax Refund Receivable	50.88	113.97	113.97
Prepaid Rent on Leasehold Land	2,137.57	2,162.64	2,187.71
Prepaid Rent on Factory Premises	2.47	-	-
Total	5,999.05	4,895.66	5,290.06

Note 11.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Other Non Current Assets'

- (i) Income tax refund Receivable as at 1st April, 2016 includes ₹ 5.32 lakhs from FSSPL and ₹ 12.16 lakhs from FRDCPL transferred from amalgamating Companies.
- (ii) Security Deposits as at 1st April, 2016 includes ₹ 4.47 lakhs from FSSPL and ₹ 3.12 lakhs from FRDCPL transferred from amalgamating Companies.
- (iii) Prepaid Rent on Leasehold Land as at 1st April, 2016 includes ₹ 109.70 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 12 - INVENTORIES

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Raw Materials and Packing Materials	4,459.65	4,200.00	3,445.24
Semi-Finished Goods	147.42	67.71	89.94
Trading Goods	0.34	0.34	13.45
Finished goods	2,873.95	3,759.57	3,245.10
Consumables	39.40	25.88	26.49
Stores & Spares	810.38	792.33	550.26
Total	8,331.15	8,845.84	7,370.48

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

Note 12.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Inventories'

- (i) Raw Materials and Packing Materials as at 1st April, 2016 includes ₹ 91.64 lakhs from FSSPL and ₹ 3.19 lakhs from FRDCPL transferred from amalgamating Companies.
- (ii) Semi-Finished Goods as at 1st April, 2016 includes ₹ 15.00 lakhs from FRDCPL transferred from amalgamating Company.
- (iii) Finished goods as at 1st April, 2016 includes ₹ 46.76 lakhs from FSSPL transferred from amalgamating Company.
- (iv) Consumables as at 1st April, 2016 includes ₹ 4.76 lakhs from FSSPL transferred from amalgamating Company.

Note 12.2 - Disclosures for inventories lost due to fire

Total inventories worth ₹ 67.76 lakhs was lost due to fire at Dombivli plant of amalgamating Company FSSPL in FY 2016-17 and same is not included in above inventories. Detailed note on the same is given in Note no.44 of the financial statement.

NOTE 13 - TRADE RECEIVABLES

₹ In lakhs			
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Unsecured			
Considered good	16,108.22	12,030.32	9,347.30
Considered Doubtful	205.00	199.32	180.52
Less: Allowance for Expected Credit Loss	205.00	199.32	180.52
Total	16,108.22	12,030.32	9,347.30

Note 13.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Trade Receivables'

- (i) Trade Receivables (Considered good) as at 1st April, 2016 includes ₹ 109.20 lakhs from FSSPL transferred from amalgamating Company.
- (ii) Allowance for Expected Credit Loss on trade receivables transferred from amalgamating Company FSSPL have been calculated at ₹ 3.76 lakhs and is included above as at 1st April, 2016.

Note 13.2 - Movement of Expected credit loss on trade receivables

₹ In lakhs			
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Balance at the beginning of the year	199.32	180.52	
Add / (Less) : Addition / (Reversal) of expected credit loss on trade receivables	5.68	18.81	
Balance at the end of the year	205.00	199.32	180.52

NOTE 14 - CASH AND CASH EQUIVALENTS

₹ In lakhs			
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Balances with Banks			
In Current Account	215.89	488.24	2,883.46
In Exchange Earning Foreign Currency Account	302.66	313.76	340.40
In Fixed Deposit Account (With original maturity of less than 3 Months)	3.65	215.61	419.42
Cash on hand	15.85	10.37	25.88
Cash and cash equivalents in the statement of cash flows	538.05	1,027.98	3,669.15

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

Note 14.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Cash and cash equivalents'

- (i) Balance with bank in current account as at 1st April, 2016 includes ₹ 126.81 lakhs from FSSPL and ₹ 298.80 lakhs from FRDCPL transferred from amalgamating Companies.
- (ii) Balance with bank in fixed deposit as at 1st April, 2016 includes ₹ 314.78 lakhs from FSSPL transferred from amalgamating Company.
- (iii) Cash on hand as at 1st April, 2016 includes ₹ 4.10 lakhs from FSSPL and ₹ 3.49 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 15 - OTHER BANK BALANCES

₹ In lakhs			
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Balances with Banks			
In Fixed Deposits	170.43	394.60	156.83
(with original maturity of more than 3 months and 12 months or less)			
Total	170.43	394.60	156.83

Note 15.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Other Bank Balances'

- (i) Balance with bank in fixed deposit as at 1st April, 2016 includes ₹ 261.48 lakhs from FSSPL and ₹ 0.05 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 16 - CURRENT FINANCIAL ASSETS : LOANS

₹ In lakhs			
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Unsecured, Considered Good			
Loans to employees (Amortised Cost)	96.74	73.49	76.10
Total	96.74	73.49	76.10

Note 16.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Current Financial Assets : Loans'

- (i) Loan to employees as at 1st April, 2016 includes ₹ 6.15 lakhs from FSSPL and ₹ 4.24 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 17 - CURRENT FINANCIAL ASSETS : OTHERS

₹ In lakhs			
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Unsecured, Considered Good			
Security Deposit to Trade Creditors (Amortised Cost)	11.01	9.15	10.17
Total	11.01	9.15	10.17

Note 17.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Current Financial Assets : Others'

- (i) Security Deposits to Trade Creditors as at 1st April, 2016 includes ₹ 0.05 lakhs from FSSPL transferred from amalgamating Company.

NOTE 18 - CURRENT TAX ASSETS (NET)

₹ In lakhs			
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Advance Income tax (Net of Provision for Taxation)	-	397.03	-
Total	-	397.03	-

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 19 - OTHER CURRENT ASSETS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Prepaid Expenses	190.48	218.97	167.41
Balance with Statutory / Government Authorities *	3,840.52	1,231.70	661.96
Insurance Claim Receivable	88.26	-	-
Gratuity Fund Balance with LIC of India	16.90	-	23.76
Other Advances (including advance to suppliers)	3,967.88	4,073.79	3,281.25
Total	8,104.05	5,524.46	4,134.38

* Balances with Government Authorities primarily include amounts realisable from the excise, service tax, value added tax and customs authorities of India, the unutilised excise input credits on purchases and amounts paid under protest relating to indirect tax matters. These are generally realised within one year or regularly utilised to offset the excise duty liability on goods manufactured by the Company. Accordingly, these balances have been classified as "Other Current Assets".

Note 19.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Other Current Assets'

- Prepaid Expenses as at 1st April, 2016 includes ₹ 4.29 lakhs from FSSPL and ₹ 4.09 lakhs from FRDCPL transferred from amalgamating Companies.
- Prepaid Rent on Leasehold Land (Current Portion) as at 1st April, 2016 includes ₹ 1.31 lakhs from FRDCPL transferred from amalgamating Company.
- Balance with Statutory / Government Authorities as at 1st April, 2016 includes ₹ 4.27 lakhs from FSSPL transferred from amalgamating Company.
- Gratuity Fund Balance with LIC of India as at 1st April, 2016 includes ₹ 11.19 lakhs from FSSPL and ₹ 6.78 lakhs from FRDCPL transferred from amalgamating Companies.
- Other Advances as at 1st April, 2016 includes ₹ 4.44 lakhs from FSSPL and ₹ 3.22 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 20 - EQUITY SHARE CAPITAL

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
AUTHORISED			
4,00,00,000 Equity Shares of ₹ 5/- each (#)	2,000.00	520.00	520.00
(Previous Year Ending: 52,00,000 Equity Shares of ₹ 10/- each)			
(Previous Year Beginning: 52,00,000 Equity Shares of ₹ 10/- each)			
Total	2,000.00	520.00	520.00
ISSUED, SUBSCRIBED AND PAID-UP			
3,06,59,976 Equity Shares of ₹ 5/- each	1,533.00	483.00	483.00
(Previous Year Ending: 48,29,996 Equity Shares of ₹ 10/- each)			
(Previous Year Beginning: 48,29,996 Equity Shares of ₹ 10/- each)			
Total	1,533.00	483.00	483.00
EQUITY SHARE SUSPENSE ACCOUNT			
(Previous Year Ending: 2,80,000 Equity Shares of ₹ 10/- each)	-	28.00	28.00
(Previous Year Beginning: 2,80,000 Equity Shares of ₹ 10/- each)			
{Refer to note no. 20.7(ii)}			
Total	-	28.00	28.00

(#) As per the Scheme of Amalgamation, the authorised share capital of the Transferor Companies Fine Research & Development Centre Private Limited ("FRDCPL") and Fine Speciality Surfactants Private Limited ("FSSPL") comprises of 100,000 shares of ₹ 10 each are transferred to and merged with the authorised share capital of the Amalgamated Company. Also refer to note no. 20.6 regarding sub-division of shares.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

Note 20.1 - Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Number of shares at the beginning of the year	48,29,996	48,29,996	48,29,996
Add: Issued on account of Amalgamation with FRDCPL & FSSPL	2,80,000	-	-
Add: Issued on account of Bonus issue	1,02,19,992	-	-
Add: Issued on account of Subdivision of shares {Refer to note no. 20.6}	1,53,29,988	-	-
Number of shares at the end of the year	3,06,59,976	48,29,996	48,29,996

Note 20.2 - 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 20.3 - Details of Shareholders holding more than 5 % shares of the Company

Name of share holders	As at 31 st March, 2018		As at 31 st March, 2017		As at 1 st April, 2016	
	Number of Shares	% in Share Capital	Number of Shares	% in Share Capital	Number of Shares	% in Share Capital
Mukesh Maganlal Shah	25,88,442	8.44	4,03,945	8.36	4,03,945	8.36
Prakash Damodar Kamat	59,82,840	19.51	9,41,355	19.49	9,41,355	19.49
Jayen Ramesh Shah	49,53,630	16.16	8,08,455	16.74	8,08,455	16.74
Jyotsna Ramesh Shah	58,70,862	19.15	9,22,489	19.10	9,22,489	19.10
Bimal Mukesh Shah	28,22,436	9.21	4,56,244	9.45	4,56,244	9.45
Tushar Ramesh Shah	52,29,186	17.06	8,60,715	17.82	8,60,715	17.82

Note 20.4 - Details of shares reserved for options and contracts / commitments for sale of shares / disinvestment

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

Note 20.5 - Details of calls unpaid

There is no calls unpaid, thus such disclosure is not applicable.

Note 20.6 - Subdivision of shares

- (i) 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 20.7 - 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 28,30,000 Equity Shares of ₹ 10 Each (Post Subdivision of shares) for consideration other than cash to the shareholders of Oleofine Organics India Private Limited ("OOIPL") on account of Amalgamation. (Previous year: 28,30,000 Equity shares of ₹ 10 each).
- (ii) The Company has issued 2,80,000 Equity Shares of ₹ 10 Each for consideration other than cash to the shareholders of Fine Research & Development Centre Private Limited ("FRDCPL") and Fine Speciality Surfactants Private Limited ("FSSPL") on account of Amalgamation. (Previous year: NIL Equity shares of ₹ 10 each)
- (iii) During the year ended 31st March, 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 16th October, 2017. The Company has allotted 2 Fully paid up equity shares of ₹ 10/- each for every 1 Equity shares held by the shareholders (Including shares issued to the shareholders on account of amalgamation with OOIPL, FRDCPL & FSSPL). Later on as per special resolution dated 6th November, 2017 such shares are sub divided in to the ratio of 2 shares of face value of ₹ 5/- each for every existing 1 share of the face value of ₹ 10/- each.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 21 - OTHER EQUITY

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
(a) General Reserve (#)			
Balance as at the beginning of year	473.87	473.87	473.87
Less: Utilised for the purpose of Bonus Issue	473.87	-	-
Balance as at the end of the year	-	473.87	473.87
(b) Amalgamation Reserve (^)	1,155.24	1,155.24	1,155.24
(Includes ₹ 4.23 lakhs On Account of Amalgamation of FSSPL)			
(c) Securities Premium Account			
Balance as at the beginning of year	0.00*	0.00*	0.00*
Less: Utilised for the purpose of Bonus Issue	0.00*	-	-
Balance as at the end of the year	-	0.00*	0.00*
(d) Retained Earnings (\$)			
Balance as at the beginning of year	31,372.64	23,375.16	23,375.16
Add: Profit for the year	10,133.50	7,997.48	-
Less: Utilised for the purpose of Bonus Issue	548.13	-	-
Dividend paid on Equity shares	2,299.50	-	-
Dividend Distribution Tax Paid	468.12	-	-
Balance as at the end of the year	38,190.40	31,372.64	23,375.16
(e) Other Comprehensive Income			
Balance as at the beginning of year	(17.70)	3.16	-
Add: Other Comprehensive Income for the Year	(15.59)	(20.86)	3.16
Balance as at the end of the year	(33.29)	(17.70)	3.16
Total (a + b + c + d + e)	39,312.34	32,984.05	25,007.43

(#) Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

(^*) Amalgamation Reserve {Refer to note no. 42}

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

(*) Denoted as amount below ₹1,000/-

NOTE 22 - NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Secured Loans			
Foreign Currency Term Loan*			
From Financial Institution	-	-	2,126.77
Unsecured Loans			
Loans from Directors	-	-	3,036.05
Total	-	-	5,162.83

* The foreign currency term loan was secured against equitable mortgage over Land & Building and Plant & Machinery.

Note 22.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Non Current Financial Liabilities: Borrowings'

- (i) Loan from directors as at 1st April, 2016 includes ₹ 19.87 lakhs from FSSPL and ₹ 394.56 lakhs from FRDCPL transferred from amalgamating Companies.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 23 - CURRENT FINANCIAL LIABILITIES : BORROWINGS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Secured Loans			
From a Scheduled Bank Repayable on demand*			
Cash Credit Facility	5,360.92	998.76	1,933.41
Packing Credit	-	-	2,317.35
Term Loan	-	-	0.02
Unsecured Loans			
Loans from Directors	-	3,027.48	-
Total	5,360.92	4,026.23	4,250.78

* Loans from banks on Cash Credit, packing credit and term loan are secured by way of hypothecation of stocks of raw materials, finished products, stores, work-in-progress and book debts.

NOTE 24 - TRADE PAYABLES

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Outstanding due to Micro and Small Enterprises	544.47	383.49	287.02
Others	6,385.35	6,377.61	5,033.29
Total	6,929.82	6,761.10	5,320.31

Note 24.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Trade Payables'

- Outstanding due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.
- Total Trade payables as at 1st April, 2016 includes ₹ 110.11 lakhs from FSSPL and ₹ 25.62 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 25 - CURRENT FINANCIAL LIABILITIES : OTHERS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Current maturities of long-term debt	-	-	800.40
Trade / Security Deposits to Supplier	109.94	91.15	63.31
Total	109.94	91.15	863.71

Note 25.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Current Financial Liabilities : Others'

- Trade / Security Deposits as at 1st April, 2016 includes ₹ 2.78 lakhs from FSSPL transferred from amalgamating Company.

NOTE 26 - OTHER CURRENT LIABILITIES

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Statutory dues payable	59.48	636.22	516.86
Advances from customers	151.72	253.33	117.18
Other Liabilities	22.77	149.98	121.47
Gratuity Fund Balance payable to LIC of India	-	5.17	-
Insurance Claim Received Pending Settlement / Allocation {Refer to note no. 44}	-	29.87	-
Total	233.97	1,074.57	755.51

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

Note 26.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Other Current Liabilities'

- Statutory dues payable as at 1st April, 2016 includes ₹ 12.70 lakhs from FSSPL and ₹ 2.81 lakhs from FRDCPL transferred from amalgamating Companies.
- Advances from customers as at 1st April, 2016 includes ₹ 6.70 lakhs from FSSPL transferred from amalgamating Company.
- Other Liabilities as at 1st April, 2016 includes ₹ 2.75 lakhs (Dues to directors) from FSSPL transferred from amalgamating Company.

NOTE 27 - CURRENT LIABILITIES : PROVISIONS

₹ In lakhs			
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Employees benefit	-	-	32.52
Provision for CSR Expenses	216.50	-	-
Total	216.50	0.00	32.52

Note 27.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Current Liabilities : Provisions'

- Employees benefit as at 1st April, 2016 includes ₹ 2.68 lakhs from FSSPL and ₹ 0.61 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 28 - CURRENT TAX LIABILITIES (NET)

₹ In lakhs			
Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Income Tax (Net of Taxes Paid)	120.55	-	64.02
Total	120.55	-	64.02

Note 28.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Current Tax Liabilities (Net)'

- Provision for Income tax (Net of taxes paid) at 1st April, 2016 includes ₹ 10.45 lakhs (Advance tax paid over provisions for tax) from FSSPL and ₹ 88.77 lakhs (Advance tax paid over provisions for tax) from FRDCPL transferred from amalgamating Companies.

NOTE 29 - REVENUE FROM OPERATIONS

₹ In lakhs		
Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Sale of Products		
Speciality Chemicals	84,803.01	80,243.44
Others	1,284.10	1,184.46
Total [A]	86,087.11	81,427.90
Other Operating Revenue		
Income from sale of Scrap	1.74	10.57
Research and Development Receipts	-	3.60
Total [B]	1.74	14.17
Total [A] + [B]	86,088.85	81,442.07

Note 29.1 - In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, sales upto period ended 30th June, 2017 were reported gross of excise duty and net of value added tax (VAT)/central Sales tax (CST) and service tax. Excise duty was reported as separate expense. Consequent to the introduction of Goods & Services Tax (GST) with effect from 1st July, 2017 excise duty, VAT, sales tax, service tax, etc. have been subsumed into GST and the same are not recognised as a part of sales as per the requirement of Ind AS18. Accordingly Revenue from operations in the current year is not comparable with that of the previous year.

Note 29.2 - The Company had certain pending/unexecuted turnkey contracts on the date of implementation of Goods and Service Tax (GST) as of 1st July, 2017, wherein contract prices were arrived at based on taxes and duty structure prevailing before implementation of GST. Pending revision/reset of contract prices in accordance with GST regime, the Revenue from Operations pertaining to such turnkey contracts has been recognised based on fair assessment and evaluation of impact of GST on the contract prices. In the opinion of the Management, this is not likely to have any material impact upon revision/resetting of the contract prices by the customers.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 30 - OTHER INCOME

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Interest Income	98.72	132.69
Dividend Income	0.08	0.04
Net gain on foreign exchange fluctuations	1,331.70	254.75
Other Non Operating Income		
Profit on Sale of Property, Plant and Equipment (Net of Loss)	13.07	2.29
Insurance claim received	118.32	0.85
Miscellaneous Income	6.20	35.85
Processing Charges received	-	1.93
Compensation received	70.00	-
Total	1,638.09	428.40

Note 30.1 - Particulars of Interest Income

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Interest Income from Financial Assets on Amortised Cost Basis (at EIR)	80.75	89.70
Interest on Income Tax and VAT Refund	17.97	42.99
Total	98.72	132.69

NOTE 31 - COST OF MATERIALS CONSUMED

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Raw Materials and packing Materials Consumed		
Opening Stock at the beginning of the year	4,200.00	3,350.40
Add : Stock Transferred from Amalgamating Companies	-	94.84
Add : Purchases and incidental expenses	55,081.31	51,098.26
	59,281.31	54,543.50
Less : Loss of Stock due to Fire {Refer to note no. 44}	-	67.76
Less : Closing stock at the end of the year	4,459.65	4,200.00
Total	54,821.66	50,275.74

Note 31.1 - Purchase of Trading Goods

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Trading Goods	60.39	22.14
Total	60.39	22.14

Note 31.2 - Particulars of Materials Consumed

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Oils and Chemicals	53,197.44	48,931.97
Packing Materials	1,624.22	1,343.78
Total	54,821.66	50,275.74

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
A] Opening stock of inventories		
Finished Goods	3,759.57	3,198.33
Semi-Finished Goods	67.71	74.94
Trading Goods	0.34	13.45
Add: Opening stock transferred from Amalgamating Companies		
Finished Goods	-	46.77
Semi-Finished Goods	-	15.00
Total [A]	3,827.63	3,348.49
B] Closing Stock of inventories		
Finished Goods	2,873.95	3,759.57
Semi-Finished Goods	147.42	67.71
Trading Goods	0.34	0.34
Total [B]	3,021.71	3,827.63
Net Total [A] - [B]	805.91	(479.13)

NOTE 33 - EMPLOYEE BENEFITS EXPENSES

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Salaries and other benefits to Directors	1,160.36	3,166.64
Salaries, wages & other benefits to others	3,388.01	2,780.81
Contribution to Provident Fund and Other Funds	199.22	89.51
Employee Welfare and other amenities	156.35	177.34
Total	4,903.93	6,214.30

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 31 st March, 2018	For the year ended 31 st March, 2017
Employer's Contribution to Provident fund	22.78	19.06
Employer's Contribution to Pension Scheme	50.96	41.01
Total	73.74	60.07

B] Defined Benefits Plans

The Company has used the Projected Unit Credit (PUC) actuarial method to assess the Plan's liabilities, including those related to death-in-service benefits. Under the PUC method, a 'Projected accrued benefit' is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The 'projected accrued benefit' is based on the Plan's accrual formula and upon the service as at the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the 'projected accrued benefits' as at the end of the year for the Plan's active members.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Present value of Defined Benefit Obligation at beginning of the Year	431.45	344.66
Add : Service Cost		
(a) Current Service Cost	45.69	31.60
(b) Past Service Cost	26.03	-
(c) Loss/(Gain) from Settlement	-	-
Add: Current Interest Cost	41.23	26.54
Add: Benefit Paid	(79.43)	(5.00)
Add: Remeasurements of Actuarial (Gain) / Loss		
(a) From changes in Demographic assumptions	-	-
(b) From changes in Financial assumptions	(24.88)	18.37
(c) From experience over the past year	49.91	15.28
Effect of Acquisition/ (Divestiture)	-	-
Transfer In/(Out)	149.21	-
Changes in Foreign Exchange Rates	-	-
Present value of Defined Benefit Obligation at the end of the Year	639.21	431.45

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

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Fair Value of Plan Asset at beginning of the Year	426.28	368.42
Add: Interest Income on Plan assets	38.09	28.38
Add: Contributions Paid by Employer	106.05	32.80
Add: Benefits Paid / (Received)	(79.43)	(5.00)
Add: Re-measurements		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	3.22	-
(b) Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	(5.03)	1.68
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Effect of Acquisition/ (Divestiture)	-	-
Transfer In/(Out)	166.93	-
Changes in foreign exchange rates	-	-
Fair Value of Plan Asset at the end of the Year	656.11	426.28
Actual Return on Plan Assets	39.49	30.06
Expected Employer Contributions for the coming year	50.00	30.00

(iii) Expenses recognised in Profit and Loss Account

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Service Cost		
(a) Current Service Cost	45.69	31.60
(b) Past Service Cost	26.03	-
(c) Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	3.14	(1.84)
Employer Expenses	74.86	29.76

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Present Value of Defined Benefit Obligation at end of the Year	639.21	431.45
Less: Fair Value of Plan Asset at the end of the Year	656.11	426.28
Liability/ (Asset) recognised in the Balance Sheet	(16.90)	5.17
Funded Status [Surplus/(Deficit)]	16.90	(5.17)
Of which, Short term Liability	-	-
Experience Adjustment on Plan Liabilities: (Gain)/Loss	49.91	15.28
Experience Adjustment on Plan Assets: Gain/(Loss)	(5.03)	1.68

(v) Assumptions used to determine the defined benefit obligation

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Salary Growth Rate	5.00 % P.A.	5.00 % P.A.
Discount Rate(p.a.)	7.60% P.A.	7.10% P.A.
Withdrawal Rate	5.00 % P.A.	5.00 % P.A.
Mortality Table Rate	"IALM (2006-08) Ultimate"	"IALM (2006-08) Ultimate"
Interest Rate on net DBO	7.10% P.A.	7.70% P.A.
Expected weighted average remaining working life	9 years	9 years

(vi) Movement in Other Comprehensive Income

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Balance at beginning of year (Loss)/ Gain	Nil	Nil
Re-measurements on DBO		
(a) Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
(b) Actuarial (Loss)/Gain from changes in financial assumptions	24.88	(18.37)
(c) Actuarial (Loss)/Gain from experience over the past period	(49.91)	(15.28)
Re-measurements on Plan Assets		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	3.22	-
(b) Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(5.03)	1.68
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at end of year (Loss)/ Gain	(26.84)	(31.97)

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

(vii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of Sensitivity Analysis is given below:

₹ In lakhs

Particulars	As at 31 st March, 2018		As at 31 st March, 2017	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Salary Growth Rate	increases by ₹ 52.62	decreases by ₹ 47.36	increases by ₹ 34.74	decreases by ₹ 30.78
Discount Rate	decreases by ₹ 45.86	increases by ₹ 51.79	decreases by ₹ 29.95	increases by ₹ 34.36
Withdrawal Rate	increases by ₹ 7.90	decreases by ₹ 8.80	increases by ₹ 4.42	decreases by ₹ 4.98
Mortality (increase in expected lifetime by 1 year)	decreases by ₹ 0.35	-	decreases by ₹ 0.18	-
Mortality (increase in expected lifetime by 3 years)	decreases by ₹ 0.87	-	decreases by ₹ 0.46	-

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(viii) Movement in Surplus/ (Deficit)

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Surplus/ (Deficit) at beginning of year	(5.17)	23.76
Add : Net Acquisition Adjustment	-	-
Transfer In / (Out) on net basis	17.72	
<i>Movement during the year</i>		
Less : Current Service Cost	(45.69)	(31.60)
Less : Past Service Cost	(26.03)	-
Add : Net Interest on net DBO	(3.14)	1.84
Actuarial gain/ (loss)	(26.84)	(31.97)
Add : Employer Contributions/ Benefits paid	106.05	32.80
Surplus/ (Deficit) at end of year	16.90	(5.17)

(ix) Risk Factors

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below.

