11TH ANNUAL REPORT

2013-2014

FCL

FINEOTEX CHEMICAL LIMITED

Where Dependability Counts...

FINEOTEX CHEMICAL LIMITED

BOARD OF DIRECTORS

Surendrakumar Tibrewala
Chairman & Managing Director

Sanjay Tibrewala
Executive Director & CFO

Ritu Gupta
Director

Navin Mittal
Director

Manmohan Mehta
Director

Alok Dhanuka
Director

COMPANY SECRETARY AUDITORS & BANKERS

BANKERS

Indian Bank
Oriental Bank of Commerce
HSBC
HDFC Bank Ltd.

AUDITORS

UKG & Associates
Chartered Accountants

COMPANY SECRETARY

A V Nerurkar

REGISTRARS & SHARE TRANSFER AGENTS

REGISTRARS AND SHARE TRANSFER AGENTS:

(For shares and dividend related queries)
Bigshare Services Private Ltd.,
E-2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai 400072
Phone : (022) 40430200
Telefax: (02) 28475207
E-mail : investor @bigshareonline.com

PLANTS & OFFICES

REGISTERED OFFICE

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

PLANT LOCATION

Plot nos: A699 / 700
TTC Industrial Area, MIDC, Mahape,
Navi Mumbai - 400 705

WELCOME SPEECH

Welcome, my dear Shareholders!

First and foremost, please allow me to express my heartfelt gratitude for your patronage and loyalty towards Fineotex Chemical Limited. We seek your continued support going forward.

Welcome to the 11th Annual General Meeting of *your* Company, which has completed a Decade in January this year, successfully!

In the launch year of our Initial Public Offer, FY 2010, our turnover was approximately Rs. 20 crores. We take great pride in highlighting that, today, in FY 2014, our turnover is Rs. 86 crores. We have thus triumphed in our endeavor to showcase a spectacular rise of over 300% in our turnover, in less than 4 years. The Book Value of the company has gone up by 160%.

The Board has continued to recommend a Dividend of Rs. 0.50 per share.

Our acquisition in Malaysia was a remarkable step towards elevating the reputation of the Company. Our standing has now moved from a National company, to a multinational one! We will continue to forge such alliances/acquisitions to add value to our operations and branding, and yield better performance going forward.

The current fiscal began with the new Government at the Centre, with hope of a qualitative change in the environment and better future. 'Aache Din Ayange' had enthused the Indians all over. We, at Fineotex, are indeed hopeful of a very promising future, and distinct positive changes in the Economy.

After the new Government has sworn in, there are several foreign Speciality Chemical producers looking for joint ventures with Indian companies of our stature. Our Company is currently reviewing some interesting proposals and opportunities, to setup plants for Speciality Chemical manufacturing in India. After a thorough due diligence, the Company is also looking to setup its office in the Middle East.

Despite the downcast in the market for Speciality chemicals across all developed countries last year, our exports were approximately 20% of the topline. This year, we plan to step-up our exports to more than 25%, by exploring newer geographies and products. We are cautious, yet optimistic that the markets would once again bounce back.

We have managed to stay ahead of our peers, thanks to our product quality and our robust Research & Development teams. Scalability for any Speciality Chemicals company can be achieved by offering newer products. Innovation remains at the crux of all our products. And to stay ahead of the curve, we have established a culture of "Kaizen" (Japanese term for good change). It is in our constant endeavor to deliver newer and better products/services, and well conform to our slogan, 'Where Dependability Counts'.

Our niche technology creates solutions that satisfy the individual needs of all our customers. We use world-class technology and promise to continue being one of the best in the industry. The Company is having a strong growth plan for the current year. The growth will be from our aggressive marketing plans, additions of new products and fortifying the existing production plans/capacity. We plan to increase the production by 50% in the next year, catering to newer local and international needs.

The Company enjoys a healthy cash flow. And our pragmatic approach allows us to streamline and arrest all unwarranted expenses/outflows. I am sure our shareholders and investors are as excited about FCL's growth, as we are, and as we continue to accelerate our initiatives for further growth.

As a responsible citizen, it is our duty to give back to the society. With this purview, the Company will be introducing many CSR activities this year.

We sincerely thank all our shareholders for their continuous faith and appreciation. We also extend our gratitude to the board, auditors, executives, the FCL team, our associates and statutory authorities, for their trust and promise to remain with us, and reap the benefits that the Company promises in the future.

S Tibrewala

(Surendrakumar Tibrewala)

ANNUAL REPORT 2013-14

11th Annual Report

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NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of Fineotex Chemical Limited will be held at 9.30 a.m. on Tuesday, 23rd September, 2014 at Gokul Hall, Rajpuria Bagh, Navinbhai Thakkar Marg, Vile Parle (East), Mumbai 400057 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited the Balance Sheet as at 31st March, 2014, Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.