Interest risk

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

Longevity risk

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

Salary risk

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

Investment risk

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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 34 - FINANCE COSTS

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Interest Expenses on Financial Liabilities at Amortised Cost	207.77	381.98
Other Interest	1.42	-
Exchange Loss on Foreign Currency Term Loan & EEFC	4.40	-
Bank Charges and Commission	83.02	53.41
Franking Charges	-	0.05
Stamp Duty Expenses	15.65	0.40
Total	312.25	435.84

NOTE 35 - DEPRECIATION / IMPAIRMENT & AMORTISATION EXPENSES

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Depreciation / Amortisation on Property, Plant and Equipment	1,999.84	2,362.98
Depreciation / Amortisation on Intangible Assets	4.08	8.27
Total	2,003.92	2,371.25

NOTE 36 - OTHER EXPENSES

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Advertisement & Publicity Expenses	3.41	8.13
Auditors Remuneration:		
(i) Statutory Audit Fees	24.00	24.00
Auditors Remuneration to Cost Auditor	2.86	2.91
Consumption of stores and spares	13.46	12.23
Corporate Social Responsibility Expenses	216.50	131.00
Director Sitting Fees	6.68	-
Electricity Charges	55.48	51.51
Excise Duty Expenses	-	82.32
Freight and forwarding charges	1,748.05	1,420.47
Insurance Charges	76.69	109.65
Laboratory Expenses	104.88	107.60
Lease Rent on Leasehold Land	25.07	25.07
Legal and Professional fees	553.33	264.74
Other Administrative Expenses	80.89	112.94
Postage, Telephone and Telegram	83.17	81.30
Power, Fuel and Water Charges	3,201.75	2,803.61
Printing and Stationery Expenses	36.20	24.11
Product Registration Fees	2.54	28.87
Allowances for Expected Credit Loss method on Trade Receivables	5.68	18.81
Trade Receivable Balance Written Off	-	20.31
Rates and Taxes	66.81	106.76

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Rent Expenses	80.12	47.09
Repairs and Maintenance to:		
(i) Factory Building	71.66	61.49
(ii) Machinery	690.47	511.37
(iii) Others	187.98	184.54
Sales Promotion Expenses	103.32	95.45
Security Charges	113.08	87.58
Seminar & Trade Fair Expenses	277.64	298.33
Subscription ,Membership, Books & Periodicals	143.41	79.08
Travelling and Conveyance Expenses	184.88	206.40
VAT Audit Fees	0.65	6.20
Vehicle Expenses	53.96	53.26
Total	8,214.60	7,067.14

Note 36.1 - Corporate Social Responsibility Expenses

As per Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The Company has specified the project in education field, promoting preventive healthcare and sanitation. Modalities of utilisation of funds on the specified project and monitoring and reporting mechanism has been defined.

- (a) Gross amount required to be spent by Company during the year is ₹ 216.50 lakhs
- (b) In accordance with Rule 4(2) of CSR Rules, 2014 the said funds will be utilised as per the CSR policy

NOTE 37 - TAX EXPENSES : CURRENT TAX

Reconciliation of Reported Profit to Total Tax Expenses

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Profit before Tax	15,719.53	12,289.73
Applicable Income Tax rate	34.61	34.61
Expected income tax expense	5,440.22	4,253.23
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:	-	-
Effect of Expenses / Provisions not deductible in determining taxable profit	134.86	201.43
Other Permanent Differences	74.93	45.34
Reported income Tax Expense	5,650.00	4,500.00

NOTE 38 - TAX EXPENSES : DEFERRED TAX

Deferred Tax Expenses / (Income)

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Tax effect of items constituting deferred tax liabilities		
Intangible Assets	1.83	-
Employee Benefits	7.64	-
Others	18.24	62.16
Sub Total (a)	27.71	62.16

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments	107.72	186.90
Intangible Assets	-	0.45
Others	-	51.68
Employee Benefits	-	10.01
Provisions for Doubtful Debt/Advances	1.97	6.51
Sub Total (b)	109.69	255.55
Deferred tax Expenses / (Income)	(81.98)	(193.39)

NOTE 39 - EARNINGS PER EQUITY SHARE

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
(a) Computation of Profit (numerator)		
Net Profit attributable to shareholders	10,133.50	7,997.48
(b) Computation of weighted average number of shares (denominator)		
Number of shares outstanding at the beginning of the year (as adjusted for sub-division and bonus issue)	2,89,79,976	2,89,79,976
Weighted average number of equity shares issued and outstanding during the year on account of amalgamation (as adjusted for sub-division and bonus issue)	16,80,000	16,80,000
Total Number of Shares Outstanding at the end of the period	3,06,59,976	3,06,59,976
(c) Adjusted weighted average equity shares	3,06,59,976	3,06,59,976
(d) EPS (Basic & Diluted) in ₹	33.05	26.08

NOTE 40 - CONTINGENT LIABILITIES AND COMMITMENTS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Contingent Liabilities		
Income tax liability that may arise in respect of matters in appeal*	341.48	215.48
Excise Duty / Custom Duty / service tax liability may arise in respect of matters in appeal (#)	11.96	49.42
Commitments		
Estimated contracts remaining to be executed on capital account not provided for Plant & Machinery	3,323.06	89.14
Bank Guarantee	403.76	191.21

*Order from Honourable Supreme court relating to Appeal for A.Y 2009-2010 against this liability has been communicated Post closure of current financial year .The Determination of liability is pending and formal communication is still awaited .Necessary accounting entries will be passed in the books of accounts post receipt of order and demand notice from the department .

The Financial Statements of the Company for the year ended 31st March, 2018 has been approved by the Board of Directors in its meeting held on 13th August, 2018. For the year ended 31st March, 2018, dividend of ₹ 7/-per share (Total dividend of ₹ 2,583.11 lakhs including Dividend Distribution Tax of ₹ 436.92 lakhs) has been proposed by the Board of Directors at its meeting held on 13th August, 2018. The same is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and therefore proposed dividend (including dividend distribution tax) has not been recognised as liability as at the Balance Sheet Date in line with Ind AS - 10 "Events after the Reporting Period."

(#) ₹ 49.42 lakhs for FY 2016-17 pertaining to amalgamating Company FSSPL.

It is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 41 - RELATED PARTY TRANSACTIONS DISCLOSURE:

The Disclosure pertaining to the related parties as required by Indian Accounting Standard 24 issued by Ministry of Corporate Affairs (MCA), as applicable, are indicated below:

(a) List of Related Parties and Relationships

Sr. No.	Name of the Related Party	Nature of Relationship
	Key Management Personnel (KMP)	
1	Mukesh Maganlal Shah	Managing Director
2	Prakash Damodar Kamat	Chairman
3	Jayen Ramesh Shah	Executive Director & CEO
4	Tushar Ramesh Shah	Executive Director & CFO
5	Bimal Mukesh Shah	Executive Director
6	Parthasarathi Thiruvengadam	Independent Director (w.e.f. 13 th November, 2017)
7	Mahesh Pansukhlal Sarda	Independent Director (w.e.f. 13 th November, 2017)
8	Kaushik Dwarkadas Shah	Independent Director (w.e.f. 24 th January, 2018)
9	Prakash Krishnaji Apte	Independent Director (w.e.f. 13 th November, 2017)
10	Pratima Madhukar Umarji	Independent Director (w.e.f. 13 th November, 2017)
11	Sundareshan Sthanunathan	Independent Director (upto 29 th December, 2017)
12	Pooja Gaonkar	Company Secretary, Compliance Officer & Key Management Personnel (KMP)
13	Jyotsna Ramesh Shah	Relative of KMP
14	Jayshree Mukesh Shah	
15	Neeta Jayen Shah	
16	Bina Tushar Shah	
17	Esha Tushar Shah	
18	Rhea Tushar Shah	
19	Akruti Bimal Shah	
20	Ramesh M. Shah - HUF	
21	Prakash D. Kamat - HUF	
22	Mukesh M. Shah - HUF	
23	Jayen R. Shah - HUF	
24	Tushar R. Shah - HUF	
25	Manali Jinesh Bhayani	
26	Shaili Nirav Doshi	
27	Smoothex Chemicals Private Limited	Significant influence by KMP
28	Olefine Organics	
29	Oleofine Organics SDN. BHD.	
30	Oleofine Organics (Thailand) Co. Limited	
31	Fine Organic Industries	
32	Zeelandia International B.V.	
33	Shri R. M. Shah Foundation	
34	Fine Organics (USA) Inc.	Wholly owned subsidiary
35	Fine Organics Europe BVBA	Subsidiary
36	Fine Zeelandia Private Limited	Jointly Controlled Entities
37	FineAdd Ingredients GmbH	

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

(b) Transactions (in aggregate) with Related Parties during the period and Closing Balance at the period end

₹ In lakhs

Sr. No.	Particulars	Transactions during the Year		Closing Balance	
		2017-2018	2016-2017	As at 31 st March, 2018	As at 31 st March, 2017
1	Director's Remuneration				
	Prakash Damodar Kamat	237.22	742.16	-	37.37
	Mukesh Maganlal Shah	255.64	606.77	-	25.41
	Jayen Ramesh Shah	237.22	742.16	-	37.37
	Tushar Ramesh Shah	237.22	742.16	-	37.37
	Bimal Mukesh Shah	193.06	333.39	-	12.46
2	Director's Sitting Fees				
	Parthasarathi Thiruvengadam	1.13	-	-	-
	Mahesh Pansukhlal Sarda	1.55	-	-	-
	Kaushik Dwarkadas Shah	0.35	-	-	-
	Prakash Krishnaji Apte	1.20	-	-	-
	Pratima Madhukar Umarji	1.75	-	-	-
	Sundareshan Sthanunathan	0.70	-	-	-
3	Sale of Goods				
	Oleofine Organics SDN BHD	524.76	531.19	49.07	18.21
	Oleofine Organics (Thailand) Co.Ltd.	309.88	200.63	21.03	34.87
	Fine Organic Industries	325.80	410.44	-	-
	Fine Organics (USA) Inc.	1,270.24	1,699.34	462.91	838.92
	Fine Organics Europe BVBA	3,050.84	664.40	2,101.46	629.29
	Fine Zeelandia Private Limited	0.14	15.36	-	-
4	Sale of Licence				
	Fine Organic Industries	87.24	72.37	-	-
	Fine Zeelandia Private Limited	80.92	33.11	2.85	-
5	Processing Charges Received				
	Fine Organic Industries	-	1.93	-	-
6	Sale of Components / Assets				
	Oleofine Organics SDN BHD	13.99	-	-	-
7	Purchase of Goods / Samples				
	Fine Organic Industries	1,364.12	222.90	-	-
	Fine Zeelandia Private Limited	-	0.32	-	-
	Oleofine Organics SDN BHD	25.05	-	20.94	-
8	Processing Charges Paid				
	Fine Organic Industries	0.01	0.01	-	-
	Oleofine Organics	441.76	285.25	-	-
9	Purchase of Licence				
	Fine Zeelandia Private Limited	-	0.19	-	-
	Fine Organic Industries	45.84	-	-	-
10	Purchase of Components / Assets				
	Fine Organic Industries	225.78	-	-	-
11	Corporate Social Responsibility Expenses				
	Shri R M Shah Foundation	-	131.00	-	-

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Sr. No.	Particulars	Transactions during the Year		Closing Balance	
		2017-2018	2016-2017	As at 31 st March, 2018	As at 31 st March, 2017
12	Interest Paid on Unsecured Loan				
	Prakash D. Kamat	24.99	111.68	-	1,091.76
	Mukesh Maganlal Shah	2.62	6.67	-	31.14
	Jayen Ramesh Shah	13.93	65.36	-	657.30
	Tushar Ramesh Shah	17.11	80.08	-	804.68
	Bimal Mukesh Shah	0.55	3.30	-	28.16
13	Dividend Paid / Declared				
	Mukesh Maganlal Shah	194.13	-	-	-
	Rhea Tushar Shah	8.00	-	-	-
	Neeta Jayen Shah	49.49	-	-	-
	Jyotsna Ramesh Shah	440.31	-	-	-
	Bina Tushar Shah	43.08	-	-	-
	Shaili Nirav Doshi	9.22	-	-	-
	Mukesh M. Shah HUF	10.54	-	-	-
	Jayshree Mukesh Shah	42.64	-	-	-
	Bimal Mukesh Shah	211.68	-	-	-
	Prakash D. Kamat HUF	10.29	-	-	-
	Manali Jinesh Bhayani	5.75	-	-	-
	Jayen R. Shah HUF	23.02	-	-	-
	Tushar Ramesh Shah	392.19	-	-	-
	Prakash Damodar Kamat	445.15	-	-	-
	Esha Tushar Shah	8.00	-	-	-
	Tushar R. Shah HUF	7.74	-	-	-
	Ramesh M. Shah HUF	23.18	-	-	-
	Jayen Ramesh Shah	371.52	-	-	-
14	Salary to Relatives				
	Akruti Bimal Shah	3.25	7.80	-	-
	Manali Jinesh Bhayani	5.19	1.25	-	-
15	R & D Expenses				
	Fine Organic Industries	-	3.60	-	-
16	Export Commission				
	Oleofine Organics SDN BHD	2.33	3.22	1.55	1.52
17	Business Support Services				
	Fine Organic Industries	5.31	-	-	-
18	Leave & Licence Security Deposit				
	Fine Organic Industries	13.87	-	13.87	-
19	Rent (Office Usage Charges)				
	Jayshree Mukesh Shah	8.40	8.40	-	1.26
	Jyotsna Ramesh Shah	8.40	8.40	-	1.26
	Bina Tushar Shah	8.40	8.40	-	-
20	Advances to Subsidiaries				
	Fine Organics (USA) Inc	1.08	316.61	582.21	581.13
	Fine Organics Europe BVBA	11.27	68.73	80.00	68.73

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Sr. No.	Particulars	Transactions during the Year		Closing Balance	
		2017-2018	2016-2017	As at 31 st March, 2018	As at 31 st March, 2017
21	Reimbursement of Expenses				
	Fine Zeelandia Private Limited	0.20	66.25	-	-
	Mukesh Maganlal Shah	55.45	-	4.55	-
	Prakash D. Kamat	55.45	-	4.55	-
	Jayen Ramesh Shah	55.45	-	4.55	-
	Tushar Ramesh Shah	55.45	-	4.55	-
	Jyotsna Ramesh Shah	55.45	-	4.55	-
	Fine Organic Industries	10.17	-	-	-
	Fine Organics Europe BVBA	5.95	-	-	-
22	Sharing of cost (ERP)				
	Fine Organic Industries	-	15.95	-	-
23	Investments in equity instruments				
	Fine Organics (USA), Inc.	-	-	252.58	252.58
	Fine Organics Europe BVBA	-	-	46.83	46.83
	Fine Zeelandia Private Limited	-	600.00	1,128.43	1,128.43
24	Interest Income on Advances / Security deposit				
	Fine Organics Europe BVBA	5.53	3.31	5.53	3.31
	Fine Organics (USA), Inc.	47.16	26.89	47.16	26.89
	Fine Organic Industries	1.06	-	1.06	-
25	Rent Expenses				
	Fine Organic Industries	29.38	-	-	-

(c) Disclosure of Compensation paid to Key Management Personnel

A	For Accounting Year 2017-18	Pooja Gaonkar
	- Short Term Employees Benefits (Including Salary)	7.77
	- Post Employees Benefits	4.28
B	For Accounting Year 2016-17	
	- Short Term Employees Benefits (Including Salary)	6.23
	- Post Employees Benefits	3.45

Note: Related parties relationship is as identified by the Company on the basis of information available with the management and accepted by the auditor.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. 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 31st March, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2017: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 42 - BUSINESS COMBINATIONS

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS 103 Accounting for Business Combinations prospectively from 1st April, 2016 (transition date). As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, if any, have been carried forward.

Note 42.1 - Scheme of Arrangement (Merger) between the Company, Fine Research & Development Centre Private Limited (FRDCPL) and Fine Speciality Surfactants Private Limited (FSSPL)

The Scheme of amalgamation for the merger of Fine Research & Development Centre Private Limited (FRDCPL) and Fine Speciality Surfactants Private Limited (FSSPL) ("the amalgamating Companies") with the Company was approved by the Board of Directors in its meeting held on 20th January, 2016 with an appointed date of 1st April, 2015. The said scheme has been approved by National Company Law Tribunal ("NCLT") and final order has been received on 22nd June, 2017. This accounting for amalgamation is accounted as per the scheme and in accordance with Accounting Standard 14 "Amalgamation" notified under the Companies Act, 2013. Further, in terms of the Scheme, 2,80,000 equity shares of ₹ 10 each of the Company are pending to be issued and allotted as fully paid up to the shareholders of the amalgamating Companies.

Fine Research & Development Centre Private Limited (FRDCPL) is a Private Limited Company incorporated in India on under the provisions of the Companies Act, 1956. The registered office of the Company is situated in the state of Maharashtra. The Company is engaged in undertaking scientific and industrial research and development.

Fine Speciality Surfactants Private Limited (FSSPL) is a Private Limited Company incorporated in India under the provisions of the Companies Act, 1956. The registered office of the Company is situated in the state of Maharashtra. The Company carries on business as manufacturers, importers, exporters, merchants, distributors, commission agents, brokers, wholesale and retail dealers and producers of oil-based chemicals, their intermediates, co-products and finished products and fine chemicals and other related products.

Pursuant to the aforesaid Scheme of amalgamation, the authorised equity share capital of the Company stands increased by the authorised equity share capital of the amalgamating Company aggregating ₹ 520.00 lakhs (52,00,000 equity shares of face value of ₹ 10 each).

Accounting treatment

The Business Combination has been accounted by using the Pooling of Interest method in accordance with the said approved Scheme of Amalgamation and Accounting Standard 14 "Amalgamation", which is also consistent with Ind AS 103 on "Business Combinations", since the entities before and after the amalgamation are under common control. Since the Company originally did not have any investments in the amalgamating Companies, there is no further adjustment required in terms of Ind AS 103.

The Company has restated the financial information as at 1st April, 2016 being the beginning of the preceding period for which the financial statements are prepared and accordingly recorded all the assets, liabilities and reserves of the amalgamating Companies at their respective book values as appearing in the their books of account as on 1st April, 2015, the details of which are as follows:

₹ In lakhs			
Particulars	FSSPL	FRDCPL	Total
ASSETS			
Non Current Assets:			
Fixed Assets	34.73	376.21	410.94
Non- Current Investments	-	0.25	0.25
Deferred Tax Assets (Net)	1.03	22.33	23.36
Long Term Loans and Advances	10.20	70.33	80.53
Current Assets:			
Inventories	123.30	26.31	149.61
Trade Receivables	132.83	-	132.83
Cash and Cash Equivalents	767.95	261.46	1,029.41
Short Term Loans and Advances	16.57	15.98	32.55
Other Current Assets	-	12.17	12.17
Total Assets	1,086.62	785.03	1,871.65

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Particulars	FSSPL	FRDCPL	Total
LIABILITIES			
Long Term Borrowings	19.86	394.48	414.34
Short Term Borrowings	-	-	-
Trade Payables	115.83	62.31	178.14
Other Current Liabilities	17.88	2.90	20.78
Short Term Provisions	75.15	-	75.15
Total Liabilities	228.73	459.68	688.41
Net Assets as on 1st April, 2015	857.89	325.35	1,183.24
Shares Issued to Amalgamating Companies Shareholders	20.30	7.70	28.00
Amalgamation Reserve	837.59	317.65	1,155.24

During the period between the appointed date and the effective date as FSSPL and FRDCPL carried on the existing business in "trust" on behalf of the Company, all vouchers, documents, etc., for the period are in the name of FSSPL and FRDCPL. The title deeds for leasehold land, building, licenses, agreements, loan documents, etc., are being transferred in the name of the Company. However, credit has not been taken for claims arising as a consequence of the amalgamation in respect of levies/taxes of such claims pending settlement. The income accruing and expenses incurred by FSSPL and FRDCPL during the period 1st April, 2016 to 31st March, 2017 have also been incorporated in these accounts. The effect of Income accruing and Expenditure incurred by FSSPL & FRDCPL for the period from 1st April, 2015 to 31st March, 2016 has been considered in the balance of Profit & Loss account.

In terms of the Scheme, the Equity Shares when issued and allotted by the Company shall rank for dividend, voting rights and in all respects pari-passu with the existing Equity Shares of the Company. Accordingly, the appropriation for the proposed dividend includes dividend on 2,80,000 Equity Shares, which have been allotted to the shareholders of FSSPL and FRDCPL. {Refer to note no. 20}.

NOTE 43 - OPERATING SEGMENT DISCLOSURE

The Company has identified "Manufacturing of Speciality Chemicals" as the only operating segment in terms of Indian Accounting Standard 108 issued by Ministry of Corporate Affairs (MCA).

Note 43.1 - Disclosure for assets outside India

The Company does not have any non current non financial assets outside India

Note 43.2 - Disclosure for major customers more than 10%

There are no transactions with single external customer which amounts to 10% or more of the Company's revenue.

NOTE 44 - INSURANCE CLAIM AGAINST FIRE AT DOMBIVLI PLANT

A Major fire broke at the premises of the amalgamating Company FSSPL's factory located at W260 / 261, MIDC Phase 2, Dombivli, District Thane - 421204, on 26th May, 2016, gutting the entire building of the factory. The said premises held certain plant & equipment as well as the Books of Account, Computers holding financial and accounting data, financial records, and related documents. No salvage was possible in respect of building premises. The Company is adequately insured for the property restoration. The cost of reinstatement of damage will be recovered from the insurance Company, subject to the adjustment on account of expected deductions from claim amounts.

The Company has also taken insurance in respect of Loss of Profit with The Oriental Insurance Company Limited to cover the period of interruption for up to the date of incident. The Company had lodged the insurance claim on 26th May, 2016 and preferred a claim with the insurers for the loss of building, stock and Profit. The surveyor has issued a provisional loss assessment report on 21st July, 2016. The Company has received rupees one crore as a provisional claim in FY 2016-17 against the loss of Stock and building. Since the claim finalisation was pending, the loss on account of the carrying cost of fixed assets as well as stock in trade is adjusted against the provisional claim amount received and the balance is carried forward as Other Current liabilities as "Insurance claim received pending settlement / allocation" in FY 2016-17 {Refer Note No. 26}.

Further, during the year the Company has received discharge voucher of ₹ 88.26 lakhs in the name of Amalgamating Company "Fine Speciality Surfactants Private Limited" towards full and final settlement of claim. However, Company has written letter to insurance Company dated 6th March, 2018 to intimate the credit of insurance claim in the name of Amalgamated Company. The Company has accounted income for ₹ 118.12 lakhs and shown insurance claim receivable of ₹ 88.26 lakhs under head of "Other Current Assets" {Refer Note No. 19}.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 45 - INTERNAL FINANCIAL CONTROL SYSTEM

The Management Team headed by Executive Director looks in to day-to-day operations of the Company, and no significant deficiencies or material weakness has been observed in the operation and Financial Control and processes of the Company. The Company is in the process of documenting an Internal Control framework mechanism commensurate with the size of the Company and nature of its activities.

NOTE 46 - DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013

(a) Investment Made

₹ In lakhs

Name of entity	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Fine Organics (USA), Inc.	252.58	252.58	105.65
Fine Organics Europe BVBA	46.83	46.83	14.23
Fine Zeelandia Private Limited	1,128.43	1,128.43	528.43

(b) Advances Given

₹ In lakhs

Name of entity	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Fine Organics (USA), Inc. (Wholly Owned Subsidiary)	439.95	391.71	195.14
Fine Organics Europe BVBA (Subsidiary)	56.24	39.44	-

NOTE 47 - OPERATING LEASE

The Company's significant leasing arrangements are in respect of operating leases for job working and building premises (residential, offices, godowns etc.) Out of these leasing arrangements, some are non-cancellable for a period ranging between 1 to 3 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as 'Rent' in the statement of Profit and Loss.

With regard to some non-cancellable operating leases, the future minimum rentals are as follows:

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Future minimum lease payment			
Not later than 1 year	25.07	25.07	25.07
Later than 1 year but not less than 5 years	100.28	100.28	100.28
Later than 5 years	2,037.29	2,062.36	2,087.43
Total future minimum lease payment	2,162.64	2,187.71	2,212.78

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 48 - FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

₹ In lakhs

Particulars	Carrying Value			Fair Value		
	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
FINANCIAL ASSETS						
A] Financial assets at fair value through profit & loss	-	-	-	-	-	-
B] Financial assets at fair value through OCI						
Non Current Financial Assets: Investments	5.15	5.15	5.08	5.15	5.15	5.08
C] Financial assets at amortised cost						
Non Current Financial Assets : Loans	496.19	431.15	195.14	496.19	431.15	195.14
Non Current Financial Assets : Others	44.94	12.83	49.53	44.94	12.83	49.53
Current Financial Assets : Trade Receivables	16,108.21	12,030.32	9,347.30	16,108.21	12,030.32	9,347.30
Current Financial Assets : Cash and Cash Equivalents	538.05	1,027.98	3,669.15	538.05	1,027.98	3,669.15
Current Financial Assets : Bank Balances	170.43	394.60	156.84	170.43	394.60	156.84
Current Financial Assets : Loans	96.74	73.49	76.10	96.74	73.49	76.10
Current Financial Assets : Others	11.01	9.15	10.17	11.01	9.15	10.17
FINANCIAL LIABILITIES						
A] Financial liabilities at fair value through profit & loss	-	-	-	-	-	-
B] Financial liabilities at amortised cost:						
Non Current Financial Liabilities : Borrowings	-	-	5,162.83	-	-	5,162.83
Current Financial Liabilities : Borrowings	5,360.92	4,026.23	4,250.78	5,360.92	4,026.23	4,250.78
Current Financial Liabilities : Trade Payable	6,929.82	6,761.10	5,320.31	6,929.82	6,761.10	5,320.31
Current Financial Liabilities : Others	109.94	91.15	863.71	109.94	91.15	863.71

In all cases, the management has assessed that the fair value of all financial assets and liabilities at Amortised Cost approximate their carrying amounts as stated above.

NOTE 49 - FAIR VALUE HIERARCHY

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

Note 49.1 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31st March, 2018

₹ In lakhs

Particulars	Fair value measurement Using				
	Date of Valuation	Total	Level 1*	Level 2**	Level 3***
FINANCIAL ASSETS					
A] Financial assets at fair value through profit & loss	-	-	-	-	-
B] Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	31 st March, 2017	5.15	-	5.15	-
C] Financial assets at amortised cost					
Non Current Financial Assets : Loans	31 st March, 2018	496.19	-	-	496.19
Non Current Financial Assets : Others	31 st March, 2018	44.94	-	-	44.94
Current Financial Assets : Trade Receivables	31 st March, 2018	16,108.21	-	-	16,108.21
Current Financial Assets : Cash and Cash Equivalents	31 st March, 2018	538.05	-	-	538.05
Current Financial Assets : Bank Balances	31 st March, 2018	170.43	-	-	170.43
Current Financial Assets : Loans	31 st March, 2018	96.74	-	-	96.74
Current Financial Assets : Others	31 st March, 2018	11.01	-	-	11.01

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Particulars	Fair value measurement Using				
	Date of Valuation	Total	Level 1*	Level 2**	Level 3***
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through profit & loss		-	-	-	-
B) Financial liabilities at amortised cost:					
Current Financial Liabilities : Borrowings	31 st March, 2018	5,360.92	-	-	5,360.92
Current Financial Liabilities : Trade Payable	31 st March, 2018	6,929.82	-	-	6,929.82
Current Financial Liabilities : Others	31 st March, 2018	109.94	-	-	109.94

*Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2 - Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

***Level 3 - inputs for the asset or liability that are not based on observable market data

Note 49.2 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31st March, 2017

₹ In lakhs

Particulars	Fair value measurement Using				
	Date of Valuation	Total	Level 1*	Level 2**	Level 3***
FINANCIAL ASSETS					
A) Financial assets at fair value through profit & loss	-	-	-	-	-
B) Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	31 st March, 2017	5.15	-	5.15	-
C) Financial assets at amortised cost					
Non Current Financial Assets : Loans	31 st March, 2017	431.15	-	-	431.15
Non Current Financial Assets : Others	31 st March, 2017	12.83	-	-	12.83
Current Financial Assets : Trade Receivables	31 st March, 2017	12,030.32	-	-	12,030.32
Current Financial Assets : Cash and Cash Equivalents	31 st March, 2017	1,027.98	-	-	1,027.98
Current Financial Assets : Bank Balances	31 st March, 2017	394.60	-	-	394.60
Current Financial Assets : Loans	31 st March, 2017	73.49	-	-	73.49
Current Financial Assets : Others	31 st March, 2017	9.15	-	-	9.15
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through profit & loss		-	-	-	-
B) Financial liabilities at amortised cost:					
Current Financial Liabilities : Borrowings	31 st March, 2017	4,026.23	-	-	4,026.23
Current Financial Liabilities : Trade Payable	31 st March, 2017	6,761.10	-	-	6,761.10
Current Financial Liabilities : Others	31 st March, 2017	91.15	-	-	91.15

*Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2 - Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

***Level 3 - inputs for the asset or liability that are not based on observable market data

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

Note 49.3 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 1st April, 2016

₹ In lakhs

Particulars	Fair value measurement Using				
	Date of Valuation	Total	Level 1*	Level 2**	Level 3***
FINANCIAL ASSETS					
A) Financial assets at fair value through profit & loss	-	-	-	-	-
B) Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	1 st April, 2016	5.08	-	5.08	-
C) Financial assets at amortised cost					
Non Current Financial Assets : Loans	1 st April, 2016	195.14	-	-	195.14
Non Current Financial Assets : Others	1 st April, 2016	49.53	-	-	49.53
Current Financial Assets : Trade Receivables	1 st April, 2016	9,347.30	-	-	9,347.30
Current Financial Assets : Cash and Cash Equivalents	1 st April, 2016	3,669.15	-	-	3,669.15
Current Financial Assets : Bank Balances	1 st April, 2016	156.84	-	-	156.84
Current Financial Assets : Loans	1 st April, 2016	76.10	-	-	76.10
Current Financial Assets : Others	1 st April, 2016	10.17	-	-	10.17
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through profit & loss					
B) Financial liabilities at amortised cost:					
Current Financial Liabilities : Borrowings	1 st April, 2016	5,162.83	-	-	5,162.83
Current Financial Liabilities : Borrowings	1 st April, 2016	4,250.78	-	-	4,250.78
Current Financial Liabilities : Trade Payable	1 st April, 2016	5,320.31	-	-	5,320.31
Current Financial Liabilities : Others	1 st April, 2016	863.71	-	-	863.71

During the year ended 31st March, 2017 and 31st March, 2016, there were no transfers between Level 2 fair value measurements

Note 49.4 - Measurement of Fair Value : Valuation techniques

The following table shows the valuation techniques used in measuring Level 2 and 3 fair values for assets and liabilities carried at fair value through profit or loss

Type	Valuation Technique
FINANCIAL ASSETS	
A) Financial assets at fair value through profit & loss	Not Applicable
B) Financial assets at fair value through OCI	
Non Current Financial Assets: Investments	Level - 2: The fair value is determined as on the reporting date based on value per share derived from net worth of the Company, since there is no other publicly available market based information for similar entities.
C) Financial assets at amortised cost	
Non Current Financial Assets : Loans	Level - 3: The fair value is determined as on the reporting date based on amortised cost method by considering the discount rates based on yields of comparable investments or the transaction values where these are short term in nature.
Non Current Financial Assets : Others	
Current Financial Assets : Trade Receivables	
Current Financial Assets : Cash and Cash Equivalents	
Current Financial Assets : Bank Balances	
Current Financial Assets : Loans	
Current Financial Assets : Others	
FINANCIAL LIABILITIES	
A) Financial liabilities at fair value through profit & loss	Not Applicable
B) Financial liabilities at amortised cost:	
Non Current Financial Liabilities : Borrowings	Level - 3: The fair value is determined as on the reporting date based on amortised cost method.
Current Financial Liabilities : Borrowings	
Current Financial Liabilities : Trade Payable	
Current Financial Liabilities : Others	

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 50 - FINANCIAL RISK MANAGEMENT FRAMEWORK

A) Capital Management

Capital comprises of Issued Equity Share Capital and Reserves attributable to the Equity Share Holders of the Company. The Company borrows capital only for Working Capital purposes. The primary objective of the Company's Capital Management is to maximise the Share Holder Value. There are no externally imposed capital requirements. The Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

B) Financial Risk Management

The Company's activities primarily expose it to various risks such as Market Risks, Credit Risk and Liquidity Risk. Those are explained below :

i) Market Risk

Market Risks arise due to Changes in Interest rates, Foreign Exchange rates and changes in Market prices. These are explained below :

Interest Rate Risks

The Company borrows funds in Indian Rupees, to meet short term funding requirements. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly and hence the Company is exposed to Interest rate risks. However, since the borrowings are not significant, the Company does not see any major risk.

If the interest rates had been 1% higher / lower and all other variables held constant, impact on the Company's profit for the year ended 31st March, 2018 will not be significant.

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts to hedge its foreign currency exposures in USD and Euro.

a) Exposure in foreign currency - Hedged

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

The Forward Exchange Contracts used for hedging foreign exchange currency exposure and outstanding as at reporting date as at under :

Amount In lakhs

Particulars	As at 1 st April, 2016		
	No. of Contracts	Buy Amount	Indian Rupee Equivalent
Forward Contract to Buy USD	10	17.8	1,219.2
Forward Contract to Buy Euro	-	-	-

Particulars	As at 31 st March, 2017		
	No. of Contracts	Buy Amount	Indian Rupee Equivalent
Forward Contract to Buy USD	11	25.50	1,729.99
Forward Contract to Buy Euro	-	-	-

Particulars	As at 31 st March, 2018		
	No. of Contracts	Buy Amount	Indian Rupee Equivalent
Forward Contract to Buy USD	6	12.00	788.40
Forward Contract to Buy Euro	12	7.50	581.07

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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

All figures in lakhs

Particular	31 st March, 2018		31 st March, 2017		1 st April, 2016	
	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
Financial Assets						
Trade Receivables	8,434.84	130.38 USD	6,246.00	96.73 USD	5,558.26	84.05 USD
Trade Receivables	3,280.61	41.00 Euro	1,907.34	27.75 Euro	692.41	9.22 Euro
Financial Liabilities						
Trade Payables	377.44	5.77 USD	667.20	10.24 USD	424.12	6.41 USD
Trade Payables	527.34	6.49 Euro	23.61	0.34 Euro	23.41	0.31 Euro
Long term Borrowings	-	-	-	-	2,126.77	32.16 USD
Short term Borrowings	-	-	-	-	2,314.55	35.00 USD
Net Exposure	10,810.68	124.61USD	7,462.52	86.49 USD	1,361.82	10.47 USD
		34.51 Euro		27.41 Euro		8.91 Euro

In case of change in the rate / amount of currencies by 5%, the change in the profit would be as under :

Foreign Currencies	Change in Rate (%)		Impact on Profit	
	Increase	Decrease	Increase	Decrease
USD	5	5	440.61	440.61
EURO	5	5	190.40	190.40

Price Risks

The Company is affected by the price stability of certain commodities. Purchases of Raw Materials from our top 2 suppliers constitute approximately 45% of our total purchases made from all suppliers. We do not enter into supplier contracts of duration of more than 6 months. If suppliers do not supply us, there can be no assurance that we will be able to identify alternative suppliers in future at similar cost. Any disruption in the supply of the raw materials could disrupt our manufacturing operations, which could have a material adverse effect on our business, results of operations and financial condition.

The Company's total imports of raw materials is approximately 27.97% of the total raw material consumed. The cost of our imported raw material affected by the fluctuation in the rate of foreign exchange of the currency in which we purchase these raw materials (primarily in USD) and the Rupee. The Company has a risk management framework aimed at prudently managing the price risk arising from the volatility in commodity prices and freight costs and tries to pass on increases in the costs to its customers to whatever extent possible..

ii) 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 31st March, 2018 is 0.29% of the total trade receivables. The Company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

iii) 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 FINANCIAL STATEMENTS (Contd)

The Company has obtained fund and non-fund based working capital lines from two 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.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments

Particulars	Outstanding Balance as on 31 st March, 2018	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings	-	-	-	-	-
Short term Borrowings	5,360.92	5,360.92	-	-	-
Trade Payable	6,929.82	6,929.82	-	-	-
Security Deposits taken	109.94	93.78	16.16	-	-
Statutory dues Payable	59.48	59.48	-	-	-
Other Liabilities	22.77	22.77	-	-	-
Advance from Customer	151.72	49.30	102.42	-	-

NOTE 51 - FIRST TIME ADOPTION OF IND AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in Note no. 3 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Company's date of transition).

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard Rules), 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has impacted the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Note 51.1 - Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

a) Deemed Cost

Ind AS 101 permits a first time adopter to elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. The exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'.

b) Designation of previously recognised equity instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in certain equity instruments (other than its subsidiaries).

c) Investments in subsidiaries

Ind AS 101 permits a first time adopter to elect to measure its investment in subsidiaries at fair value of such investments at the Company's date of transition to Ind AS or previous GAAP carrying amount at that date and use that as its deemed cost as on the date of transition.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

The Company has decided not to measure its investment in subsidiaries at fair value and accordingly investment in Fine Organics (USA) Inc. & Fine Organics Europe BVBA are valued at cost as at 1st April, 2016.

d) Exchange differences on long-term foreign currency monetary items

Under previous GAAP, exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets were allowed to be adjusted to the carrying amount of such assets (to be adjusted over the balance life of the related asset) and (ii) in other cases were allowed to be accumulated in a 'Foreign Currency Monetary item Translation Difference Account' (to be adjusted over the balance period of the related long term monetary asset/ liability).

Ind AS 101 includes an optional exemption that allows a first time adopter to continue with the above accounting policy in respect of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of first Ind AS financial reporting period i.e. 1st April, 2017 or to discontinue with such policy.

Ind AS mandatory exceptions

a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investments in equity instruments carried at FVPL and OCI
- Impairment of financial assets based on expected credit loss model

b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed the same accordingly.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

Note 51.2 - Reconciliation of equity as at date of transition i.e. 1st April, 2016 and 31st March, 2017

₹ In lakhs

Particulars	Notes	As at 31 st March, 2017			As at 1 st April, 2016		
		As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS	As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS
ASSETS							
A) Non-current assets							
Property, plant and equipment	E	11,862.97	(2,185.74)	9,677.23	12,458.00	(2,210.82)	10,247.17
Capital work-in-progress		279.74	-	279.74	564.99	-	564.99
Investment Property		-	-	-	-	-	-
Goodwill		-	-	-	-	-	-
Intangible assets		21.00	-	21.00	13.22	-	13.22
Intangible Assets under development		-	-	-	-	-	-
Biological Assets other than bearer plants		-	-	-	-	-	-
Financial Assets		-	-	-	-	-	-
- Investments	A, F	1,143.53	289.45	1,432.99	543.53	109.85	653.38
- Loans	F	649.86	(218.71)	431.15	264.52	(69.38)	195.14
- Trade Receivables		-	-	-	-	-	-
- Others (to be specified)		12.83	-	12.83	49.53	-	49.53
Deferred tax assets (Net)		480.84	(86.21)	394.63	290.37	(100.16)	190.21
Other Non - current assets	E	2,733.02	2,162.64	4,895.66	3,102.35	2,187.71	5,290.07
Total Non Current Assets (A)		17,183.80	(38.57)	17,145.24	17,286.50	(82.80)	17,203.70
B) Current assets							
Inventories		8,845.84	-	8,845.84	7,370.48	-	7,370.48
Financial assets		-	-	-	-	-	-
- Investments		-	-	-	-	-	-
- Trade Receivables	D	12,273.57	(243.25)	12,030.32	9,571.74	(224.45)	9,347.30
- Cash and Cash Equivalents		1,027.98	-	1,027.98	3,669.15	-	3,669.15
- Bank Balances		394.60	-	394.60	156.84	-	156.84
- Loans		73.49	-	73.49	76.10	-	76.10
- Others (to be specified)		9.15	-	9.15	10.17	-	10.17
Current Tax Assets (Net)		397.03	-	397.03	-	-	-
Other current assets	E, G	5,558.55	(34.08)	5,524.47	4,157.64	(23.26)	4,134.38
Total current assets (B)		28,580.20	(277.34)	28,302.87	25,012.12	(247.71)	24,764.41
Total Assets (A + B)		45,764.01	(315.90)	45,448.10	42,298.62	(330.51)	41,968.11
EQUITY AND LIABILITIES							
A) Equity							
Equity Share Capital		483.00	-	483.00	483.00	-	483.00
Equity Share Suspense Account		28.00	-	28.00	28.00	-	28.00
Other equity	A, B, D, E, F, G	30,519.73	2,464.32	32,984.05	25,337.93	(330.51)	25,007.43
Total Equity (A)		31,030.73	2,464.32	33,495.05	25,848.93	(330.51)	25,518.43

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Particulars	Notes	As at 31 st March, 2017			As at 1 st April, 2016		
		As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS	As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS
Liabilities							
B) Non-current liabilities							
Financial liabilities							
- Borrowings		-	-	-	5,162.83	-	5,162.83
- Trade Payables		-	-	-	-	-	-
- Others		-	-	-	-	-	-
Provisions		-	-	-	-	-	-
Deferred tax liabilities (Net)		-	-	-	-	-	-
Other non-current Liabilities		-	-	-	-	-	-
Total Non-current liabilities (B)		-	-	-	5,162.83	-	5,162.83
C) Current liabilities							
Financial liabilities							
- Borrowings		4,026.23	-	4,026.23	4,250.78	-	4,250.78
- Trade Payables	I	6,778.87	(17.77)	6,761.10	5,320.31	-	5,320.31
- Others		91.15	-	91.15	863.71	-	863.71
Other current liabilities		1,069.40	5.17	1,074.57	755.51	-	755.51
Provisions	B	2,767.62	(2,767.62)	-	32.52	-	32.52
Current tax liabilities (Net)		-	-	-	64.02	-	64.02
Total Current liabilities (C)		14,733.28	(2,780.23)	11,953.05	11,286.86	-	11,286.86
Total Equity and Liabilities (A + B + C)		45,764.01	(315.90)	45,448.10	42,298.62	(330.51)	41,968.11

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Note 51.3 - Reconciliation of total comprehensive income for the year ended 31st March, 2017

₹ In lakhs

Particulars	Notes	Figures for the reporting period 31 st March, 2017		
		As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS
INCOME				
Revenue from Operations	C, I	78,629.11	2,812.96	81,442.07
Other Incomes	F	398.20	30.20	428.40
Total Income		79,027.31	2,843.16	81,870.47
EXPENSES				
Cost of Materials Consumed		50,275.74	-	50,275.74
Purchase of Stock-in-trade		22.14	-	22.14
Changes in Inventories of Finished Goods, Work-in-progress and Trading Goods		(479.14)	-	(479.14)
Excise Duty / Goods and Service Tax Expenses	C	-	3,673.46	3,673.46
Employee Benefits Expenses	G	6,230.28	(15.98)	6,214.30
Finance Costs	I	453.62	(17.77)	435.84
Depreciation / Impairment & Amortisation Expenses	E	2,396.33	(25.09)	2,371.25
Other Expenses	E, D, H	7,883.76	(816.62)	7,067.14
Total Expenses		66,782.74	2,798.00	69,580.74

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Particulars	Notes	Figures for the reporting period 31 st March, 2017		
		As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS
Profit / (Loss) before exceptional items and tax		12,244.57	45.16	12,289.73
Exceptional Item		-	-	-
Profit / (Loss) before tax		12,244.57	45.16	12,289.73
Tax Expenses				
Current Tax		4,500.00	-	4,500.00
Deferred Tax		(190.48)	(2.91)	(193.39)
Short / (Excess) Provision for earlier years		(14.36)	-	(14.36)
Profit / (Loss) for the year from continuing operations		7,949.41	48.06	7,997.48
PROFIT / (LOSS) FOR THE YEAR		7,949.41	48.06	7,997.48
OTHER COMPREHENSIVE INCOME				
(A) (i) Items that will not be reclassified to Profit or Loss		-	-	-
(a) Changes in fair value of Equity instruments through OCI	A	-	0.08	0.08
(b) Remeasurements of Loss on employees defined benefits plan	G	-	(31.97)	(31.97)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	11.04	11.04
(B) (i) Items that will be reclassified to Profit or Loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Total Other Comprehensive Income		-	(20.86)	(20.86)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,949.41	27.21	7,976.62

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Note 51.4 - Reconciliation of total equity as at date of transition i.e. 1st April, 2016 and 31st March, 2017

₹ In lakhs

Particulars	Note	As at 1 st April, 2016	As at 31 st March, 2017
Total equity (Shareholders fund) as per Previous GAAP #		25,848.93	31,030.73
Adjustments			
Changes in fair value of Equity instruments through OCI	A	4.83	4.90
Dividend to be recorded upon declaration / approval	B	-	2,299.50
DDT on Dividend to be recorded upon declaration / approval	B	-	468.12
Allowances for Expected Credit Loss method on Trade Receivables	D	(180.52)	(199.32)
Reversal of Excess charge of Amortisation of Leasehold Land	E	1.96	1.98
Reversal of of Amortisation of premium on forward contract	I	-	17.77
Retranslation of outstanding forward contract on Trade Receivables	I	(43.93)	(43.93)
Interest on loan to Subsidiaries	F	35.64	65.84
Remeasurment of Defined Employees Benefits Plan	G	(48.33)	(64.32)
Deferred Tax Adjustment on account of Transition		(98.49)	(95.58)
Deferred Tax Adjustment on OCI on account of Transition		(1.67)	9.37
Total Adjustment		(330.51)	2,464.32
Total Equity as per Ind AS		25,518.43	33,495.05

Total equity as at 1st April, 2016 as per previous GAAP includes profit for the financial year 2015-16, those relating to Amalgamating Companies FRDCPL & FSSPL as per the scheme of amalgamation of ₹ 118.54 lakhs & ₹ 29.86 lakhs respectively.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

Note 51.5 - Reconciliation of total comprehensive income for the year ended 31st March, 2017

₹ In lakhs

Particulars	Note	For the year ended 31 st March, 2017
Profit after Tax as per Previous GAAP		7,949.41
Adjustments		
Allowances for Expected Credit Loss method on Trade Receivables	D	(18.81)
Reversal of Excess charge of Amortisation of Leasehold Land (IGAAP ₹ 25.08 lakhs Less Ind AS ₹ 25.07 lakhs)	E	0.02
Reversal of Amortisation of premium on forward contract	I	17.77
Interest on loan to Subsidiaries	F	30.20
Remeasurment of Defined Employees Benefits Plan	G	(15.99)
Remeasurements of employees defined benefits plan	G	31.97
Deferred tax on transition or Ind AS		2.91
Total Adjustment		48.06
Profit after Tax as per Ind AS		7,997.48
Changes in fair value of Equity instruments through OCI	A	0.08
Remeasurements of Loss on employees defined benefits plan	G	(31.97)
Deferred tax Adjustments - OCI (During the year)		11.04
Total Comprehensive Income as per Ind AS		7,976.62

Note 51.6 - Working note for first time adoption to Ind AS

A) Fair Value of Investment in Equity Instruments other than subsidiaries and joint ventures

Under the previous GAAP, the application of the relevant accounting standard resulted in all these investment being carried at cost

Under Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries, associates and joint venture as well as debt securities have been fair valued. The Company has recognised investment in equity shares of The Saraswat Co-operative bank at fair value based on the data available. The Company has designated the investment in at FVOCI because this equity shares represents investment that Company intends to hold for long term.