2. To declare dividend for the year 2013-14.

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

   RESOLVED THAT pursuant to section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, UKG & Associates, a firm of Chartered Accountants, (Firm Registration No. 123393W) be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the 16th Annual General Meeting of the Company to be held in the year 2019, subject to ratification of their appointment at every Annual General Meeting, at such remuneration including service tax, out of pocket expenses and other expenses and the Board of Directors is hereby authorised to fix their remuneration.

SPECIAL BUSINESS

4. To appoint Mr. Manmohan Mehta as an Independent Director of the Company.

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

   "RESOLVED THAT pursuant to section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV of the Act as amended from time to time, , Mr. Manmohan Mehta (DIN : 00391964) a Non-Executive Director of the Company, whose period of office was liable to be determined by retirement of directors by rotation under the provisions of the Companies Act, 1956, who has submitted a declaration that he meets the criteria for Independence as per the provisions of section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

5. To appoint Mr. Alok Dhanuka as an Independent Director of the Company.

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

   "RESOLVED THAT pursuant to section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV of the Act as amended from time to time, , Mr. Alok Dhanuka (DIN : 06491610) a Non-Executive Director of the Company, whose period of office was liable to be determined by retirement of directors by rotation under the provisions of the Companies Act, 1956, who has submitted a declaration that he meets the criteria for Independence as per the provisions of section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

6. To consider the following resolution, with or without modification, as an Ordinary Resolution :-

   'RESOLVED THAT Ms. Ritu Gupta, (DIN: 00218561) who was appointed by the Board of Directors as an additional Director of the Company with effect from 13-Aug-2014 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notices in writing from members of the Company under the provisions of the above referred Act proposing her candidature for the office of a Director of the Company be and is hereby appointed as a Non Independent Director of the Company liable to retire by rotation.'

7. Contracts with related Parties

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

   "RESOLVED THAT pursuant to provisions of section 188 of Companies Act, 2013 (Act) and the Rules made thereunder, approval of Company be and is hereby given for the following contracts in which Directors are interested for sale/purchase of goods & services of all kinds or taking of premises on lease from related parties for the period from 1st April 2014 to 31st March, 2019 i.e. for the period of 5 years details of which are reproduced below:

Sr. No.	**Related Parties with whom Transactions are Estimated**	**Nature of the Transaction**	Approval sought for transactions from 1st April 2014 on annual basis	Relationship
1	Proton Biochem Private Limited	Sale/Purchase of goods and services of all kinds. Deposit given Rs. Fifty lakhs at interest of 12%pa	Rs.10 (Ten) Crores per annum Deposit to be given Rs. Fifty lakhs at interest of 12%pa	Mr. Sanjay Tibrewala is a Director and shareholding by his relatives
2	Shree Vinayak Industries	Sale/Purchase of goods and services of all kinds.	Rs.5 (Five) Crores per annum	Wife of Managing Director is a partner
3	Shree Ganesh Enterprises	Sale/Purchase of goods and services of all kinds.	Rs.5 (Five) Crores per annum	Managing Director is a partner
4	Sanjay Exports.	same nature	Rs.10 (Ten) Crores per annum	Mr. Sanjay Tibrewala is a proprietor

Sr. No.	Related Parties with whom Transactions are Estimated	Nature of the Transaction	Approval sought for transactions from 1st April 2014 on annual basis	Relationship
5	Kanaklata Tibrewala	Lease of Factory premises at A-700, TTC MIDC, Navi Mumbai 400705. (6000 square feet)	Interest free Deposit of Rs. 50 Lakhs and Monthly rent not exceeding Rs. 30 per square feet. per month including interest of at least 9% p.a. on deposit .	Wife of Managing Director and mother of Executive Director
6	Kanaklata Tibrewala	Lease of Office Premises, 42, Manorama Chambers, SV Road Bandra (W), Mumbai 400050 (970 square feet)	Interest free Deposit of Rs. 195 Lakhs and Monthly rent not exceeding Rs. 200 per square feet per month including Interest of at least 9% on deposit	Managing Director and mother of Executive Director
7	Surendrakumar Tibrewala	Lease of Office premises (781 square feet) , 43, Manorama Chambers, SV Road Bandra (W), Mumbai 400050 (970 square feet)	Monthly rent not exceeding Rs. 200/- (Rupees Two Hundred only) per square feet per month including Interest of at least 9% on deposit	Managing Director
8	Sanjay Tibrewala	Lease of Office premises (1250 square feet) Gala No 15A, Sanjay Building No. 6, Mittal Ind, Estate, Marol. Andheri (E), Mumbai 400059.	Monthly rent not exceeding Rs. 100/- (Rupees One Hundred only) per square feet per month including Interest of at least 9% on deposit	Executive Director & CFO

RESOLVED FURTHER THAT Mr. Surendrakumar Tibrewala or Mr. Sanjay Tibrewala or any Director a Company Secretary be and are hereby severally authorised to take necessary steps and execute the necessary documents for the aforesaid purpose as per the approval of the shareholders."