This result as increase in investment of equity instruments of Saraswat Co-Operative Bank Limited by ₹ 4.83 lakhs and accordingly Other Comprehensive income recorded as at 1st April, 2016 i.e. On transition date.

Further, such investment of equity instruments has increased by ₹ 0.08 lakhs and accordingly Other Comprehensive income recorded for the year ended 31st March, 2017.

The Company has kept fair value of investment in equity instruments of Saraswat Co-Operative Bank Limited as ₹ 5.15 lakhs (Same as 31st March, 2017) due to non availability of the latest audited balance sheet.

B) Proposed Dividend

Under previous IGAAP, dividend proposed by the Board of Directors after the reporting date but before the approval of financial statement were considered to be adjusting event as per AS 4 and accordingly recognised as liability at the reporting date (along with DDT).

As per Para 12 of the Ind AS 10 "Events after reporting period", if an entity declares dividends to holders of equity instruments (as defined in Ind AS 32, Financial Instruments: Presentation) after the reporting period, the entity shall not recognise those dividends as a liability at the end of the reporting period.

As per Para 13 of the Ind AS 10 "Events after reporting period", If dividends are declared after the reporting period but before the financial statements are approved for issue, the dividends are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with Ind AS 1, Presentation of Financial Statements.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

From the above explanation dividend so proposed by the Board of Directors are considered to be non-adjusting event. Accordingly, provision for proposed dividend and DDT recognised under previous IGAAP has been reversed.

Consequently, the Company has reversed ₹ 2,767.62 lakhs from retained earning and current provision for the year 31st March, 2017.

Subsequently, the Company has recorded and paid the dividend in the year ended 31st March, 2018.

C) Excise Duty

Under previous IGAAP, revenue from sale of goods was presented net off Excise duty on sales.

As per Para 8 of Ind AS 18 "Revenue", Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

From the above explanation it is concluded that the revenue from sale of goods is presented inclusive of Excise duty since Excise duty is payable at the time of manufacturing and the same is collected on behalf of third party and therefore the same is presented in the statement of profit and loss as an expense.

This has resulted in an increase in revenue from operations and expenses for the year. Total comprehensive income for the year ended and equity as at 31st March, 2017 has remained unchanged.

Accordingly, excise duty of ₹ 3,673.47 lakhs has been added to Revenue from operation for the year ended 31st March, 2017 and excise duty separately disclosed as expenses in statement of profit and loss.

D) Trade Receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance on trade receivable. As a result, the allowance for expected credit loss was recognised amounting to ₹ 199.32 lakhs as at 31st March, 2017 (1st April, 2016 - ₹ 180.52 lakhs) and consequently, total equity as at 31st March, 2017 and 1st April, 2016 decreased by an equivalent amount. The profit for the year ended 31st March, 2017 decreased by ₹ 18.80 lakhs for allowance for expected credit loss on trade receivable as compare to 1st April, 2016.

E) Leasehold Land

As per Ind AS 17, the premium paid on leasehold land which is in the nature of an operating lease is considered as prepayment of lease charges and same is charged to Statement of Profit and Loss over the period of lease. This resulted in increase of lease rental expense and decrease in depreciation for 31st March, 2017 by ₹ 25.07 lakhs Further, reclassification of leasehold land has been done from 'Property, Plant & Equipments' to 'Other Non Current Assets' under the head of "Prepaid Rent on Leasehold Land". Further, lease rent for 1 year is classified as 'Other Current Asset' under the head of Prepaid Expenses. Earlier, Under AS -19 on 'Leases', leasehold Land was excluded and hence not classified accordingly.

In the process of transition to Ind AS, lease period and balance value was recalculated and ₹ 1.96 lakhs has been credited to retained earning as depreciation on leasehold land was excess charged in IGAAP.

F) Interest free advances to Subsidiaries

Under the previous GAAP, interest free advances to subsidiaries were recorded at their transaction value. Under Ind AS 109, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these advances. Difference between the fair value and transaction value of the advances has been recognised as increased in Investment in subsidiaries.

Consequent to this change, the amount of advances decreased and Investment in subsidiaries increased by ₹ 284.55 lakhs as at 31st March, 2017 (1st April, 2016 ₹ 105.02 lakhs). The profit for the year and total equity as at 31st March, 2017 increased by 35.64 lakhs due to the notional interest income and simultaneously, advances to subsidiaries were increased by same amounts. (In 1st April, 2016, such interest income adjusted in retained earning by increasing ₹ 30.19 lakhs)

G) Remeasurement of Defined Benefit Plans

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost for 31st March, 2017 is reduced by ₹ 31.97 lakhs and remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

H) Expenses Directly Attributable to Sales

Under previous GAAP, expenses directly attributable to sales were recognised as an expense. Under Ind AS 18, such expenses are presented under revenue from sale of goods.

Accordingly, the Company has shown sales commission of ₹ 860.49 lakhs is disclosed under the head of sale of goods for the year ended 31st March, 2017.

I) Premium on Forward contract hedging

Under previous GAAP, premium / discount on forward contract for hedging of trade receivables was amortised over a period of the contract and accordingly Company had amortised ₹ 17.77 lakhs premium for the year ended 31st March, 2017.

However, as per Ind AS 109 - 'Financial Instruments' forward contracts needs to be recognised at fair value as on the date of balance sheet and accordingly Company has revalued outstanding forward contracts as on 31st March, 2017 and reversed the existing amortisation of premium of ₹ 17.77 lakhs

J) Security Deposits and Interest income on Security Deposits

The Company has paid interest free security deposits for factory premises to Associate firm of ₹ 18.00 lakhs As per Indian GAAP, the Company has recognised the security deposit under other non-current assets. As per Ind AS 109,

(i) the security deposits are to be recognised at fair value,

(ii) interest income on such security deposits are to be recognised through effective interest method and

(iii) lease expense to be amortised over the period of lease on a straight line basis.

Accordingly, the Company has recognised the security deposit at present value using the market rate of interest and the difference between the transaction value and fair value of the deposit amount is shown as prepaid rent. This has resulted in decrease of security deposits and increase of non-current and current prepaid rent expenses as at 31st March, 2018 by ₹ 5.19 lakhs

Further, as per Ind AS 109, the Company has to recognise interest income on such security deposits through effective interest method and the excess of the principal amount of the deposit over its fair value is accounted for as prepaid rent expense and amortised over the lease term on a straight-line basis. Accordingly, the Company has recognised income on such security deposits through effective interest method and amortised the lease expenses over the period of lease on a straight line basis.

INDEPENDENT AUDITOR'S REPORT

To the Members of

Fine Organic Industries Limited

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Fine Organic Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries and Joint Venture together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at **31st March, 2018**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters specified in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

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 Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and its profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of **₹ 2,214.71 lakhs** as at 31st March, 2018, total revenues of **₹ 4,275.06 lakhs** and net cash outflows amounting to **₹ 528.97 lakhs** for the year ended on that date, as considered in the consolidated Ind AS financial statements. In case of financial informations of **M/s. Fine Organics (USA), Inc.**, and **M/s. Fine Organics Europe BVBA** as informed to us are not required to be audited under the regulations governing the entity and therefore have been compiled by the accountant of the company and certified by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries 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 is based solely on the report / certificate.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports / certificates of the other auditor / expert.

The comparative financial information of the Group for the transition date opening Balance Sheet as at 1st April, 2016

INDEPENDENT AUDITOR'S REPORT (Contd)

included in this consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2016 dated 3rd August, 2016 expressed an unmodified opinion on that consolidated financial statements, and have been restated to comply with Ind AS, Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us

Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were Necessary for the Purposes of Our audit of the aforesaid 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), 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.
- e) On the basis of the written representations received from the Directors of the Parent Company as on 31st March, 2018 taken on record by the Board of Directors of the Parent Company, none of the directors of the Parent Company incorporated in

India are disqualified as on 31st March, 2018 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 such controls, refer to our separate report in **Annexure- A** which is based on the auditor's reports of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the parent's internal financial controls over financial reporting, for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in and outside India during the period ended 31st March, 2018.

For B Y & Associates

Chartered Accountants

Firm's registration number: 123423W

CA Bhavesh Vora

Partner

Membership Number: 043908

Date: 13th August, 2018

Place : Mumbai

INDEPENDENT AUDITOR'S REPORT (Contd)

'ANNEXURE A' TO THE INDEPENDENT AUDITORS' REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of **Fine Organic Industries Limited** (hereinafter referred to as 'the Company') and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Parent Company 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 31st March, 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B Y & Associates

Chartered Accountants

Firm's registration number: 123423W

CA Bhavesh Vora

Partner

Membership Number: 043908

Date: 13th August, 2018

Place : Mumbai

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2018

₹ In lakhs

Particulars	Notes	Figures at the end of current Reporting period 31 st March, 2018	Figures as at the end of previous reporting period 31 st March, 2017	Figures as at the beginning of the previous reporting period 1 st April, 2016
ASSETS				
A) Non Current Assets				
Property, Plant and Equipment	Note 4	8,806.07	9,677.30	10,247.30
Capital work-in-progress	Note 5	3,167.49	279.74	564.99
Investment Property		-	-	-
Goodwill		-	-	-
Intangible Assets	Note 6	26.68	21.00	13.22
Intangible Assets under development		-	-	-
Biological Assets other than bearer plants		-	-	-
Financial Assets				
- Investments	Note 7	1,061.10	1,100.14	526.45
- Loans		-	-	-
- Trade Receivables		-	-	-
- Others	Note 8	44.94	12.83	49.53
Deferred tax assets (Net)	Note 9	484.87	394.63	190.21
Other Non-current Assets	Note 10	6,001.47	4,898.07	5,292.52
Total Non Current Assets (A)		19,592.62	16,383.71	16,884.22
B) Current Assets				
Inventories	Note 11	8,913.66	9,218.29	7,602.27
Financial Assets				
- Investments		-	-	-
- Trade Receivables	Note 12	14,648.60	11,040.61	8,659.50
- Cash and Cash Equivalents	Note 13	1,067.03	1,397.01	4,015.58
- Other Bank Balances	Note 14	170.43	394.60	156.84
- Loans	Note 15	96.74	73.49	76.10
- Others	Note 16	11.01	9.15	10.17
Current Tax Assets (Net)	Note 17	-	397.03	-
Other Current Assets	Note 18	8,104.19	5,557.74	4,136.76
Total Current Assets (B)		33,011.66	28,087.92	24,657.22
Total Assets (A + B)		52,604.28	44,471.63	41,541.44
EQUITY AND LIABILITIES				
A) Equity				
Equity Share Capital	Note 19	1,533.00	483.00	483.00
Equity Share Suspense account	Note 19	-	28.00	28.00
Other Equity	Note 20	38,025.35	32,321.03	24,564.13
Total Equity (A)		39,558.35	32,832.03	25,075.13
B) Non Controlling Interest				
	Note 21	0.08	0.08	0.08
LIABILITIES				
C) Non Current Liabilities				
Financial Liabilities				
- Borrowings	Note 22	-	-	5,162.82
- Trade Payables		-	-	-
- Others		-	-	-
Provisions		-	-	-
Deferred tax liabilities (Net)		-	-	-
Other non-current Liabilities		-	-	-
Total Non Current Liabilities (C)		-	-	5,162.82
D) Current Liabilities				
Financial Liabilities				
- Borrowings	Note 23	5,360.92	4,026.23	4,250.78
- Trade Payables	Note 24	6,994.39	6,414.61	5,333.86
- Others	Note 25	109.94	91.15	863.71
Other current liabilities	Note 26	243.55	1,107.53	758.52
Provisions	Note 27	216.50	-	32.52
Current tax liabilities (Net)	Note 28	120.55	-	64.02
Total Current Liabilities (D)		13,045.85	11,639.52	11,303.41
Total Equity and Liabilities (A + B + C + D)		52,604.28	44,471.63	41,541.44

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

As per our report of even date

For B Y & Associates
Chartered Accountants
ICAI Firm Registration No.: 123423W

CA Bhavesh Vora
Partner
Membership No. 043908

Place: Mumbai
Date: 13th August, 2018

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Prakash Kamat
Chairman

Tushar Shah
Director & CFO

Place: Mumbai
Date: 13th August, 2018

Mukesh Shah
Managing Director

Pooja Gaonkar
Company Secretary

Jayen Shah
Director & CEO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2018

₹ In lakhs

Particulars	Notes	Figures for the current reporting period	Figures for the previous reporting period
		31 st March, 2018	31 st March, 2017
INCOME			
Revenue from Operations	Note 29	86,041.71	81,589.09
Other Income	Note 30	1,597.42	400.06
Total Income		87,639.13	81,989.15
EXPENSES			
Cost of Materials Consumed	Note 31	54,821.66	50,275.74
Purchase of Stock-in-trade	Note 31.1	364.51	113.52
Changes in Inventories of Finished Goods, Work-In-Progress and Trading Goods	Note 32	595.85	(619.80)
Excise Duty / Goods and Service Tax Expenses		884.75	3,673.46
Employee Benefits Expense	Note 33	5,162.44	6,444.17
Finance Costs	Note 34	315.46	438.89
Depreciation / Impairment & Amortisation Expenses	Note 35	2,004.41	2,371.31
Other Expenses	Note 36	8,371.28	7,212.35
Total Expenses		72,520.36	69,909.63
Profit before exceptional items and tax		15,118.77	12,079.51
Exceptional Item		-	-
Profit before tax		15,118.77	12,079.51
Tax Expenses			
Current Tax	Note 37	5,650.00	4,500.00
Deferred Tax	Note 38	(81.98)	(193.39)
Short / (Excess) Provision for earlier years		18.01	(14.36)
		5,586.03	4,292.25
Profit for the year from continuing operations		9,532.74	7,787.27
PROFIT / (LOSS) FOR THE YEAR		9,532.74	7,787.27
OTHER COMPREHENSIVE INCOME			
(A) (i) Items that will not be reclassified to Profit or Loss			
(a) Changes in fair value of Equity instruments through OCI		-	0.08
(b) Remeasurement of employees defined benefits plan		(23.84)	(31.97)
(ii) Income tax relating to items that will not be reclassified to profit or loss		8.25	11.04
Total Other Comprehensive Income		(15.59)	(20.86)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,517.15	7,766.41
Earnings Per Equity Share (for continuing operations)	Note 39		
Basic		31.09	25.40
Diluted		31.09	25.40

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

As per our report of even date

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Bhavesh Vora

Partner

Membership No. 043908

Place: Mumbai

Date: 13th August, 2018

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Prakash Kamat

Chairman

Mukesh Shah

Managing Director

Jayen Shah

Director & CEO

Tushar Shah

Director & CFO

Pooja Gaonkar

Company Secretary

Place: Mumbai

Date: 13th August, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2018

A) EQUITY SHARE CAPITAL

₹ In lakhs

Particulars	No. of Shares	Amount
Equity Share Capital at the beginning of the year i.e. 1 st April, 2016	4,829,996	483.00
Add / (Less) : Changes in equity share capital during the year 2016-17	-	-
Equity Share Capital at the end of the year i.e. 31st March, 2017	4,829,996	483.00
Equity Share Capital at the beginning of the year i.e. 1 st April, 2017	4,829,996	483.00
Add / (Less) : Changes in equity share capital during the year 2017-18		
Issued on account of Amalgamation of FRDCPL & FSSPL	280,000	28.00
Issued on account of Bonus issue	10,219,992	1,022.00
Issued on account of Subdivision of shares	15,329,988	-
Equity Share Capital at the end of the Year i.e. 31st March, 2018	30,659,976	1,533.00

B) OTHER EQUITY

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	General Reserve	Amalgamation Reserve	Securities Premium	Retained Earnings	Foreign Exchange Translation Reserve		
Balance as at 1 st April, 2016	473.87	1,155.24	0.00*	22,974.07	(42.20)	3.16	24,564.13
Add: Profit for the year	-	-	-	7,787.27	(9.50)	-	7,777.76
Add: Other Comprehensive Income (net of tax)	-	-	-	-	-	(20.86)	(20.86)
Total Comprehensive Income for the year	473.87	1,155.24	0.00*	30,761.33	(51.71)	(17.70)	32,321.03
Less: Dividend Paid on Equity shares	-	-	-	-	-	-	-
Less: Dividend Distribution Tax	-	-	-	-	-	-	-
Balance As At 31st March, 2017	473.87	1,155.24	0.00*	30,761.33	(51.71)	(17.70)	32,321.03
Balance at 1 st April, 2017	473.87	1,155.24	-	30,761.33	(51.71)	(17.70)	32,321.03
Add: Profit for the year	-	-	-	9,532.74	(23.21)	-	9,509.53
Add: Other Comprehensive Income (net of tax)	-	-	-	-	-	(15.59)	(15.59)
Total Comprehensive Income for the year	473.87	1,155.24	0.00*	40,294.08	(74.92)	(33.29)	41,814.98
Less: Utilised for Bonus Issue of Equity shares	473.87	-	0.00*	548.13	-	-	1,022.00
Less: Dividend Paid on Equity shares	-	-	-	2,299.50	-	-	2,299.50
Less: Dividend Distribution Tax	-	-	-	468.12	-	-	468.12
Balance as at 31st March, 2018	-	1,155.24	-	36,978.33	(74.92)	(33.29)	38,025.35

* Denoted as amount below ₹1,000/-

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Bhavesh Vora

Partner

Membership No. 043908

Place: Mumbai

Date: 13th August, 2018

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Prakash Kamat

Chairman

Tushar Shah

Director & CFO

Place: Mumbai

Date: 13th August, 2018

Mukesh Shah

Managing Director

Pooja Gaonkar

Company Secretary

Jayen Shah

Director & CEO

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

₹ In lakhs

Particulars	Figures for the current reporting period		Figures for the previous reporting period	
	31 st March, 2018		31 st March, 2017	
Net Profit Before Tax		15,118.77		12,079.51
A) CASH FLOWS FROM OPERATING ACTIVITIES				
Adjustments for:				
Depreciation of property, plant and equipment	2,000.33		2,363.04	
Amortisation of intangible assets	4.08		8.27	
Loss/(Profit) on sale of fixed assets (net)	(13.07)		(2.29)	
Interest income	(46.03)		(102.50)	
Interest expenses	207.77		382.04	
Remeasurement of Employee Benefit Plans	(23.84)		(31.97)	
Change in Foreign Currency Translation Reserve	(23.21)		(9.50)	
Net (gain) on foreign exchange fluctuations (unrealised)	(1,327.30)		(254.75)	
Share of loss from Joint Venture Entity	39.04		26.39	
Lease rent on Leasehold Properties	25.07		25.07	
		842.83		2,403.81
Operating profit before working capital movements		15,961.60		14,483.32
Movement in working capital:				
Decrease / (Increase) in Inventories	304.63		(1,616.02)	
Decrease / (Increase) in Trade Receivables	(3,607.98)		(2,381.12)	
Decrease / (Increase) in Other Bank Balances	224.16		(237.76)	
Decrease / (Increase) in Current Financial Assets : Loans	(23.26)		2.61	
Decrease / (Increase) in Current Financial Assets : Others	(0.19)		1.02	
Decrease / (Increase) in Other Current Assets	(2,546.44)		(1,420.97)	
Increase / (Decrease) in Trade Payables	579.79		1,080.75	
Increase / (Decrease) in Current Financial Liabilities : Others	18.78		(772.56)	
Increase / (Decrease) in Other Current Liabilities	(863.98)		349.00	
Increase / (Decrease) in Current Provisions	216.50		(32.52)	
		(5,697.99)		(5,027.56)
Cash generated from operations		10,263.60		9,455.76
Income tax paid		(5,087.34)		(4,946.69)
Net cash flows from operating activities (A)		5,176.27		4,509.07
B) CASH FLOWS (USED IN) / GENERATED FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment, including CWIP	(4,027.38)		(1,509.95)	
Advances Given for Capital Goods	(1,165.36)		386.13	
Purchase of intangible assets	(9.76)		(16.05)	
Proceeds from sale of property, plant and equipment	23.60		4.44	
Additional Investment in Bank Fixed Deposits	(18.25)		36.70	
Additional Investment in Joint Venture	-		(600.00)	
Interest received	46.03		102.50	
Net cash flows used in investing activities (B)		(5,151.12)		(1,596.24)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd)

₹ In lakhs

Particulars	Figures for the current reporting period		Figures for the previous reporting period	
	31 st March, 2018		31 st March, 2017	
C) NET CASH FLOWS (USED IN)/ GENERATED FROM FINANCING ACTIVITIES				
Repayment of Non Current : Borrowings	-		(5,162.83)	
Repayment of Current : Borrowings	1,334.69		(224.54)	
Security Deposit Received Back / (Given)	(41.74)		(16.74)	
Dividend paid	(2,299.50)		-	
Tax on dividend	(468.12)		-	
Interest paid	(207.77)		(382.04)	
Net loss/ (gain) on foreign exchange fluctuations	1,327.30		254.75	
Net cash flows used in financing activities (C)		(355.13)		(5,531.40)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(329.99)		(2,618.57)
Cash and cash equivalents at the beginning of the year		1,397.01		4,015.58
Cash and cash equivalents at the year end {Refer to note no. 13}		1,067.03		1,397.01
Components of cash and cash equivalents :				
Balances with banks				
In Current Account	744.86		857.28	
In Exchange Earning Foreign Currency Account	302.66		313.76	
In Fixed Deposit Account	3.65		215.61	
Cash on hand	15.85		10.37	
		1,067.03		1,397.01

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

As per our report of even date

For B Y & Associates

Chartered Accountants

ICAI Firm Registration No.: 123423W

CA Bhavesh Vora

Partner

Membership No. 043908

Place: Mumbai

Date: 13th August, 2018

For and on behalf of the Board of Directors

Fine Organic Industries Limited

Prakash Kamat

Chairman

Tushar Shah

Director & CFO

Place: Mumbai

Date: 13th August, 2018

Mukesh Shah

Managing Director

Pooja Gaonkar

Company Secretary

Jayen Shah

Director & CEO

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Fine Organic Industries Limited {Formerly known as "Fine Organic Industries Private Limited"} is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Company was converted into Public Company with effect from 2nd November, 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 13th August, 2018 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 flavours, perfumes and flavouring chemicals, oil and colours, surface active agents, emulsifiers, preservatives, clouding agents, textile auxiliaries, lubricants, oleo chemicals and their derivatives, fatty acids and their derivatives, salt and esters. It also develops, processes, manufactures, deals in and carries on business in India and abroad in fine and heavy chemicals, oils, fats, dyes, dyestuffs, dye retardants, dye assistants, organic and inorganic chemicals.

The Company has completed Initial Public Offerings(IPO) of 76,64,994 shares of ₹ 5 each at an offer price of ₹ 783/- per Equity share aggregating to ₹ 6,00,16,90,302/- through offer for sale. The Equity Shares of the Company are listed on 2nd July, 2018 on Bombay Stock Exchange Limited(BSE) and National Stock Exchange of India Limited (NSE).

The Company has following investments in subsidiaries and Joint Venture:

Particulars	Name of Entity		
	Fine Organics (USA), Inc	Fine Organics Europe BVBA	Fine Zeelandia Private Limited
Principal place of business and Country of Incorporation	United States of America	Belgium	India
Description of the method used to account for investments	Consolidation	Consolidation	Equity Method
Investee relationship	Subsidiary Company	Subsidiary Company	Joint Venture

Proportion of ownership interest	100.00%	99.46%	50.00%
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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.

The Company's Consolidated Financial Statements upto and for the year ended 31st March, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under the section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

These Financial Statements are the first Consolidated Financial Statements of the Company under Ind AS. Previous period numbers for the year ended 31st March, 2017 in the Financial Statements have been restated to confirm to Ind AS. Accordingly, the date of transition to Ind AS is 1st April, 2016.

As these are the Company's first Consolidated Financial Statements prepared in accordance with Ind AS, Ind AS 101, "First-time adoption of Indian Accounting Standards" has been applied. An explanation of how the transition to Ind AS has affected the previously reported Financial position, Financial performance and cash flows of the Company is provided in Note no 52.

2.2 Functional and presentation currency

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

2.3 Basis of measurement

The 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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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 31st March, 2018 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, 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, manufacturer's warranties and maintenance support.

b) **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.

c) **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 base, and unutilised business loss and depreciation carry-forward and tax credits. 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-forward and unused tax credits could be utilised.

d) **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 is 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 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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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 twelve 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:

- It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realise the asset within twelve months after the reporting period; or
- 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-

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve months after the reporting period; or
- 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 Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Company, its subsidiaries and joint ventures as at the reporting date.

Subsidiaries

Subsidiaries include all the entities over which the Group

has control. The Group controls an entity when the Group 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 Group attains control and are deconsolidated from the date that control ceases to exist.

Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint venture are accounted for using the equity method of accounting (see(c) below).

The CFS have been prepared on the following basis

- The financial statements of the Company and its subsidiary companies have been consolidated on a line by- line basis by adding together of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered, as per the applicable Accounting Standard in India. Accounting policies of the respective subsidiaries entities are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.
- 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.
- The CFS include 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 Group's share of the post acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income (OCI) of the investee in OCI. Dividends received or receivable, if any from joint venture are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

- 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.
- Non-controlling interests, if any in the net assets of the subsidiaries that are consolidated consists of the amount of equity attributable to non-

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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 noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance.

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:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- 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 derecognition 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.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on pro-rata basis using the diminishing balance method on cost of items of property, plant and equipment less their estimated residual values over the estimated residual useful lives based on Schedule II of the Companies Act, 2013.

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

Tangible Assets	Useful lives as per Schedule II
Buildings	30 Years
Computers	3 Years
Office Equipments	5 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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

3.2 Intangible Assets

Recognition and measurement

Intangible assets comprise of computer software and patents, which are 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 using the diminishing value method over their estimated useful lives, and 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 lives as per Schedule II
Computer Software	3 Years
Patents	10 Years

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognised as at 1st April, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Intangible Assets.

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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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.

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

3.4 Impairment of non-Financial assets

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

3.5 Income Tax

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

Current Tax

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

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 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 and finished goods 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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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.

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.

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

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 presented as current liabilities unless payment is not due within twelve 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 assets.

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 change in value recognised in Statement of Profit and Loss, except for those equity investments for which the Company has made an irrevocable choice to present the change in value in 'Other Comprehensive Income'.

Impairment of Financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The twelve months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within twelve 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 Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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 twelve months 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 & options to mitigate the risk of changes in exchange 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.

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

Cash flow hedge

The Company designates derivative contracts or non derivative Financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign

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

Fair Value Hedge

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

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

b) Derecognition 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 derecognition 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.

3.10 Business Combinations

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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 Amalgamation Reserve i.e. Capital 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

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of Products

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and acceptance by the buyer. Any additional amount based on the terms of the agreement entered into with customers, is 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.

As per Ind AS 18, the Company has assumed that recovery of excise duty 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.

However, sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Other Operating Revenues

Other Operating revenue mainly consist of Sale of Scrap arising from the production of finished goods and Research and Development income from various activities.

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.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.12 Foreign Currencies

The Financial Statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

3.13 Employee benefits

Short term employee benefits

Liabilities for short term employee benefits that are expected to be settled wholly within twelve months after

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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 presented 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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity.

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.

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.

3.18 Ind AS Yet to be notified

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1st April, 2018. There is no material impact expected to arise out of this amendment on the financial statements.

Ind AS 115- Revenue from Contract with Customers:

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is

that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

There is no material impact expected to arise of this amendment on the financial statements.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 4 - PROPERTY PLANT AND EQUIPMENT (PPE)

Particulars	Factory / Research Centre Building	Residential Premises	Office Premises	Factory Flat/ Land	Plant and Equip- ments	Electrical Equip- ments	Laboratory Equip- ments	Office Equip- ments	Furni- ture & Fixtures	Computer	Vehicles	Total Property Plant and Equipment
Gross Carrying Amount												
Balance as at 1 st April, 2016	7,310.12	77.44	48.26	2.76	9,855.57	901.42	148.74	236.38	526.37	323.31	591.00	20,021.37
Add: Opening gross carrying value of assets transferred from amalgamating Companies	415.76	-	44.09	-	31.58	5.12	444.41	71.33	78.48	10.59	14.53	1,115.89
Balance as at 1 st April, 2016 (After taking over assets / liabilities of amalgamating Companies)	7,725.88	77.44	92.35	2.76	9,887.15	906.54	593.15	307.71	604.86	333.90	605.53	21,137.26
Add: Additions during the year	685.62	-	-	-	658.40	43.97	43.53	128.99	43.02	109.40	82.27	1,795.20
Less: Disposals/ Adjustments	16.22	-	-	-	-	-	-	0.05	1.99	1.43	9.74	29.42
Balance as at 31st March, 2017	8,395.28	77.44	92.35	2.76	10,545.55	950.51	636.68	436.64	645.90	441.87	678.06	22,903.04
Add: Additions during the year	203.74	-	-	-	608.96	23.20	7.37	72.80	11.25	72.02	140.29	1,139.64
Less: Disposals/ Adjustments	-	-	-	-	8.59	-	-	-	-	-	79.88	88.47
Balance as at 31st March, 2018	8,599.02	77.44	92.35	2.76	11,145.92	973.71	644.04	509.44	657.15	513.89	738.47	23,954.20
Accumulated Depreciation												
Balance as at 1 st April, 2016	2,561.63	4.22	30.61	1.00	5,941.80	488.61	112.48	132.22	294.39	199.22	333.84	10,100.02
Add: Opening Accumulated Depreciation on Assets transferred from amalgamating Companies	256.02	-	27.42	-	19.07	4.61	331.32	60.35	72.53	6.83	11.80	789.95
Balance as at 1 st April, 2016 (After taking over assets / liabilities of amalgamating Companies)	2,817.64	4.22	58.03	1.00	5,960.87	493.23	443.80	192.58	366.92	206.05	345.63	10,889.97
Add: Depreciation for the Year	496.21	3.56	1.68	0.08	1,355.62	120.01	46.42	78.98	67.74	103.33	89.42	2,363.04
Less: Disposals/ Adjustments	15.01	-	-	-	-	-	-	0.05	1.83	1.13	9.25	27.27
Balance as at 31st March, 2017	3,298.85	7.77	59.71	1.09	7,316.49	613.24	490.22	271.51	432.83	308.25	425.80	13,225.74
Add: Depreciation for the Period	494.30	3.38	1.59	0.08	1,047.60	93.79	35.37	82.64	54.35	93.38	93.84	2,000.33
Less: Disposals/ Adjustments	-	-	-	-	5.08	-	-	-	-	-	72.86	77.94
Balance as at 31st March, 2018	3,793.14	11.16	61.30	1.17	8,359.01	707.03	525.59	354.14	487.18	401.63	446.79	15,148.13
Net Carrying Amount												
Balance as at 1 st April, 2016	4,748.49	73.22	17.65	1.76	3,913.78	412.81	36.26	104.16	231.98	124.08	257.16	9,921.36
Balance as at 1 st April, 2016 (After taking over assets / liabilities of amalgamating Companies)	4,908.23	73.22	34.32	1.76	3,926.28	413.31	149.35	115.13	237.94	127.85	259.89	10,247.30
Balance as at 31 st March, 2017	5,096.43	69.67	32.64	1.68	3,229.06	337.28	146.46	165.14	213.07	133.62	252.26	9,677.30
Balance as at 31st March, 2018	4,805.88	66.28	31.05	1.60	2,786.92	266.69	118.45	155.30	169.97	112.26	291.68	8,806.07

Out of the total deduction of Costs of ₹ 29.42 lakhs in Financial Year 2016-17, ₹ 19.69 lakhs is due to Fire at Dombivli Plant of amalgamating Company "FSSPL".
{Refer to note no. 44}

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 5 - CAPITAL WORK-IN-PROGRESS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Gross Carrying Amount			
Balance as at the beginning of the year	279.74	564.99	
Additions during the year	3,706.69	1,489.97	
Written off during the year	-	-	
Capitalisation during the year	818.94	1,775.21	
Balance as at the end of the year	3,167.49	279.74	564.99

NOTE 6 - INTANGIBLE ASSETS

₹ In lakhs

Particulars	Software	Patents	Total Intangible Assets
Gross Carrying Amount			
Balance as at 1 st April, 2016	9.39	-	9.39
Add: Assets Transferred from Amalgamating Companies	-	6.60	6.60
Balance as at 1 st April, 2016 (After taking over assets / liabilities of amalgamating Companies)	9.39	6.60	15.99
Add: Additions during the year	4.20	11.85	16.05
Less: Disposals/ Adjustments	-	-	-
Balance as at 31st March, 2017	13.59	18.45	32.04
Add: Additions during the year	3.43	6.33	9.76
Less: Disposals/ Adjustments	-	-	-
Balance as at 31st March, 2018	17.02	24.78	41.80
Accumulated Depreciation			
Balance as at 1 st April, 2016	2.03	-	2.03
Add: Depreciation on Assets Transferred from Amalgamating Company	-	0.74	0.74
Balance as at 1 st April, 2016 (After taking over assets / liabilities of amalgamating Companies)	2.03	0.74	2.77
Add: Depreciation for the Year	6.86	1.40	8.27
Less: Disposals/ Adjustments	-	-	-
Balance as at 31st March, 2017	8.89	2.14	11.03
Add: Depreciation for the Period	1.99	2.10	4.08
Less: Disposals/ Adjustments	-	-	-
Balance as at 31st March, 2018	10.88	4.24	15.12
Net Carrying Amount			
Balance as at 1st April, 2016	7.36	-	7.36
Balance as at 1st April, 2016 (After taking over assets / liabilities of amalgamating Companies)	7.36	5.86	13.22
Balance as at 31st March, 2017	4.70	16.30	21.00
Balance as at 31st March, 2018	6.14	20.54	26.68

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 7 - NON CURRENT FINANCIAL ASSETS : INVESTMENTS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Unquoted Investment in Equity Instruments of Jointly Controlled Entity (At Cost)			
Fine Zeelandia Private Limited	1,055.95	1,094.99	521.38
(Current Year: 1,12,84,250 shares of ₹ 10/- each fully paid up)			
(Previous Year Ending: 1,12,84,250 shares of ₹ 10/- each fully paid up)			
(Previous Year Beginning: 52,84,250 shares of ₹ 10/- each fully paid up)			
Unquoted Investment in Equity Instruments at FVTOCI			
Saraswat Co-Operative Bank Limited	5.15	5.15	5.08
(Current Year: 2,500 shares of ₹ 10/- each fully paid up)			
(Previous Year Ending: 2,500 shares of ₹ 10/- each fully paid up)			
(Previous Year Beginning: 2,500 shares of ₹ 10/- each fully paid up)			
Total	1,061.10	1,100.14	526.45

Note 7.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Non Current Financial Investments'

2,500 Equity shares of Saraswat Co-Operative Bank Limited has been transferred from amalgamating Company FRDCPL on 1st April, 2016.

NOTE 8 - NON CURRENT FINANCIAL ASSETS : OTHERS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Security Deposits (Amortised Cost)	18.02	4.15	4.15
Fixed Deposits with Bank (Original Maturity of more than twelve months)	26.92	8.67	45.37
Total	44.94	12.83	49.53

NOTE 9 - DEFERRED TAX ASSETS (NET)

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Tax effect of items constituting deferred tax liabilities			
Intangible Assets	2.42	0.59	1.04
Others	106.02	100.17	47.91
Gross Deferred Tax Liability (a)	108.44	100.77	48.95
Tax effect of items constituting deferred tax assets			
Property, Plant and Equipments	447.29	339.57	152.67
Others	146.02	155.83	86.48
Gross Deferred Tax Asset (b)	593.31	495.40	239.16
Deferred Tax Assets (Net) (b-a)	484.87	394.63	190.21

Note 9.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Deferred Tax Assets (Net)'

- (i) Deferred Tax Assets (Net) as at 1st April, 2016 includes ₹ 2.18 lakhs (DTL) from FSSPL and ₹ 18.86 lakhs (DTA) from FRDCPL transferred from amalgamating Companies.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 10 - OTHER NON-CURRENT ASSETS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Capital Advances (Unsecured, Considered good)	3,623.00	2,457.64	2,843.76
Security Deposits	187.55	163.81	147.08
Income Tax Refund Receivable	50.88	113.97	113.97
Prepaid Rent on Leasehold Land	2,137.57	2,162.64	2,187.71
Prepaid Rent on Factory Premises	2.47	-	-
Total	6,001.47	4,898.07	5,292.52

Note 10.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Other Non Current Assets'

- Income tax refund Receivable as at 1st April, 2016 includes ₹ 5.32 lakhs from FSSPL and ₹ 12.18 lakhs from FRDCPL transferred from amalgamating Companies.
- Security Deposits as at 1st April, 2016 includes ₹ 4.47 lakhs from FSSPL and ₹ 3.12 lakhs from FRDCPL transferred from amalgamating Companies.
- Prepaid Rent on Leasehold Land as at 1st April, 2016 includes ₹ 109.70 lakhs from FRDCPL transferred from amalgamating Company.

NOTE 11 - INVENTORIES

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Raw Materials and Packing Materials	4,459.65	4,200.00	3,445.24
Semi-Finished Goods	147.42	67.71	89.94
Trading Goods	582.85	372.79	245.24
Finished goods	2,873.95	3,759.57	3,245.10
Consumables	39.40	25.88	26.49
Stores & Spares	810.38	792.33	550.26
Total	8,913.66	9,218.29	7,602.27

Note 11.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Inventories'

- Raw Materials and Packing Materials as at 1st April, 2016 includes ₹ 91.64 lakhs from FSSPL and ₹ 3.19 lakhs from FRDCPL transferred from amalgamating Companies.
- Semi-Finished Goods as at 1st April, 2016 includes ₹ 15 lakhs from FRDCPL transferred from amalgamating Company.
- Finished goods as at 1st April, 2016 includes ₹ 46.76 lakhs from FSSPL transferred from amalgamating Company.
- Consumables as at 1st April, 2016 includes ₹ 4.76 lakhs from FSSPL transferred from amalgamating Company.

Note 11.2 - Disclosures for inventories lost due to fire

Total inventories worth ₹ 67.76 lakhs was lost due to fire at Dombivli plant of amalgamating Company FSSPL in FY 2016-17 and same is not included in above inventories. Detailed note on the same is given in Note no.44 of the financial statement.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 12 - TRADE RECEIVABLES

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Unsecured			
Considered good	14,648.60	11,040.61	8,659.50
Considered doubtful	205.00	199.32	180.52
Less: Allowance for Expected Credit Loss	205.00	199.32	180.52
Total	14,648.60	11,040.61	8,659.50

Note 12.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Trade Receivables'

- Trade Receivables (Considered good) as at 1st April, 2016 includes ₹ 109.20 lakhs from FSSPL transferred from amalgamating Company.
- Allowance for Expected Credit Loss on trade receivables transferred from amalgamating Company FSSPL have been calculated at ₹ 3.76 lakhs and is included above as at 1st April, 2016.

Note 12.2 - Movement of Expected credit loss on trade receivables

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Balance at the beginning of the year	199.32	180.52	
Addition / (Reversal) of expected credit loss on trade receivables	5.68	18.81	
Balance at the end of the year	205.00	199.32	180.52

NOTE 13 - CASH AND CASH EQUIVALENTS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Balances with Banks			
In Current Account	744.86	857.28	3,229.89
In Exchange Earning Foreign Currency Account	302.66	313.76	340.40
In Fixed Deposit Account	3.65	215.61	419.42
(With original maturity of less than 3 Months)			
Cash on hand	15.85	10.37	25.88
Cash and cash equivalents in the statement of cash flows	1,067.03	1,397.01	4,015.58

Note 13.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Cash and cash equivalents'

- Balance with bank in current account as at 1st April, 2016 includes ₹ 126.81 lakhs from FSSPL and ₹ 298.80 lakhs from FRDCPL transferred from amalgamating Companies.
- Balance with bank in fixed deposit as at 1st April, 2016 includes ₹ 314.78 lakhs from FSSPL transferred from amalgamating Company.
- Cash on hand as at 1st April, 2016 includes ₹ 4.10 lakhs from FSSPL and ₹ 3.49 lakhs from FRDCPL transferred from amalgamating Companies.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 14 - OTHER BANK BALANCES

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Balances with Banks			
In Fixed Deposits	170.43	394.60	156.84
(with original maturity of more than 3 months and 12 months or less)			
Total	170.43	394.60	156.84

Note 14.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Other Bank Balances'

- (i) Balance with bank in fixed deposit as at 1st April, 2016 includes ₹ 261.48 lakhs from FSSPL and ₹ 0.05 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 15 - CURRENT FINANCIAL ASSETS : LOANS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Unsecured, Considered Good			
Loans to employees (Amortised Cost)	96.74	73.49	76.10
Total	96.74	73.49	76.10

Note 15.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Current Financial Assets : Loans'

- (i) Loan to employees as at 1st April, 2016 includes ₹ 6.15 lakhs from FSSPL and ₹ 4.24 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 16 - CURRENT FINANCIAL ASSETS : OTHERS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Unsecured, Considered Good			
Security Deposit to Trade Creditors (Amortised Cost)	11.01	9.15	10.17
Total	11.01	9.15	10.17

Note 16.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Current Financial Assets : Others'

- (i) Security Deposits to Trade Creditors as at 1st April, 2016 includes ₹ 0.05 lakhs from FSSPL transferred from amalgamating Company.

NOTE 17 - CURRENT TAX ASSETS (NET)

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Advance Income tax (Net of Provision for Taxation)	-	397.03	-
Total	-	397.03	-

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 18 - OTHER CURRENT ASSETS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Prepaid Expenses	190.48	225.79	167.41
Balance with Statutory / Government Authorities *	3,840.66	1,258.16	664.36
Insurance Claim Receivable	88.26	-	-
Gratuity Fund Balance with LIC of India	16.90	-	23.76
Other Advances (including advance to suppliers)	3,967.88	4,073.80	3,281.23
Total	8,104.19	5,557.74	4,136.76

* Balances with Government Authorities primarily include amounts realisable from the excise, service tax, value added tax and customs authorities of India, the unutilised excise input credits on purchases and amounts paid under protest relating to indirect tax matters. These are generally realised within one year or regularly utilised to offset the excise duty liability on goods manufactured by the Company. Accordingly, these balances have been classified as "Other Current Assets".

Note 18.1 - Disclosures for assets transferred from amalgamating Companies appearing in 'Other Current Assets'

- Prepaid Expenses as at 1st April, 2016 includes ₹ 4.29 lakhs from FSSPL and ₹ 4.09 lakhs from FRDCPL transferred from amalgamating Companies.
- Prepaid Rent on Leasehold Land (Current Portion) as at 1st April, 2016 includes ₹ 1.31 lakhs from FRDCPL transferred from amalgamating Company.
- Balance with Statutory / Government Authorities as at 1st April, 2016 includes ₹ 4.27 lakhs from FSSPL transferred from amalgamating Company.
- Gratuity Fund Balance with LIC of India as at 1st April, 2016 includes ₹ 11.19 lakhs from FSSPL and ₹ 6.78 lakhs from FRDCPL transferred from amalgamating Companies.
- Other Advances as at 1st April, 2016 includes ₹ 4.44 lakhs from FSSPL and ₹ 3.22 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 19 - EQUITY SHARE CAPITAL

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
AUTHORISED			
4,00,00,000 Equity Shares of ₹ 5/- each (#)	2,000.00	520.00	520.00
(Previous Year Ending: 52,00,000 Equity Shares of ₹ 10/- each)			
(Previous Year Beginning: 52,00,000 Equity Shares of ₹ 10/- each)			
Total	2,000.00	520.00	520.00
ISSUED, SUBSCRIBED AND PAID-UP			
3,06,59,976 Equity Shares of ₹ 5/- each	1,533.00	483.00	483.00
(Previous Year Ending: 48,29,996 Equity Shares of ₹ 10/- each)			
(Previous Year Beginning: 48,29,996 Equity Shares of ₹ 10/- each)			
Total	1,533.00	483.00	483.00
EQUITY SHARE SUSPENSE ACCOUNT			
(Previous Year Ending: 2,80,000 Equity Shares of ₹ 10/- each)	-	28.00	28.00
(Previous Year Beginning: 2,80,000 Equity Shares of ₹ 10/- each)			
{Refer to note no. 19.7(ii)}			
Total	-	28.00	28.00

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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Number of shares at the beginning of the year	48,29,996	48,29,996	48,29,996
Add: Issued on account of Amalgamation with FRDCPL & FSSPL	2,80,000	-	-
Add: Issued on account of Bonus issue	1,02,19,992	-	-
Add: Issued on account of Subdivision of shares {Refer to note no. 19.6}	1,53,29,988	-	-
Number of shares at the end of the year	3,06,59,976	48,29,996	48,29,996

Note 19.2 - Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Note 19.3 - Details of Shareholders holding more than 5 % shares of the Company

Name of share holders	As at 31 st March, 2018		As at 31 st March, 2017		As at 1 st April, 2016	
	Number of Shares	% in Share Capital	Number of Shares	% in Share Capital	Number of Shares	% in Share Capital
Mukesh Maganlal Shah	25,88,442	8.44	4,03,945	8.36	4,03,945	8.36
Prakash Damodar Kamat	59,82,840	19.51	9,41,355	19.49	9,41,355	19.49
Jayen Ramesh Shah	49,53,630	16.16	8,08,455	16.74	8,08,455	16.74
Jyotsna Ramesh Shah	58,70,862	19.15	9,22,489	19.10	9,22,489	19.10
Bimal Mukesh Shah	28,22,436	9.21	4,56,244	9.45	4,56,244	9.45
Tushar Ramesh Shah	52,29,186	17.06	8,60,715	17.82	8,60,715	17.82

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

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

Note 19.5 - Details of calls unpaid

There is no calls unpaid, thus such disclosure is not applicable.

Note 19.6 - Subdivision of shares

- (i) 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 19.7 - Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

- (i) The Company has issued 28,30,000 Equity Shares of ₹ 10 Each (Post Subdivision of shares) for consideration other than cash to the shareholders of Oleofine Organics India Private Limited ("OOIPL") on account of Amalgamation. (Previous year: 28,30,000 Equity shares of ₹ 10 each).
- (ii) The Company has issued 2,80,000 Equity Shares of ₹ 10 Each for consideration other than cash to the shareholders of Fine Research & Development Centre Private Limited ("FRDCPL") and Fine Speciality Surfactants Private Limited ("FSSPL") on account of Amalgamation.
- (iii) During the year ended 31st March, 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 16th October, 2017. The Company has allotted 2 Fully paid up equity shares of ₹ 10/- each for every 1 Equity share held by the shareholders (Including shares issued to the shareholders on account of amalgamation with OOIPL, FRDCPL & FSSPL).

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 20 - OTHER EQUITY

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
(a) General Reserve (#)			
Balance as at the beginning of the year	473.87	473.87	473.87
Less: Utilised for the purpose of Bonus Issue	473.87	-	-
Balance as at the end of the year	-	473.87	473.87
(b) Amalgamation Reserve (^)	1,155.24	1,155.24	1,155.24
(Includes ₹ 4.23 lakhs On Account of amalgamation of FSSPL)			
(c) Securities Premium Account			
Balance as at the beginning of the year	0.00*	0.00*	0.00*
Less: Utilised for the purpose of Bonus Issue	0.00*	-	-
Balance as at the end of the year	-	0.00*	0.00*
(d) Retained Earnings (\$)			
Balance as at the beginning of the year	30,761.33	22,974.07	22,974.07
Add: Profit for the year	9,532.74	7,787.27	-
Less: Utilised for the purpose of Bonus Issue	548.13	-	-
Dividend paid on Equity shares	2,299.50	-	-
Dividend Distribution Tax Paid	468.12	-	-
Balance as at the end of the year	36,978.33	30,761.33	22,974.07
(e) Foreign Exchange Translation Reserve			
Balance as at the beginning of the year	(51.71)	(42.20)	(42.20)
Add: Addition / (Deletion)	(23.21)	(9.50)	-
Balance as at the end of the year	(74.92)	(51.71)	(42.20)
(f) Other Comprehensive Income			
Balance as at the beginning of the year	(17.70)	3.16	-
Add: Other Comprehensive Income for the Year	(15.59)	(20.86)	3.16
Balance as at the end of the year	(33.29)	(17.70)	3.16
Total (a + b + c + d + e + f)	38,025.35	32,321.03	24,564.13

(#) Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

(^*) Amalgamation reserve {Refer to note no. 42}

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

(*) Denoted as amount below ₹1,000/-

NOTE 21 - NON CONTROLLING INTEREST

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Fine Organics Europe BVBA	0.08	0.08	0.08
Total	0.08	0.08	0.08

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 22 - NON CURRENT FINANCIAL LIABILITIES : BORROWINGS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Secured Loans			
Foreign Currency Term Loan*			
From Financial Institution	-	-	2,126.77
Unsecured Loans			
Loans from Directors	-	-	3,036.05
Total	-	-	5,162.82

* The foreign currency term loan was secured against equitable mortgage over Land & Building and Plant & Machinery.

Note 22.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Non Current Financial Liabilities: Borrowings'

- (i) Loan from directors as at 1st April, 2016 includes ₹ 19.87 lakhs from FSSPL and ₹ 394.56 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 23 - CURRENT FINANCIAL LIABILITIES : BORROWINGS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Secured Loans			
From a Scheduled Bank Repayable on demand*			
Cash Credit Facility	5,360.92	998.76	1,933.41
Packing Credit	-	-	2,317.35
Term Loan	-	-	0.02
Unsecured Loans			
Loans from Directors	-	3,027.48	-
Total	5,360.92	4,026.23	4,250.78

* Loans from banks on Cash Credit, packing credit and term loan are secured by way of hypothecation of stocks of raw materials, finished products, stores, work-in-progress and book debts.

NOTE 24 - TRADE PAYABLES

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Outstanding due to Micro and Small Enterprises	544.47	383.49	287.02
Others	6,449.92	6,031.12	5,046.84
Total	6,994.39	6,414.61	5,333.86

Note 24.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Trade Payables'

- (i) Outstanding due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.
- (ii) Total Trade payables as at 1st April, 2016 includes ₹ 110.11 lakhs from FSSPL and ₹ 25.62 lakhs from FRDCPL transferred from amalgamating Companies.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 25 - CURRENT FINANCIAL LIABILITIES : OTHERS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Current maturities of long-term debt	-	-	800.40
Trade / Security Deposits to Supplier	109.94	91.15	63.31
Total	109.94	91.15	863.71

Note 25.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Current Financial Liabilities : Others'

- (i) Trade / Security Deposits as at 1st April, 2016 includes ₹ 2.78 lakhs from FSSPL transferred from amalgamating Company.

NOTE 26 - OTHER CURRENT LIABILITIES

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Statutory dues payable	69.05	669.18	519.87
Advances from customers	151.72	253.33	117.18
Other Liabilities	22.77	149.98	121.47
Gratuity Fund Balance Payable to LIC of India	-	5.17	-
Insurance Claim Received Pending Settlement / Allocation {Refer to note no. 44}	-	29.87	-
Total	243.55	1,107.53	758.52

Note 26.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Other Current Liabilities'

- (i) Statutory dues payable as at 1st April, 2016 includes ₹ 12.70 lakhs from FSSPL and ₹ 2.81 lakhs from FRDCPL transferred from amalgamating Companies.
- (ii) Advances from customers as at 1st April, 2016 includes ₹ 6.70 lakhs from FSSPL transferred from amalgamating Company.
- (iii) Other Liabilities as at 1st April, 2016 includes ₹ 2.75 lakhs (Dues to directors) from FSSPL transferred from amalgamating Company.

NOTE 27 - CURRENT LIABILITIES : PROVISIONS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Employee benefits	-	-	32.52
Provision for CSR Expenses	216.50	-	-
Total	216.50	-	32.52

Note 27.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Current Liabilities : Provisions'

- (i) Employee benefits as at 1st April, 2016 includes ₹ 2.68 lakhs from FSSPL and ₹ 0.61 lakhs from FRDCPL transferred from amalgamating Companies.

NOTE 28 - CURRENT TAX LIABILITIES (NET)

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Income Tax (Net of Taxes Paid)	120.55	-	64.02
Total	120.55	-	64.02

Note 28.1 - Disclosures for liabilities transferred from amalgamating Companies appearing in 'Current Tax Liabilities (Net)'

- (i) Income tax (Net of taxes paid) at 1st April, 2016 includes ₹ 10.45 lakhs (Advance tax paid over provisions for tax) from FSSPL and ₹ 88.78 lakhs (Advance tax paid over provisions for tax) from FRDCPL transferred from amalgamating Companies.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 29 - REVENUE FROM OPERATIONS

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Sale of Products		
Speciality Chemicals	84,755.87	80,390.46
Others	1,284.10	1,184.46
Total [A]	86,039.97	81,574.92
Other Operating Revenue		
Income from sale of Scrap	1.74	10.57
Research and Development Receipts	-	3.60
Total [B]	1.74	14.17
Total [A] + [B]	86,041.71	81,589.09

Note 29.1 - In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, sales upto period ended 30th June, 2017 were reported gross of excise duty and net of value added tax (VAT)/central Sales tax (CST) and service tax. Excise duty was reported as separate expense. Consequent to the introduction of Goods & Services Tax (GST) with effect from 1st July, 2017 excise duty, VAT, sales tax, service tax, etc. have been subsumed into GST and the same are not recognised as a part of sales as per the requirement of Ind AS 18. Accordingly Revenue from operations in the current year is not comparable with that of the previous year.

Note 29.2 - The Company had certain pending/unexecuted turnkey contracts on the date of implementation of Goods and Service Tax (GST) as of 1st July, 2017, wherein contract prices were arrived at based on taxes and duty structure prevailing before implementation of GST. Pending revision/reset of contract prices in accordance with GST regime, the Revenue from Operations pertaining to such turnkey contracts has been recognised based on fair assessment and evaluation of impact of GST on the contract prices. In the opinion of the Management, this is not likely to have any material impact upon revision/resetting of the contract prices by the customers.

NOTE 30 - OTHER INCOME

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Interest Income	46.03	102.50
Dividend Income	0.08	0.04
Net gain on foreign exchange fluctuations	1,331.70	254.75
Other Non Operating Income		
Profit on Sale of Property, Plant and Equipment (Net of Loss)	13.07	2.29
Insurance claim received	118.32	0.85
Miscellaneous Income	18.23	37.71
Processing Charges received	-	1.93
Compensation received	70.00	-
Total	1,597.42	400.06

Note 30.1 - Particulars of Interest Income

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Interest Income from Financial Assets on Amortised Cost Basis (at EIR)	28.06	59.51
Interest on Income Tax and VAT Refund	17.97	42.99
Total	46.03	102.50

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 31 - COST OF MATERIALS CONSUMED

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Raw Materials and packing Materials Consumed		
Opening Stock at the beginning of the year	4,200.00	3,350.40
Add : Stock transferred from Amalgamating Companies	-	94.84
Add : Purchases and incidental expenses	55,081.31	51,098.26
	59,281.31	54,543.50
Less : Loss of Stock due to Fire {Refer to note no. 44}	-	67.76
Less : Closing stock at the end of the year	4,459.65	4,200.00
Total	54,821.66	50,275.74

Note 31.1 - Purchase of Trading Goods

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Trading Goods	364.51	113.52
Total	364.51	113.52

Note 31.2 - Particulars of Materials Consumed

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Oils and Chemicals	53,197.44	48,931.97
Packing Materials	1,624.22	1,343.78
Total	54,821.66	50,275.74

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

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
A] Opening stock of inventories		
Finished Goods	3,759.57	3,198.33
Semi-Finished Goods	67.71	74.94
Trading Goods	372.79	245.24
Add: Opening stock transferred from Amalgamating Companies		
Finished Goods	-	46.76
Semi-Finished Goods	-	15.00
Total [A]	4,200.08	3,580.27
B] Closing Stock of inventories		
Finished Goods	2,873.95	3,759.57
Semi-Finished Goods	147.42	67.71
Trading Goods	582.85	372.79
Total [B]	3,604.22	4,200.08
Net Total [A] - [B]	595.85	(619.80)

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 33 - EMPLOYEE BENEFITS EXPENSES

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Salaries and other benefits to Directors	1,160.36	3,166.64
Salaries, wages & other benefits to others	3,625.53	2,996.25
Contribution to Provident Fund and Other Funds	207.26	89.76
Employee Welfare and other amenities	169.30	191.52
Total	5,162.44	6,444.17

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 31 st March, 2018	For the year ended 31 st March, 2017
Employer's Contribution to Provident fund	22.78	19.06
Employer's Contribution to Pension Scheme	50.96	41.01
Total	73.74	60.07

B] Defined Benefits Plans

The Company has used the Projected Unit Credit (PUC) actuarial method to assess the Plan 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 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 active members.

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

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Present value of Defined Benefit Obligation at beginning of the Year	431.45	344.66
Add : Service Cost		
(a) Current Service Cost	45.69	31.60
(b) Past Service Cost	26.03	-
(c) Loss/(Gain) from Settlement	-	-
Add: Current Interest Cost	41.23	26.54
Add: Benefits Paid	(79.43)	(5.00)
Add: Remeasurements of Actuarial (Gain) / Loss		
(a) From changes in Demographic assumptions	-	-
(b) From changes in Financial assumptions	(24.88)	18.37
(c) From experience over the past year	49.91	15.28
Effect of Acquisition/ (Divestiture)	-	-
Transfer In/(Out)	149.21	-
Changes in Foreign Exchange Rates	-	-
Present value of Defined Benefit Obligation at the end of the Year	639.21	431.45

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Fair Value of Plan Asset at beginning of the Year	426.28	368.42
Add: Interest Income on Plan assets	38.09	28.38
Add: Contributions Paid by Employer	106.05	32.80
Add: Benefits Paid / (Received)	(79.43)	(5.00)
Add: Re-measurements		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	3.22	-
(b) Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	(5.03)	1.68
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Effect of Acquisition/ (Divestiture)	-	-
Transfer In/(Out)	166.93	-
Changes in foreign exchange rates	-	-
Fair Value of Plan Asset at the end of the Year	656.11	426.28
Actual Return on Plan Assets	39.49	30.06
Expected Employer Contributions for the coming year	50.00	30.00

(iii) Expenses recognised in Profit and Loss Account

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Service Cost		
(a) Current Service Cost	45.69	31.60
(b) Past Service Cost	26.03	-
(c) Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	3.14	(1.84)
Employer Expenses	74.86	29.76

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

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Present Value of Defined Benefit Obligation at end of the Year	639.21	431.45
Less: Fair Value of Plan Asset at the end of the Year	656.11	426.28
Liability/ (Asset) recognised in the Balance Sheet	(16.90)	5.17
Funded Status [Surplus/(Deficit)]	16.90	(5.17)
Of which, Short term Liability		
Experience Adjustment on Plan Liabilities: (Gain)/Loss	49.91	15.28
Experience Adjustment on Plan Assets: Gain/(Loss)	(5.03)	1.68

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

(v) Assumptions used to determine the defined benefit obligation

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Salary Growth Rate	5.00 % P.A.	5.00 % P.A.
Discount Rate(p.a.)	7.60% P.A.	7.10% P.A.
Withdrawal Rate	5.00 % P.A.	5.00 % P.A.
Mortality Table Rate	"IALM (2006-08) Ultimate"	"IALM (2006-08) Ultimate"
Interest Rate on net DBO	7.10% P.A.	7.70% P.A.
Expected weighted average remaining working life	9 years	9 years

(vi) Movement in Other Comprehensive Income

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Balance at beginning of year (Loss)/ Gain	Nil	Nil
Re-measurements on DBO		
(a) Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
(b) Actuarial (Loss)/Gain from changes in financial assumptions	24.88	(18.37)
(c) Actuarial (Loss)/Gain from experience over the past period	(49.91)	(15.28)
Re-measurements on Plan Assets		
(a) Actuarial (Loss)/Gain from changes in financial assumptions	3.22	-
(b) Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(5.03)	1.68
(c) Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at end of year (Loss)/ Gain	(26.84)	(31.97)

(vii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of Sensitivity Analysis is given below:

₹ In lakhs

Particulars	As at 31 st March, 2018		As at 31 st March, 2017	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Salary Growth Rate	increases by ₹ 52.62	decreases by ₹ 47.36	increases by ₹ 34.74	decreases by ₹ 30.78
Discount Rate	decreases by ₹ 45.86	increases by ₹ 51.79	decreases by ₹ 29.95	increases by ₹ 34.36
Withdrawal Rate	increases by ₹ 7.90	decreases by ₹ 8.80	increases by ₹ 4.42	decreases by ₹ 4.98
Mortality (increase in expected lifetime by 1 year)	decreases by ₹ 0.35	-	decreases by ₹ 0.18	-
Mortality (increase in expected lifetime by 3 years)	decreases by ₹ 0.87	-	decreases by ₹ 0.46	-

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

(viii) Movement in Surplus/ (Deficit)

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Surplus/ (Deficit) at beginning of year	(5.17)	23.76
Add : Net Acquisition Adjustment	-	-
Transfer In / (Out) on net basis	17.72	-
<i>Movement during the year</i>		
Less : Current Service Cost	(45.69)	(31.60)
Less : Past Service Cost	(26.03)	-
Add : Net Interest on net DBO	(3.14)	1.84
Actuarial gain/ (loss)	(26.84)	(31.97)
Add : Employer Contributions/ Benefits paid	106.05	32.80
Surplus/ (Deficit) at end of year	16.90	(5.17)

(ix) Risk Factors

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below.

Interest risk

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

Longevity risk

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

Salary risk

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

Investment risk

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

NOTE 34 - FINANCE COSTS

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Interest Expenses on Financial Liabilities at Amortised Cost	207.77	382.04
Other Interest	1.56	-
Exchange Loss on Foreign Currency Term Loan & EEFC	4.40	-
Bank Charges and Commission	86.08	55.55
Franking Charges	-	0.90
Stamp Duty Expenses	15.65	0.40
Total	315.46	438.89

NOTE 35 - DEPRECIATION / IMPAIRMENT & AMORTISATION EXPENSES

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Depreciation / Amortisation on Property, Plant and Equipment	2,000.33	2,363.04
Depreciation / Amortisation on Intangible Assets	4.08	8.27
Total	2,004.41	2,371.31

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 36 - OTHER EXPENSES

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Advertisement & Publicity Expenses	4.63	8.53
Auditors Remuneration:		
(i) Statutory Audit Fees	24.00	24.00
Auditors Remuneration to Cost Auditor	2.86	2.91
Consumption of stores and spares	13.46	12.23
Corporate Social Responsibility Expenses	216.50	131.00
Director Sitting Fees	6.68	-
Electricity Charges	55.48	51.51
Excise Duty Expenses	-	82.32
Freight and forwarding charges	1,764.27	1,450.27
Insurance Charges	88.93	123.44
Laboratory Expenses	104.88	107.60
Lease Rent on Leasehold Land	25.07	25.07
Legal and Professional fees	570.50	276.05
Other Administrative Expenses	119.41	161.17
Postage, Telephone and Telegram	84.90	81.62
Power, Fuel and Water Charges	3,201.75	2,803.61
Printing and Stationery Expenses	36.20	24.11
Product Registration Fees	2.54	28.87
Allowances for Expected Credit Loss method on Trade Receivables	5.68	18.81
Trade Receivable Balance Written Off	-	20.31
Rates and Taxes	78.22	115.90
Rent Expenses	80.12	47.09
Repairs and Maintenance to:		
(i) Factory Building	71.66	61.49
(ii) Machinery	690.47	511.37
(iii) Others	187.98	184.54
Sales Promotion Expenses	103.32	95.45
Security Charges	113.08	87.58
Seminar & Trade Fair Expenses	277.64	298.33
Share of Loss from Joint Venture Entity (FZPL)	39.04	26.39
Subscription, Membership, Books & Periodicals	143.51	79.08
Travelling and Conveyance Expenses	194.45	208.35
VAT Audit Fees	0.65	6.20
Vehicle Expenses	63.43	57.14
Total	8,371.28	7,212.35

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

Note 36.1 - Corporate Social Responsibility Expenses

As per Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The Company has specified the project in education field, promoting preventive healthcare and sanitation. Modalities of utilisation of funds on the specified project and monitoring and reporting mechanism has been defined.

- (a) Gross amount required to be spent by Company during the year is ₹ 216.50 lakhs
- (b) In accordance with Rule 4(2) of CSR Rules, 2014 the said funds will be utilised as per the CSR policy

NOTE 37 - TAX EXPENSES : CURRENT TAX

Reconciliation of Reported Profit to Total Tax Expenses

₹ In lakhs		
Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Profit before Tax	15,118.77	12,079.51
Applicable Income Tax rate	34.61%	34.61%
Expected income tax expense	5,232.30	4,180.48
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of Expenses / Provisions not deductible in determining taxable profit	342.77	274.18
Other Permanent Differences	74.93	45.34
Reported income Tax Expense	5,650.00	4,500.00

NOTE 38 - TAX EXPENSES : DEFERRED TAX

Deferred Tax Expenses / (Income)

₹ In lakhs		
Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Tax effect of items constituting deferred tax liabilities		
Intangible Assets	1.83	-
Employee Benefits	7.64	-
Others	18.24	62.16
Sub Total (a)	27.71	62.16
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipments	107.72	186.90
Intangible Assets	-	0.45
Others	-	51.68
Employee Benefits	-	10.01
Provisions for Doubtful Debt/Advances	1.97	6.51
Sub Total (b)	109.69	255.54
Deferred tax Expenses / (Income)	(81.98)	(193.39)

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 39 - EARNINGS PER EQUITY SHARE

₹ In lakhs

Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
(a) Computation of Profit (numerator)		
Net Profit attributable to shareholders	9,532.74	7,787.27
(b) Computation of weighted average number of shares (denominator)		
Number of shares outstanding at the beginning of the year (as adjusted for sub-division and bonus issue)	2,89,79,976	2,89,79,976
Weighted average number of equity shares issued and outstanding during the year on account of amalgamation (as adjusted for sub-division and bonus issue)	16,80,000	16,80,000
Total Number of Shares Outstanding at the end of the period	3,06,59,976	3,06,59,976
(c) Adjusted weighted average equity shares	3,06,59,976	3,06,59,976
(d) EPS (Basic & Diluted) in ₹	31.09	25.40

NOTE 40 - CONTINGENT LIABILITIES AND COMMITMENTS

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Contingent Liabilities		
Income tax liability that may arise in respect of matters in appeal*	341.48	215.48
Excise Duty / Custom Duty / service tax liability may arise in respect of matters in appeal (#)	11.96	49.42
Commitments		
Estimated contracts remaining to be executed on capital account not provided for Plant & Machinery	3,323.06	89.14
Bank Guarantee	403.76	191.21

*Order from Honourable Supreme court relating to Appeal for A.Y 2009-2010 against this liability has been communicated Post closure of current financial year .The Determination of liability is pending and formal communication is still awaited .Necessary accounting entries will be passed in the books of accounts post receipt of order and demand notice from the department.

The Financial Statements of the Company for the year ended 31st March, 2018 has been approved by the Board of Directors in its meeting held on 13th August, 2018. For the year ended 31st March, 2018, dividend of ₹ 7/- per share (Total dividend of ₹ 2,583.11 lakhs including Dividend Distribution Tax of ₹ 436.92 lakhs) has been proposed by the Board of Directors at its meeting held on 13th August, 2018. The same is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and therefore proposed dividend (including dividend distribution tax) has not been recognised as liability as at the Balance Sheet Date in line with Ind AS - 10 "Events after the Reporting Period."

(#) ₹ 49.42 lakhs for FY 2016-17 pertaining to amalgamating Company FSSPL.

It is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above contingent liabilities pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 41 - RELATED PARTY TRANSACTIONS DISCLOSURE:

The Disclosure pertaining to the related parties as required by Indian Accounting Standard 24 issued by Ministry of Corporate Affairs (MCA), as applicable, are indicated below:

(a) List of Related Parties and Relationships

Sr. No.	Name of the Related Party	Nature of Relationship
	Key Management Personnel (KMP)	
1	Mukesh Maganlal Shah	Managing Director
2	Prakash Damodar Kamat	Chairman
3	Jayen Ramesh Shah	Executive Director & CEO
4	Tushar Ramesh Shah	Executive Director & CFO
5	Bimal Mukesh Shah	Executive Director
6	Parthasarathi Thiruvengadam	Independent Director (w.e.f. 13 th November, 2017)
7	Mahesh Pansukhlal Sarda	Independent Director (w.e.f. 13 th November, 2017)
8	Kaushik Dwarkadas Shah	Independent Director (w.e.f. 24 th January, 2018)
9	Prakash Krishnaji Apte	Independent Director (w.e.f. 13 th November, 2017)
10	Pratima Madhukar Umarji	Independent Director (w.e.f. 13 th November, 2017)
11	Sundareshan Sthanunathan	Independent Director (upto 29 th December, 2017)
12	Pooja Gaonkar	Company Secretary, Compliance Officer & Key Management Personnel (KMP)
13	Jyotsna Ramesh Shah	Relative of KMP
14	Jayshree Mukesh Shah	
15	Neeta Jayen Shah	
16	Bina Tushar Shah	
17	Esha Tushar Shah	
18	Rhea Tushar Shah	
19	Akruti Bimal Shah	
20	Ramesh M. Shah - HUF	
21	Prakash D. Kamat - HUF	
22	Mukesh M. Shah - HUF	
23	Jayen R. Shah - HUF	
24	Tushar R. Shah - HUF	
25	Manali Jinesh Bhayani	
26	Shaili Nirav Doshi	
27	Smoothex Chemicals Private Limited	Significant influence by KMP
28	Olefine Organics	
29	Oleofine Organics SDN. BHD.	
30	Oleofine Organics (Thailand) Co. Limited	
31	Fine Organic Industries	
32	Zeelandia International B.V.	
33	Shri R. M. Shah Foundation	
34	Fine Zeelandia Private Limited	Jointly Controlled Entities
35	FineAdd Ingredients GmbH	

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

(b) Transactions (in aggregate) with Related Parties during the period and Closing Balance at the period end

₹ In lakhs

Sr. No.	Particulars	Transactions during the Year		Closing Balance	
		2017-2018	2016-2017	As at 31 st March, 2018	As at 31 st March, 2017
1	Director's Remuneration				
	Prakash Damodar Kamat	237.22	742.16	-	37.37
	Mukesh Maganlal Shah	255.64	606.77	-	-
	Jayen Ramesh Shah	237.22	742.16	-	37.37
	Tushar Ramesh Shah	237.22	742.16	-	37.37
	Bimal Mukesh Shah	193.06	333.39	-	12.46
2	Director's Sitting Fees				
	Parthasarathi Thiruvengadam	1.13	-	-	-
	Mahesh Pansukhlal Sarda	1.55	-	-	-
	Kaushik Dwarkadas Shah	0.35	-	-	-
	Prakash Krishnaji Apte	1.20	-	-	-
	Pratima Madhukar Umarji	1.75	-	-	-
	Sundareshan Sthanunathan	0.70	-	-	-
3	Sale of Goods				
	Oleofine Organics SDN BHD	524.76	531.19	49.07	18.21
	Oleofine Organics (Thailand) Co.Ltd.	309.88	200.63	21.03	34.87
	Fine Organic Industries	325.80	410.44	-	-
	Fine Zeelandia Private Limited	0.14	15.36	-	-
4	Sale of Licence				
	Fine Organic Industries	87.24	72.37	-	-
	Fine Zeelandia Private Limited	80.92	33.11	2.85	-
5	Processing Charges Received				
	Fine Organic Industries	-	1.93	-	-
6	Sale of Components / Assets				
	Oleofine Organics SDN BHD	13.99	-	-	-
7	Purchase of Goods / Samples				
	Fine Organic Industries	1,364.12	222.90	-	-
	Fine Zeelandia Private Limited	-	0.32	-	-
	Oleofine Organics SDN BHD	25.05	-	20.94	-
8	Processing Charges Paid				
	Fine Organic Industries	0.01	0.01	-	-
	Oleofine Organics	441.76	285.25	-	-
9	Purchase of Licence				
	Fine Zeelandia Private Limited	-	0.19	-	-
	Fine Organic Industries	45.84	-	-	-
10	Purchase of Components / Assets				
	Fine Organic Industries	225.78	-	-	-
11	Corporate Social Responsibility Expenses				
	Shri R. M. Shah Foundation	-	131.00	-	-

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Sr. No.	Particulars	Transactions during the Year		Closing Balance	
		2017-2018	2016-2017	As at 31 st March, 2018	As at 31 st March, 2017
12	Interest Paid on Unsecured Loan				
	Prakash D. Kamat	24.99	111.68	-	1,091.76
	Mukesh Maganlal Shah	2.62	6.67	-	31.14
	Jayen Ramesh Shah	13.93	65.36	-	657.30
	Tushar Ramesh Shah	17.11	80.08	-	804.68
	Bimal Mukesh Shah	0.55	3.30	-	28.16
13	Dividend Paid / Declared				
	Mukesh Maganlal Shah	194.13	-	-	-
	Rhea Tushar Shah	8.00	-	-	-
	Neeta Jayen Shah	49.49	-	-	-
	Jyotsna Ramesh Shah	440.31	-	-	-
	Bina Tushar Shah	43.08	-	-	-
	Shaili Nirav Doshi	9.22	-	-	-
	Mukesh M. Shah HUF	10.54	-	-	-
	Jayshree Mukesh Shah	42.64	-	-	-
	Bimal Mukesh Shah	211.68	-	-	-
	Prakash D. Kamat HUF	10.29	-	-	-
	Manali Jinesh Bhayani	5.75	-	-	-
	Jayen R. Shah HUF	23.02	-	-	-
	Tushar Ramesh Shah	392.19	-	-	-
	Prakash Damodar Kamat	445.15	-	-	-
	Esha Tushar Shah	8.00	-	-	-
	Tushar R. Shah HUF	7.74	-	-	-
	Ramesh M. Shah HUF	23.18	-	-	-
	Jayen Ramesh Shah	371.52	-	-	-
14	Salary to Relatives				
	Akruti Bimal Shah	3.25	7.80	-	-
	Manali Jinesh Bhayani	5.19	1.25	-	-
15	R & D Expenses				
	Fine Organic Industries	-	3.60	-	-
16	Export Commission				
	Oleofine Organics SDN BHD	2.33	3.22	1.55	1.52
17	Business Support Services				
	Fine Organic Industries	5.31	-	-	-
18	Leave & Licence Security Deposit				
	Fine Organic Industries	13.87	-	13.87	-
19	Rent (Office Usage Charges)				
	Jayshree Mukesh Shah	8.40	8.40	-	1.26
	Jyotsna Ramesh Shah	8.40	8.40	-	1.26
	Bina Tushar Shah	8.40	8.40	-	-

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Sr. No.	Particulars	Transactions during the Year		Closing Balance	
		2017-2018	2016-2017	As at 31 st March, 2018	As at 31 st March, 2017
20	Reimbursement of Expenses				
	Fine Zeelandia Private Limited	0.20	66.25	-	-
	Mukesh Maganlal Shah	55.45	-	4.55	-
	Prakash D. Kamat	55.45	-	4.55	-
	Jayen Ramesh Shah	55.45	-	4.55	-
	Tushar Ramesh Shah	55.45	-	4.55	-
	Jyotsna Ramesh Shah	55.45	-	4.55	-
	Fine Organic Industries	10.17	-	-	-
21	Sharing of cost (ERP)				
	Fine Organic Industries	-	15.95	-	-
22	Investments in equity instruments				
	Fine Zeelandia Private Limited	-	600.00	1,055.95	1,094.99
23	Interest Income on Loan / Security deposits				
	Fine Organic Industries	1.06	-	-	-
24	Rent Expenses				
	Fine Organic Industries	29.38	-	-	-

(c) Disclosure of Compensation paid to Key Management Personnel

A	For Accounting Year 2017-18	Pooja Gaonkar
	- Short Term Employees Benefits (Including Salary)	7.77
	- Post Employees Benefits	4.28
B	For Accounting Year 2016-17	
	- Short Term Employees Benefits (Including Salary)	6.23
	- Post Employees Benefits	3.45

Note: Related parties relationship is as identified by the Company on the basis of information available with the management and accepted by the auditor.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. 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 31st March, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2017: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 42 - BUSINESS COMBINATIONS

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS 103 Accounting for Business Combinations prospectively from 1st April, 2016 (transition date). As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, if any, have been carried forward.

Note 42.1 - Scheme of Arrangement (Merger) between the Company, Fine Research & Development Centre Private Limited (FRDCPL) and Fine Speciality Surfactants Private Limited (FSSPL)

The Scheme of amalgamation for the merger of Fine Research & Development Centre Private Limited (FRDCPL) and Fine Speciality Surfactants Private Limited (FSSPL) ("the amalgamating Companies") with the Company was approved by the Board of Directors in its meeting held on 20th January, 2016 with an appointed date of 1st April, 2015. The said scheme has been approved by National Company Law Tribunal ("NCLT") and final order has been received on 22nd June, 2017. This accounting for amalgamation is accounted as per the scheme and in accordance with Accounting Standard 14 "Amalgamation" notified under the Companies Act, 2013. Further, in terms of the Scheme, 2,80,000 equity shares of ₹ 10 each of the Company are pending to be issued and allotted as fully paid up to the shareholders of the amalgamating Companies.

Fine Research & Development Centre Private Limited (FRDCPL) is a Private Limited Company incorporated in India on under the provisions of the Companies Act, 1956. The registered office of the Company is situated in the state of Maharashtra. The Company is engaged in undertaking scientific and industrial research and development.

Fine Speciality Surfactants Private Limited (FSSPL) is a Private Limited Company incorporated in India under the provisions of the Companies Act, 1956. The registered office of the Company is situated in the state of Maharashtra. The Company carries on business as manufacturers, importers, exporters, merchants, distributors, commission agents, brokers, wholesale and retail dealers and producers of oil-based chemicals, their intermediates, co-products and finished products and fine chemicals and other related products.

Pursuant to the aforesaid Scheme of amalgamation, the authorised equity share capital of the Company stands increased by the authorised equity share capital of the amalgamating Company aggregating ₹ 520 lakhs (52,00,000 equity shares of face value of ₹ 10 each).

Accounting treatment

The Business Combination has been accounted by using the Pooling of Interest method in accordance with the said approved Scheme of Amalgamation and Accounting Standard 14 "Amalgamation", which is also consistent with Ind AS 103 on "Business Combinations", since the entities before and after the amalgamation are under common control. Since the Company originally did not have any investments in the amalgamating Companies, there is no further adjustment required in terms of Ind AS 103.

The Company has restated the financial information as at 1st April, 2016 being the beginning of the preceding period for which the financial statements are prepared and accordingly recorded all the assets, liabilities and reserves of the amalgamating Companies at their respective book values as appearing in the their books of account as on 1st April, 2015, the details of which are as follows:

₹ In lakhs

Particulars	FSSPL	FRDCPL	Total
ASSETS			
Non Current Assets:			
Fixed Assets	34.73	376.21	410.94
Non- Current Investments	-	0.25	0.25
Deferred Tax Assets (Net)	1.03	22.33	23.36
Long Term Loans and Advances	10.20	70.33	80.53
Current Assets:			
Inventories	123.30	26.31	149.61
Trade Receivables	132.83	-	132.83
Cash and Cash Equivalents	767.95	261.46	1,029.41
Short Term Loans and Advances	16.57	15.98	32.55
Other Current Assets	-	12.17	12.17
Total Assets	1,086.62	785.03	1,871.65

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Particulars	FSSPL	FRDCPL	Total
LIABILITIES			
Long Term Borrowings	19.86	394.48	414.34
Short Term Borrowings	-	-	-
Trade Payables	115.83	62.31	178.14
Other Current Liabilities	17.88	2.90	20.78
Short Term Provisions	75.15	-	75.15
Total Liabilities	228.73	459.68	688.41
Net Assets as on 1st April, 2015	857.89	325.35	1,183.24
Shares Issued to Amalgamating Companies Shareholders	20.30	7.70	28.00
Amalgamation Reserve	837.59	317.65	1,155.24

During the period between the appointed date and the effective date as FSSPL and FRDCPL carried on the existing business in "trust" on behalf of the Company, all vouchers, documents, etc., for the period are in the name of FSSPL and FRDCPL. The title deeds for leasehold land, building, licenses, agreements, loan documents, etc., are being transferred in the name of the Company. However, credit has not been taken for claims arising as a consequence of the amalgamation in respect of levies/taxes of such claims pending settlement. The income accruing and expenses incurred by FSSPL and FRDCPL during the period 1st April, 2016 to 31st March, 2017 have also been incorporated in these accounts. The effect of Income accruing and Expenditure incurred by FSSPL & FRDCPL for the period from 1st April, 2015 to 31st March, 2016 has been considered in the balance of Profit & Loss account.

In terms of the Scheme, the Equity Shares when issued and allotted by the Company shall rank for dividend, voting rights and in all respects pari-passu with the existing Equity Shares of the Company. Accordingly, the appropriation for the proposed dividend includes dividend on 2,80,000 Equity Shares, which have been allotted to the shareholders of FSSPL and FRDCPL. (Refer to note no. 19).

NOTE 43 - OPERATING SEGMENT DISCLOSURES

The Company has identified "Manufacturing of Speciality Chemicals" as the only operating segment in terms of Indian Accounting Standard 108 issued by Ministry of Corporate Affairs (MCA).

Note 43.1 - Disclosure for Assets Outside India

The Company does not have any non current non financial assets outside India.

Note 43.2 - Disclosure for major customers more than 10%

There are no transactions with single external customer which amounts to 10% or more of the Company's revenue.

NOTE 44 - INSURANCE CLAIM AGAINST FIRE AT DOMBIVLI PLANT

A Major fire broke at the premises of the amalgamating Company FSSPL's factory located at W260 / 261, MIDC Phase 2, Dombivli, District Thane - 421204, on 26th May, 2016, gutting the entire building of the factory. The said premises held certain plant & equipment as well as the Books of Account, Computers holding financial and accounting data, financial records, and related documents. No salvage was possible in respect of building premises. The Company is adequately insured for the property restoration. The cost of reinstatement of damage will be recovered from the insurance Company, subject to the adjustment on account of expected deductions from claim amounts.

The Company has also taken insurance in respect of Loss of Profit with The Oriental Insurance Company Limited to cover the period of interruption for up to the date of incident. The Company had lodged the insurance claim on 26th May, 2016 and preferred a claim with the insurers for the loss of building, stock and Profit. The surveyor has issued a provisional loss assessment report on 21st July, 2016. The Company has received rupees one crore as a provisional claim in FY 2016-17 against the loss of Stock and building. Since the claim finalisation was pending, the loss on account of the carrying cost of fixed assets as well as stock in trade is adjusted against the provisional claim amount received and the balance is carried forward as Other Current liabilities as "Insurance claim received pending settlement / allocation" in FY 2016-17 (Refer Note No. 26).

Further, during the year the Company has received discharge voucher of ₹ 88.26 lakhs in the name of Amalgamating Company "Fine Speciality Surfactants Private Limited" towards full and final settlement of claim. However, Company has wrote letter to insurance Company dated 6th March, 2018 to intimate the credit of insurance claim in the name of Amalgamated Company. The Company has accounted income for ₹ 118.12 lakhs and shows insurance claim receivable of ₹ 88.26 lakhs under head of "Other Current Assets" (Refer Note No. 18).

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 45 - INTERNAL FINANCIAL CONTROL SYSTEM

The Management team headed by Executive Director looks in to day-to-day operations of the Company are closely supervised by the Board of Directors and no significant deficiencies or material weakness has been observed in the operation and Financial Control and processes of the Company. The Company is in the process of documenting an Internal Control framework mechanism commensurate with the size of the Company and nature of its activities.

NOTE 46 - DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013

(a) Investment Made

₹ In lakhs

Name of entity	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Fine Zeelandia Private Limited	1,128.43	1,128.43	528.43

NOTE 47 - OPERATING LEASE

The Company's significant leasing arrangements are in respect of operating leases for job working and building premises (residential, offices, godowns etc.) Out of these leasing arrangements, some are non-cancellable for a period ranging between 1 to 3 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as 'Rent' in the statement of Profit and Loss.

With regard to some non-cancellable operating leases, the future minimum rentals are as follows:

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Future minimum lease payment			
Not later than 1 year	25.07	25.07	25.07
Later than 1 year but not less than 5 years	100.28	100.28	100.28
Later than 5 years	2,037.29	2,062.36	2,087.43
Total future minimum lease payment	2,162.64	2,187.71	2,212.78

NOTE 48 - PURSUANT TO IND AS 31, FINANCIAL REPORTING OF INTERESTS IN JOINT VENTURE, THE DISCLOSURE RELATING TO THE JOINT VENTURE ARE AS FOLLOWS :

Interest in Other Entities

The group has invested in following Joint venture and are consolidated as per equity method of accounting. This entity are in nature of closely held entity and are not listed on stock exchange. The following table illustrates the summarised financial information of the group's investment in joint venture.

Nam of the Joint Venture	Percentage of Ownership		
	31 st March, 2018	31 st March, 2017	1 st April, 2016
Fine Zeelandia Private Limited (Incorporated in India)	50%	50%	50%

Summarised Financial Position of Company's Investment in Joint Venture

₹ In lakhs

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
Non Current Assets (A)	2,122.66	672.17	330.03
Current Assets (B)	146.08	441.16	193.82
Total Assets (A+B)	2,268.74	1,113.32	523.85
Non Current Liabilities (A)	976.78	-	-
Current Liabilities (B)	236.01	18.33	2.47
Total Liabilities (A+B)	1,212.79	18.33	2.47
Total Equity (Net Assets)	1,055.95	1,094.99	521.38

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 49 - FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments

₹ In lakhs

Particulars	Carrying Value			Fair Value		
	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
FINANCIAL ASSETS						
A] Financial assets at fair value through profit & loss	-	-	-	-	-	-
B] Financial assets at fair value through OCI						
Non Current Financial Assets: Investments	5.15	5.15	5.08	5.15	5.15	5.08
C] Financial assets at amortised cost						
Non Current Financial Assets : Others	44.94	12.83	49.53	44.94	12.83	49.53
Current Financial Assets : Trade Receivables	14,648.60	11,040.61	8,659.50	14,648.60	11,040.61	8,659.50
Current Financial Assets : Cash and Cash Equivalents	1,067.03	1,397.01	4,015.58	1,067.03	1,397.01	4,015.58
Current Financial Assets : Bank Balances	170.43	394.60	156.84	170.43	394.60	156.84
Current Financial Assets : Loans	96.74	73.49	76.10	96.74	73.49	76.10
Current Financial Assets : Others	11.01	9.15	10.17	11.01	9.15	10.17
FINANCIAL LIABILITIES						
A] Financial liabilities at fair value through profit & loss	-	-	-	-	-	-
B] Financial liabilities at amortised cost:						
Non Current Financial Liabilities : Borrowings	-	-	5,162.83	-	-	5,162.83
Current Financial Liabilities : Borrowings	5,360.92	998.76	4,250.78	5,360.92	998.76	4,250.78
Current Financial Liabilities : Trade Payables	6,994.40	6,414.60	5,333.86	6,994.40	6,414.60	5,333.86
Current Financial Liabilities : Others	109.94	91.15	863.71	109.94	91.15	863.71

In all cases, the management has assessed that the fair value of all financial assets and liabilities at amortised cost approximate their carrying amounts as stated above.

NOTE 50 - FAIR VALUE HIERARCHY

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

Note 50.1 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31st March, 2018:

₹ In lakhs

Particulars	Fair value measurement Using				
	Date of Valuation	Total	Level 1*	Level 2**	Level 3***
FINANCIAL ASSETS					
A) Financial assets at fair value through profit & loss		-	-	-	-
B) Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	31 st March, 2017	5.15	-	5.15	-
C) Financial assets at amortised cost					
Non Current Financial Assets : Others	31 st March, 2018	44.94	-	-	44.94
Current Financial Assets : Trade Receivables	31 st March, 2018	14,648.60	-	-	14,648.60
Current Financial Assets : Cash and Cash Equivalents	31 st March, 2018	1,067.03	-	-	1,067.03
Current Financial Assets : Bank Balances	31 st March, 2018	170.43	-	-	170.43
Current Financial Assets : Loans	31 st March, 2018	96.74	-	-	96.74
Current Financial Assets : Others	31 st March, 2018	11.01	-	-	11.01

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Particulars	Fair value measurement Using				
	Date of Valuation	Total	Level 1*	Level 2**	Level 3***
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through profit & loss		-	-	-	-
B) Financial liabilities at amortised cost:					
Current Financial Liabilities : Borrowings	31 st March, 2018	5,360.92	-	-	5,360.92
Current Financial Liabilities : Trade Payables	31 st March, 2018	6,994.40	-	-	6,994.40
Current Financial Liabilities : Others	31 st March, 2018	109.94	-	-	109.94

*Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2 - Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

***Level 3 - inputs for the asset or liability that are not based on observable market data

Note 50.2 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31st March, 2017

₹ In lakhs

Particulars	Fair value measurement Using				
	Date of Valuation	Total	Level 1*	Level 2**	Level 3***
FINANCIAL ASSETS					
A) Financial assets at fair value through profit & loss		-	-	-	-
B) Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	31 st March, 2017	5.15	-	5.15	-
C) Financial assets at amortised cost					
Non Current Financial Assets : Others	31 st March, 2017	12.83	-	-	12.83
Current Financial Assets : Trade Receivables	31 st March, 2017	11,040.61	-	-	11,040.61
Current Financial Assets : Cash and Cash Equivalents	31 st March, 2017	1,397.01	-	-	1,397.01
Current Financial Assets : Bank Balances	31 st March, 2017	394.60	-	-	394.60
Current Financial Assets : Loans	31 st March, 2017	73.49	-	-	73.49
Current Financial Assets : Others	31 st March, 2017	9.15	-	-	9.15
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through profit & loss		-	-	-	-
B) Financial liabilities at amortised cost:					
Current Financial Liabilities : Borrowings	31 st March, 2017	998.76	-	-	998.76
Current Financial Liabilities : Trade Payables	31 st March, 2017	6,414.60	-	-	6,414.60
Current Financial Liabilities : Others	31 st March, 2017	91.15	-	-	91.15

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

Note 50.3 - Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 1st April, 2016

₹ In lakhs

Particulars	Fair value measurement Using				
	Date of Valuation	Total	Level 1*	Level 2**	Level 3***
FINANCIAL ASSETS					
A) Financial assets at fair value through profit & loss		-	-	-	-
B) Financial assets at fair value through OCI					
Non Current Financial Assets: Investments	1 st April, 2016	5.08	-	5.08	-
C) Financial assets at amortised cost					
Non Current Financial Assets : Others	1 st April, 2016	49.53	-	-	49.53
Current Financial Assets : Trade Receivables	1 st April, 2016	8,659.50	-	-	8,659.50
Current Financial Assets : Cash and Cash Equivalents	1 st April, 2016	4,015.58	-	-	4,015.58
Current Financial Assets : Bank Balances	1 st April, 2016	156.84	-	-	156.84
Current Financial Assets : Loans	1 st April, 2016	76.10	-	-	76.10
Current Financial Assets : Others	1 st April, 2016	10.17	-	-	10.17
FINANCIAL LIABILITIES					
A) Financial liabilities at fair value through profit & loss		-	-	-	-
B) Financial liabilities at amortised cost:					
Non Current Financial Liabilities : Borrowings	1 st April, 2016	5,162.83	-	-	5,162.83
Current Financial Liabilities : Borrowings	1 st April, 2016	4,250.78	-	-	4,250.78
Current Financial Liabilities : Trade Payables	1 st April, 2016	5,333.86	-	-	5,333.86
Current Financial Liabilities : Others	1 st April, 2016	863.71	-	-	863.71

During the year ended 31st March, 2017 and 31st March, 2016, there were no transfers between Level 2 fair value measurements

Note 50.4 - Measurement of Fair Value : Valuation techniques

The following table shows the valuation techniques used in measuring Level 2 and 3 fair values for assets and liabilities carried at fair value through profit or loss

Type	Valuation Technique
FINANCIAL ASSETS	
A) Financial assets at fair value through profit & loss	Not Applicable
B) Financial assets at fair value through OCI	
Non Current Financial Assets: Investments	Level - 2: The fair value is determined as on the reporting date based on value per share derived from net worth of the Company, since there is no other publically available market based information for similar entities.
C) Financial assets at amortised cost	
Non Current Financial Assets : Others	Level - 3: The fair value is determined as on the reporting date based on amortised cost method by considering the discount rate based on yields of comparable investments or the transactions values where these are short term in nature
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	
FINANCIAL LIABILITIES	
A) Financial liabilities at fair value through profit & loss	Not Applicable
B) Financial liabilities at amortised cost:	
Non Current Financial Liabilities : Borrowings	Level - 3: The fair value is determined as on the reporting date based on amortised cost method.
Current Financial Liabilities : Borrowings	
Current Financial Liabilities : Trade Payables	
Current Financial Liabilities : Others	

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 51 - FINANCIAL RISK MANAGEMENT FRAMEWORK

A) Capital Management

Capital comprises of Issued Equity Share Capital and Reserves attributable to the Equity Share Holders of the Company. The Company borrows capital only for Working Capital purposes. The primary objective of the Company's Capital Management is to maximise the Share Holder Value. There are no externally imposed capital requirements. The Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

B) Financial Risk Management

The Company's activities primarily expose it to various risks such as Market Risks, Credit Risk and Liquidity Risk. Those are explained below :

i) Market Risk

Market Risks arise due to changes in Interest rates, Foreign Exchange rates and changes in Market prices. These are explained below :

Interest Rate Risks

The Company borrows funds in Indian Rupees, to meet short term funding requirements. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly and hence the Company is exposed to Interest rate risks. However, since the borrowings are not significant, the Company does not see any major risk.

If the interest rates had been 1% higher / lower and all other variables held constant, impact on Company's profit for the year ended 31st March, 2018 will not be significant.

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts to hedge its foreign currency exposures in USD and Euro.

a) Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company has not entered 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 :

Amount In lakhs

Particulars	As at 1 st April, 2016		
	No. of Contracts	Buy Amount	Indian Rupee Equivalent
Forward Contract to Buy USD	10	17.75	1,219.16
Forward Contract to Buy Euro	-	-	-

Particulars	As at 31 st March, 2017		
	No. of Contracts	Buy Amount	Indian Rupee Equivalent
Forward Contract to Buy USD	11	25.50	1,729.99
Forward Contract to Buy Euro	-	-	-

Particulars	As at 31 st March, 2018		
	No. of Contracts	Buy Amount	Indian Rupee Equivalent
Forward Contract to Buy USD	6	12.00	788.40
Forward Contract to Buy Euro	12	7.50	581.07

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

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

All figures in lakhs

Particular	31 st March, 2018		31 st March, 2017		1 st April, 2016	
	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency
Financial Assets						
Trade Receivables	8,434.84	130.39 USD	6,246.00	96.73 USD	5,558.26	84.05 USD
Trade Receivables	3,280.61	41.01 Euro	1,907.34	27.75 Euro	692.41	9.22 Euro
Financial Liabilities						
Trade Payables	377.44	5.78 USD	667.20	10.24 USD	424.12	6.41 USD
Trade Payables	527.34	6.50 Euro	23.61	0.34 Euro	23.41	0.31 Euro
Long term Borrowings	-	-	-	-	2,126.77	32.16 USD
Short term Borrowings	-	-	-	-	2,314.55	35.00 USD
Net Exposure	10,810.68	124.61 USD	7,462.52	86.49 USD	1,361.82	10.48 USD
		34.51 Euro		27.41 Euro		8.91 Euro

In case of change rate / amount in the currencies by 5%, the change in the profit would be as under :

Foreign Currencies	Change in Rate (%)		Impact on Profit	
	Increase	Decrease	Increase	Decrease
USD	5	5	440.61	440.61
EURO	5	5	190.40	190.40

Price Risks

The Company is affected by the price stability of certain commodities. Purchases of Raw Materials from our top 2 suppliers constitute approximately 45% of our total purchases made from all suppliers. We do not enter into supplier contracts of duration of more than 6 months. If suppliers do not supply us, there can be no assurance that we will be able to identify alternative suppliers in future at similar cost. Any disruption in the supply of the raw materials could disrupt our manufacturing operations, which could have a material adverse effect on our business, results of operations and financial condition.

The Company's total imports of raw materials is approximately 27.97% of the total raw material consumed. The cost of our imported raw material affected by the fluctuation in the rate of foreign exchange of the currency in which we purchase these raw materials (primarily in USD) and the Rupee. The Company has a risk management framework aimed at prudently managing the price risk arising from the volatility in commodity prices and freight costs and tries to pass on increases in the costs to its customers to whatever extent possible.

ii) 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 31st March, 2018 is 0.29% of the total trade receivables. The Company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain.

iii) 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 FINANCIAL STATEMENTS (Contd)

The Company has obtained fund and non-fund based working capital lines from two 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.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments

Particulars	Outstanding Balance as on 31 st March 2018	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings	-				
Short term Borrowings	5,360.92	5,360.92	-	-	-
Trade Payables	6,929.82	6,929.82	-	-	-
Security Deposits taken	109.94	93.77	16.16	-	-
Statutory dues Payable	59.48	59.48	-	-	-
Other Liabilities	22.77	22.77	-	-	-
Advances from Customers	151.72	49.30	102.42	-	-

NOTE 52 - FIRST TIME ADOPTION OF IND AS

These are the Company's first Consolidated Financial Statements prepared in accordance with Ind AS. The accounting policies set out in Note no. 3 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Company's date of transition).

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard Rules), 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has impacted the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Note 52.1 - Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

a) Deemed Cost

Ind AS 101 permits a first time adopter to elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. The exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'.

b) Designation of previously recognised equity instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in certain equity instruments (other than its subsidiaries).

c) Investments in subsidiaries

Ind AS 101 permits a first time adopter to elect to measure its investment in subsidiaries at fair value of such investments at the Company's date of transition to Ind AS or previous GAAP carrying amount at that date and use that as its deemed cost as on the date of transition.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

The Company has decided not to measure its investment in subsidiaries at fair value and accordingly investment in Fine Organics (USA) Inc. & Fine Organics Europe BVBA are valued at cost as at 1st April, 2016.

d) **Investment in Joint Ventures - transition from proportionate consolidation to the equity method**

The Group has accounted for investment in joint ventures using the equity method. It has opted to measure its investment in joint ventures at the date of transition as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from consolidation. The resultant amount is regarded as the deemed cost of the investment in the joint venture at initial recognition.

e) **Exchange differences on long-term foreign currency monetary items**

Under previous GAAP, exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets were allowed to be adjusted to the carrying amount of such assets (to be adjusted over the balance life of the related asset) and (ii) in other cases were allowed to be accumulated in a 'Foreign Currency Monetary item Translation Difference Account' (to be adjusted over the balance period of the related long term monetary asset/ liability).

Ind AS 101 includes an optional exemption that allows a first time adopter to continue with the above accounting policy in respect of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of first Ind AS financial reporting period i.e. 1st April, 2017 or to discontinue with such policy.

Ind AS mandatory exceptions

a) **Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investments in equity instruments carried at FVPL and OCI
- Impairment of financial assets based on expected credit loss model

b) **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed the same accordingly.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

Note 52.2 - Reconciliation of equity as at date of transition i.e. 1st April, 2016 and 31st March, 2017

₹ In lakhs

Particulars	Notes	As at 31 st March, 2017			As at 1 st April, 2016		
		As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS	As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS
ASSETS							
A) Non-current assets							
Property, plant and equipment	E	9,683.82	(6.53)	9,677.30	10,247.61	(0.32)	10,247.30
Capital work-in-progress		374.58	(94.84)	279.74	564.99	-	564.99
Investment Property		-	-	-	-	-	-
Goodwill		-	-	-	-	-	-
Intangible assets		21.26	(0.26)	21.00	13.85	(0.63)	13.22
Intangible Assets under development		-	-	-	-	-	-
Biological Assets other than bearer plants		-	-	-	-	-	-
Financial Assets		-	-	-	-	-	-
- Investments	A,F	0.25	1,099.89	1,100.14	0.25	526.20	526.45
- Loans	F	-	-	-	-	-	-
- Trade Receivables		-	-	-	-	-	-
- Others (to be specified)		12.83	-	12.83	49.53	-	49.53
Deferred tax assets (Net)		483.79	(89.15)	394.63	292.37	(102.16)	190.21
Other Non - current assets	E	5,878.55	(980.48)	4,898.07	5,652.88	(360.35)	5,292.53
Total Non Current Assets (A)		16,455.08	(71.37)	16,383.71	16,821.48	62.74	16,884.22
B) Current assets							
Inventories		9,243.38	(25.09)	9,218.29	7,619.00	(16.74)	7,602.27
Financial assets		-	-	-	-	-	-
- Investments		-	-	-	-	-	-
- Trade Receivables	D	11,316.45	(275.83)	11,040.61	8,892.50	(233.00)	8,659.50
- Cash and Cash Equivalents		1,749.19	(352.18)	1,397.01	4,157.54	(141.95)	4,015.58
- Bank Balances		394.60	-	394.60	156.84	-	156.84
- Loans		73.49	-	73.49	76.10	-	76.10
- Others (to be specified)		9.15	-	9.15	10.17	-	10.17
Current Tax Assets (Net)		397.03	-	397.03	-	-	-
Other current assets	E,G	5,220.19	337.55	5,557.74	4,176.45	(39.68)	4,136.78
Total current assets (B)		28,403.47	(315.55)	28,087.92	25,088.59	(431.36)	24,657.23
Total Assets (A + B)		44,858.55	(386.91)	44,471.63	41,910.07	(368.62)	41,541.44
EQUITY AND LIABILITIES							
A) Equity							
Equity Share Capital		483.00	-	483.00	483.00	-	483.00
Equity Share Suspense Account		28.00	-	28.00	28.00	-	28.00
Other equity	A, B, D, E, F, G	29,909.47	2,411.57	32,321.03	24,930.36	(366.23)	24,564.13
Total Equity (A)		30,420.46	2,411.57	32,832.03	25,441.35	(366.23)	25,075.13
B) Non Controlling Interest		-	0.08	0.08	-	0.08	0.08

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Particulars	Notes	As at 31 st March, 2017			As at 1 st April, 2016		
		As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS	As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS
Liabilities							
C) Non-current liabilities							
Financial liabilities							
- Borrowings	-	-	-	-	5,162.83	-	5,162.83
- Trade Payables	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-
Deferred tax liabilities (Net)	-	-	-	-	-	-	-
Other non-current Liabilities	-	-	-	-	-	-	-
Total Non-current liabilities (C)	-	-	-	-	5,162.83	-	5,162.83
D) Current liabilities							
Financial liabilities							
- Borrowings		4,026.23	-	4,026.23	4,250.78	-	4,250.78
- Trade Payables	I	6,449.76	(35.15)	6,414.60	5,336.27	(2.42)	5,333.86
- Others		91.15	-	91.15	863.71	-	863.71
Other current liabilities		1,103.31	4.21	1,107.53	758.53	(0.00)	758.52
Provisions	B	2,767.62	(2,767.62)	-	32.58	(0.05)	32.52
Current tax liabilities (Net)		-	-	-	64.02	-	64.02
Total Current liabilities (D)		14,438.08	(2,798.56)	11,639.52	11,305.89	(2.47)	11,303.41
Total Equity and Liabilities (A + B + C + D)		44,858.55	(386.91)	44,471.63	41,910.07	(368.62)	41,541.44

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Note 52.3 - Reconciliation of total comprehensive income for the year ended 31st March, 2017

₹ In lakhs

Particulars	Notes	Figures for the reporting period 31 st March, 2017		
		As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS
INCOME				
Revenue from Operations	C,I	78,965.11	2,623.97	81,589.09
Other Income	F	301.09	98.98	400.06
Total Income		79,266.20	2,722.95	81,989.15
EXPENSES				
Cost of Materials Consumed		50,275.74	-	50,275.74
Purchase of Stock-in-trade		274.81	(161.29)	113.52
Changes in Inventories of Finished Goods, Work-in-progress and Trading Goods		(641.32)	21.51	(619.80)
Excise Duty / Goods and Service Tax Expenses	C	-	3,673.46	3,673.46
Employee Benefits Expense	G	6,491.62	(47.45)	6,444.17
Finance Costs	I	366.10	72.79	438.89
Depreciation / Impairment & Amortisation Expenses	E	2,403.09	(31.78)	2,371.31
Other Expenses	E,D,H	8,032.53	(820.19)	7,212.35
Total Expenses		67,202.58	2,707.05	69,909.63

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

₹ In lakhs

Particulars	Notes	Figures for the reporting period 31 st March, 2017		
		As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS
Profit / (Loss) before exceptional items and tax		12,063.62	15.89	12,079.51
Exceptional Item		-	-	-
Profit / (Loss) before tax		12,063.62	15.89	12,079.51
Tax Expenses				
Current Tax		4,500.00	-	4,500.00
Deferred Tax		(191.41)	(1.97)	(193.39)
Short / (Excess) Provision for earlier years		(14.36)	-	(14.36)
Profit / (Loss) for the year from continuing operations		7,769.40	17.87	7,787.27
PROFIT / (LOSS) FOR THE YEAR		7,769.40	17.87	7,787.27
OTHER COMPREHENSIVE INCOME				
(A) (i) Items that will not be reclassified to Profit or Loss		-	-	-
(a) Changes in fair value of Equity instruments through OCI	A	-	0.08	0.08
(b) Remeasurements of Loss on employees defined benefits plan	G	-	(31.97)	(31.97)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	11.04	11.04
(B) (i) Items that will be reclassified to Profit or Loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Total Other Comprehensive Income		-	(20.86)	(20.86)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,769.40	(2.99)	7,766.41

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Note 52.4 - Reconciliation of total equity as at date of transition i.e. 1st April, 2016 and 31st March, 2017

₹ In lakhs

Particulars	Note	As at 1 st April, 2016	As at 31 st March, 2017
Total equity (Shareholders fund) as per Previous GAAP #		25,441.35	30,420.46
Adjustments			
Changes in fair value of Equity instruments through OCI	A	4.83	4.90
Dividend to be recorded upon declaration / approval	B	-	2,299.50
DDT on Dividend to be recorded upon declaration / approval	B	-	468.12
Allowances for Expected Credit Loss method on Trade Receivables	D	(180.52)	(199.32)
Reversal of Excess charge of Amortisation of Leasehold Land	E	1.96	1.98
Reversal of of Amortisation of premium on forward contract	H		17.77
Retranslation of Outstanding Forward Contract on Trade Receivables	H	(43.93)	(43.93)
Foreign Currency Translation Reserve Changes		(0.08)	13.08
Remeasurement of Defined Employees Benefit Plan	F	(48.33)	(64.32)
Deferred Tax Adjustment on account of Transition		(98.49)	(95.58)
Deferred Tax Adjustment on OCI on account of Transition		(1.67)	9.37
Total Adjustment		(366.23)	2,411.57
Total Equity as per Ind AS		25,075.13	32,832.03

Total equity as at 1st April, 2016 as per previous GAAP includes profit for the financial year 2015-16, those relating to Amalgamating Companies FRDCPL & FSSPL as per the scheme of amalgamation of ₹ 118.54 lakhs & ₹ 29.86 lakhs respectively.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

Note 52.5 - Reconciliation of total comprehensive income for the year ended 31st March, 2017

₹ In lakhs

Particulars	Note	For the year ended 31 st March, 2017
Profit after Tax as per Previous GAAP		7,769.40
Adjustments		
Allowances for Expected Credit Loss method on Trade Receivables	D	(18.81)
Reversal of Excess charge of Amortisation of Leasehold Land (IGAAP ₹ 25.06 lakhs Less Ind AS ₹ 25.07 lakhs)	E	0.02
Reversal of Amortisation of premium on forward contract	I	17.77
Remeasurement of Defined Employees Benefit Plan	F	(15.99)
Remeasurements on employees defined benefits plan	G	31.97
Deferred tax on transition or Ind AS	G	2.91
Total Adjustment		17.87
Profit after Tax as per Ind AS		7,787.27
Add: Other Comprehensive Income		
Changes in fair value of Equity instruments through OCI	A	0.08
Remeasurements of Loss on employees defined benefits plan	G	(31.97)
Deferred tax Adjustments - OCI (During the year)		11.04
Total Comprehensive Income as per Ind AS		7,766.41

Note 52.6 - Working note for first time adoption to Ind AS

A) Fair Value of Investment in Equity Instruments other than subsidiaries and Joint Venture

Under the previous GAAP, the application of the relevant accounting standard resulted in all these investment being carried at cost

Under Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries, associates and joint venture as well as debt securities have been fair valued. The Company has recognised investment in equity shares of The Saraswat Co-operative bank at fair value based on the data available. The Company has designated the investment in at FVOCI because this equity shares represents investment that Company intends to hold for long term.

This result as increase in investment of equity instruments of Saraswat Co-Operative Bank Limited by ₹ 4.83 lakhs and accordingly Other Comprehensive income recorded as at 1st April, 2016 i.e. On transition date.

Further, such investment of equity instruments has increased by ₹ 0.075 lakhs and accordingly Other Comprehensive income recorded for the year ended 31st March, 2017.

The Company has kept fair value of investment in equity instruments of Saraswat Co-Operative Bank Limited as ₹ 5.15 lakhs (Same as 31st March, 2017) due to non availability of the latest audited balance sheet.

B) Proposed Dividend

Under previous IGAAP, dividend proposed by the Board of Directors after the reporting date but before the approval of financial statement were considered to be adjusting event as per AS 4 and accordingly recognised as liability at the reporting date (along with DDT).

As per Para 12 of the Ind AS 10 "Events after reporting period", if an entity declares dividends to holders of equity instruments (as defined in Ind AS 32, Financial Instruments: Presentation) after the reporting period, the entity shall not recognise those dividends as a liability at the end of the reporting period.

As per Para 13 of the Ind AS 10 "Events after reporting period", If dividends are declared after the reporting period but before the financial statements are approved for issue, the dividends are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with Ind AS 1, Presentation of Financial Statements.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

From the above explanation dividend so proposed by the Board of Directors are considered to be non-adjusting event. Accordingly, provision for proposed dividend and DDT recognised under previous IGAAP has been reversed.

Consequently, the Company has reversed ₹ 2,767.62 lakhs from retained earning and current provision for the year 31st March, 2017.

Subsequently, the Company has recorded and paid the dividend in the year ended 31st March, 2018

C) Excise Duty

Under previous IGAAP, revenue from sale of goods was presented net off Excise duty on sales.

As per Para 8 of Ind AS 18 "Revenue", Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

From the above explanation it is concluded that the revenue from sale of goods is presented inclusive of Excise duty since Excise duty is payable at the time of manufacturing and the same is not collected on behalf of third party and therefore the same is presented in the statement of profit and loss as an expense.

This has resulted in an increase in revenue from operations and expenses for the year. Total comprehensive income for the year ended and equity as at 31st March, 2017 has remained unchanged.

Accordingly, excise duty of ₹ 3,673.46 lakhs has been added to Revenue from operation for the year ended 31st March, 2017 and excise duty separately disclosed as expenses in statement of profit and loss.

D) Trade Receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance on trade receivable. As a result, the allowance for expected credit loss was recognised amounting to ₹ 199.32 lakhs as at 31st March, 2017 (1st April, 2016 - ₹ 180.52 lakhs) and consequently, total equity as at 31st March, 2017 and 1st April, 2016 decreased by an equivalent amount. The profit for the year ended 31st March, 2017 decreased by ₹ 18.81 lakhs for allowance for expected credit loss on trade receivable as compare to 1st April, 2016.

E) Leasehold Land

As per Ind AS 17, the premium paid on leasehold land which is in the nature of an operating lease is considered as prepayment of lease charges and same is charged to Statement of Profit and Loss over the period of lease. This resulted in increase of lease rental expense and decrease in depreciation for 31st March, 2017 by ₹ 25.07 lakhs. Further, reclassification of leasehold land has been done from 'Property, Plant & Equipments' to 'Other Non Current Assets' under the head of "Prepaid Rent on Leasehold Land". Further, lease rent for 1 year is classified as 'Other Current Asset' under the head of Prepaid Expenses. Earlier, Under AS -19 on 'Leases', leasehold Land was excluded and hence not classified accordingly.

In the process of transition to Ind AS, lease period and balance value was recalculated and ₹ 1.96 lakhs has been credited to retained earning as depreciation on leasehold land was excess charged in IGAAP.

F) Remeasurement of Defined Benefit Plans

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost for 31st March, 2017 is reduced by ₹ 31.97 lakhs and remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

G) Expenses Directly Attributable to Sales

Under previous GAAP, expenses directly attributable to sales were recognised as an expense. Under Ind AS 18, such expenses are presented under revenue from sale of goods.

Accordingly, the Company has shown sales commission of ₹ 860.50 lakhs is disclosed under the head of sale of goods for the year ended 31st March, 2017.

H) Premium on Forward contract hedging

Under previous GAAP, premium / discount on forward contract for hedging of trade receivable was amortised over a period of the contract and accordingly Company had amortised ₹ 17.77 lakhs premium for the year ended 31st March, 2017.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

However, as per Ind AS 109 - 'Financial Instruments' forward contracts needs to be recognised at fair value as on the date of balance sheet and accordingly Company has revalued outstanding forward contract as on 31st March, 2017 and reversed the existing amortisation of premium of ₹ 17.77 lakhs.

I) Investment in Joint Venture

Under the Previous GAAP in the Consolidated Financial Statements, the Group has proportionately consolidated its interest in Fine Zeelandia Private Limited, in which it has joint control as per AS 27. On transition to Ind AS the Group has assessed and determined that interest in Fine Zeelandia Private Limited is its joint venture under Ind AS 111 Joint Arrangements. Therefore, it needs to be accounted for using the equity method as stated in Ind AS 28 as against proportionate consolidation. For the application of equity method, the initial investment is measured as the aggregate of Ind AS amount of assets and liabilities that the Group had previously proportionately consolidated including any goodwill arising on acquisition.

J) Security Deposits and Interest income on Security Deposits

The Company has paid interest free security deposits for factory premises to Associate firm of ₹ 18 lakhs. As per Indian GAAP, the Company has recognised the security deposit under other non-current assets. As per Ind AS 109,

- (i) the security deposits are to be recognised at fair value,
- (ii) interest income on such security deposits are to be recognised through effective interest method and
- (iii) lease expense to be amortised over the period of lease on a straight line basis.

Accordingly, the Company has recognised the security deposit at present value using the market rate of interest and the difference between the transaction value and fair value of the deposit amount is shown as prepaid rent. This has resulted in decrease of security deposits and increase of non-current and current prepaid rent expenses as at 31st March, 2018 by ₹ 5.19 lakhs

Further, as per Ind AS 109, the Company has to recognise interest income on such security deposits through effective interest method and the excess of the principal amount of the deposit over its fair value is accounted for as prepaid rent expense and amortised over the lease term on a straight-line basis. Accordingly, the Company has recognised income on such security deposits through effective interest method and amortised the lease expenses over the period of lease on a straight line basis.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS (Contd)

NOTE 53 - ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 FOR COMPANY PREPARING CONSOLIDATED FINANCIAL STATEMENTS:

For 31st March, 2018

₹ In lakhs

Sr. No	Name of the entity	Net Assets i.e. Total Assets (minus) Total Liabilities		Share in Profit or Loss		Share in other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other Comprehensive Income	Amount
A	Parent								
1	Fine Organic Industries Limited	103.25%	40,845.34	106.30%	10,133.50	100.00%	(15.59)	106.31%	10,117.91
B	Subsidiaries- Foreign								
1	Fine Organics (USA) Inc	-1.36%	(538.72)	-1.51%	(143.65)	-	-	-1.51%	(143.65)
2	Fine Organics Europe BVBA	-1.14%	(450.82)	-2.86%	(272.38)	-	-	-2.86%	(272.38)
	Minority Interest on all Subsidiaries	-	-	-	-	-	-	-	-
C	Joint Ventures (Investment as per equity method)								
	Fine Zeelandia Private Limited	-0.18%	(72.47)	-0.41%	(39.04)	-	-	-0.41%	(39.04)
D	Inter Company Adjustment for Stock Reserve								
1	Fine Organics (USA) Inc	-0.14%	(56.86)	0.08%	7.60	-	-	0.08%	7.60
2	Fine Organics Europe BVBA	-0.42%	(168.12)	-1.61%	(153.30)	-	-	-1.61%	(153.30)
3	Fine Zeelandia Private Limited	-	-	-	-	-	-	-	-
	Total	100.00%	39,558.35	100.00%	9,532.74	100.00%	(15.59)	100.00%	9,517.15

For 31st March, 2017

₹ In lakhs

Sr. No	Name of the entity	Net Assets i.e. Total Assets (minus) Total Liabilities		Share in Profit or Loss		Share in other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other Comprehensive Income	Amount
A	Parent								
1	Fine Organic Industries Limited	102.02%	33,495.05	102.70%	7,997.48	100.00%	(20.86)	102.71%	7,976.62
B	Subsidiaries- Foreign								
1	Fine Organics (USA) Inc	-1.21%	(398.05)	-0.70%	(54.33)	-	-	-0.70%	(54.33)
2	Fine Organics Europe BVBA	-0.46%	(152.25)	-1.94%	(151.31)	-	-	-1.95%	(151.31)
	Minority Interest on all Subsidiaries	-	-	-	-	-	-	-	-
C	Joint Ventures (Investment as per equity method)								
	Fine Zeelandia Private Limited	-0.10%	(33.44)	-0.34%	(26.39)	-	-	-0.34%	(26.39)
D	Inter Company Adjustment for Stock Reserve								
1	Fine Organics (USA) Inc	-0.20%	(64.46)	0.64%	49.79	-	-	0.64%	49.79
2	Fine Organics Europe BVBA	-0.05%	(14.82)	-0.36%	(27.98)	-	-	-0.36%	(27.98)
3	Fine Zeelandia Private Limited	-	-	-	-	-	-	-	-
	Total	100.00%	32,832.03	100.00%	7,787.27	100.00%	(20.86)	100.00%	7,766.41

NOTES

Fine Organic Industries Limited

(Formerly known as Fine Organic Industries Private Limited)

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

CIN : U24119MH2002PLC136003

Tel : +91-22-21025000,

Fax : +91-22-21026666

Email : investors@fineorganics.com,

Web : www.fineorganics.com

**FORM NO.MGT-11
PROXY FORM**

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

Name of the Member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No./Client ID	:	
DP ID	:	
No. of Shares held	:	

I/We, being the Member(s) ofshares of the above named Company hereby appoint

1.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	
	or failing him/her	:	
2.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	
	or failing him/her	:	
3.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	
	or failing him/her	:	

as my/our proxy to attend and vote for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held on Tuesday, 25th September, 2018 at 11:00 a.m. at Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai - 400 007 and at any adjournment thereof in respect of the Resolutions as are indicated below:

Ordinary Business	
1.	To receive, consider, approve and adopt the audited Standalone and Consolidated Financial Statements of the Company for the year ended 31 st March, 2018 alongwith the Report of Board of Directors and Auditors thereon.
2.	To declare Dividend on equity shares for the Financial Year 2017-18.
3.	To appoint a Director in place of Mr. Mukesh Shah (DIN: 00106799), who retires by rotation and, being eligible, offers himself for re-appointment.
Special Business	
4.	To Ratify the Remuneration payable to M/s Y. R. Doshi & Associates, Cost Accountants, appointed as Cost Auditors of the Company for the Financial Year 2018-19.

Signed this _____ day of _____, 2018

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Notes:

1. The Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The Proxy Form shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
3. The Proxy Form is valid only if it is properly stamped and such stamp is cancelled.
4. Blank, incomplete or undated proxy form shall not be considered valid.
5. The proxy-holder shall prove his/her identity at the time of attending the Meeting.

Fine Organic Industries Limited

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CIN : U24119MH2002PLC136003

Tel : +91-22-21025000,

Fax : +91-22-21026666

Email : investors@fineorganics.com,

Web : www.fineorganics.com



ATTENDANCE SLIP

Joint shareholder(s) may obtain additional Attendance Slip(s) at the venue of the meeting;

*DP.ID		@Folio No.	
*Client ID		No. of share(s) held	

Name and address of the shareholders:

I hereby record my presence at the Sixteenth Annual General Meeting of the Company on Tuesday, 25th September, 2018 at 11:00 a.m. at Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai - 400 007.

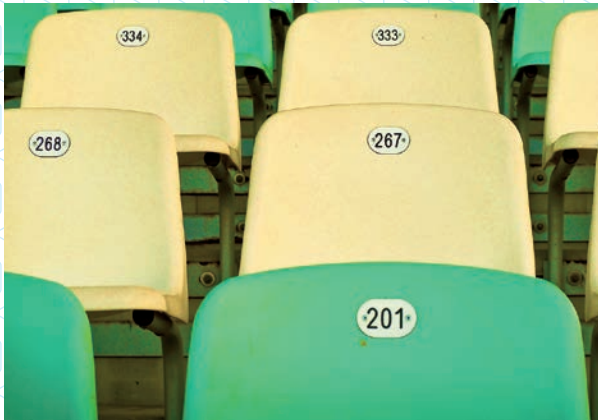
Signature of Member/Proxy

* Applicable for Members holding shares in dematerialised form

@ Applicable for Members holding shares in physical form

Notes:

1. Please fill attendance slip and hand it over at the entrance of the meeting venue.
2. Electronic copy of the Annual Report for 2017-18 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the Members whose email address is registered with the Company/Depository Participant unless any Member has requested for a hard copy of the same. Members receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2017-18 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all Members whose email IDs are not registered with the Company or have requested for a hard copy.





FINE ORGANIC INDUSTRIES LIMITED

(Formerly known as Fine Organic Industries Private Limited)

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

Tel: +91 (22) 2102 5000 | Fax: +91 (22) 2102 8899

Email: investors@fineorganics.com

Web: www.fineorganics.com