8. Investments in shares of Related Parties

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

"RESOLVED THAT pursuant to provisions of sections 179, 180, 188 and other applicable sections, if any, of Companies Act, 2013 (Act), and the Rules made thereunder, the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include a Committee thereof) be and is hereby authorised to acquire total or substantially the whole stakes in Proton Biochem Private Limited (CIN-U74950MH1994PTC078288) at a price not exceeding Rs. 10 (Ten only) crores only.

9. To consider the following resolution, with or without modification, as a Special Resolution

"RESOLVED THAT in supersession of all previous resolution(s) and pursuant to the provisions of Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include a Committee thereof) be and is hereby authorised to sell, lease or otherwise dispose of, to create charge, lien, hypothecation, mortgage etc on the whole or substantially the whole of the Company's business or whole or substantially the whole of any one or more of the present or future undertakings of the Company to the tunr of Rs. 75 crores (Rupees Seventy Five Crores only)."

10. To consider the following resolution, with or without modification, as a Special Resolution

"RESOLVED THAT in super session of all previous resolution(s) and pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall also include a Committee thereof) be and is hereby authorised to borrow money etc from time to time, any sum or sums of money from any person(s) or bodies corporate, on such terms and conditions as it may deem fit for the purpose of the Company's business notwithstanding that the monies so borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amounts already borrowed and outstanding shall not, at any time, exceed Rs. 100 crores (Rupees One Hundred crores only) outstanding at any time.

11. To consider the following resolution, with or without modification, as an Ordinary Resolution

"RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to finalise the remuneration plus taxes and out of pocket expenses to M/s V J Talati & Co Cost Accountants for the audit of Cost Records for 2013-14 and 2014-15 in accordance with the provisions of section 148 of the Companies Act, 2013.

By Order of the Board
(Surendrakumar Tibrewala)
Chairman & Managing Director

Registered Office:
42/43, Manorama Chambers
SV Road, Bandra (West),
Mumbai 400050
Dated : 13-Aug-2014

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS/HER BEHALF ON A POLL ONLY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A Proxy form, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed not less than forty eight hours before the commencement of the aforesaid meeting.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

5. Details under Clauses 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at this Annual General Meeting, forms integral part of the Notice and is given under the Explanatory Statement. The Directors have furnished the requisite declarations for their appointment.

6. The register of members and share transfer books of the Company will remain closed from 20th September, 2014 to 23rd September, 2014 (both days inclusive) for the purpose of annual general meeting and dividend, if any, declared by the shareholders at the ensuing meeting.

7. The dividend of Equity Shares, if declared at the Meeting, will be credited / dispatched between 25th September, 2014 and 30th September, 2014 to those members whose names shall appear on the Company's Register of Members on 19th September, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Bigshare Compushare Private Limited ("Bigshare") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Bigshare.

10. Members are requested to :

    a. Notify any change in their address to the Registrar and Share Transfer Agents, Bigshare Services Private Limited, E/ Anza Industrial Estate, Saki Vihar Road, Mumbai 400072 or their Depository Participant..

    b. Bring the attendance slips, duly completed, along with the copies of the annual report to the meeting.

11. In compliance with Sections 205A & 205C of the Companies Act, 1956, unpaid/unclaimed dividend for the year 2010-11 and subsequent years will be transferred to the "Investor Education and Protection Fund" according to the statutory stipulations. Members are requested to contact the Company at its corporate office, in respect of their outstanding dividends if any for the succeeding years.

    Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27th Septemeber, 2013 (date of last Annual General Meeting) on the website of the Company – www.fineotex.com and also on the website of the Ministry of Corporate Affairs.

12. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27th Septemeber, 2013 (date of last Annual General Meeting) on the website of the Company – www.fineotex.com and also on the website of the Ministry of Corporate Affairs.

13. The notice of the 11th Annual General Meeting of the Company along with printed Attendance Slips is being dispatched to all Members. Electronic copy of the Annual Report for the year ended March 31, 2014 is being sent to all the members whose e-mail address is registered with the Company / Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, the Annual Report for the year ended March 31, 2014 is physically sent along with the Notice. Members who have not yet registered their e-mail address are encouraged to submit their request with their respective Depository Participant of the Company, as the case may be.

    Members may also note that the Notice of the 11th Annual General Meeting and the Annual Report for the year ended March 31, 2014 will also be available on the Company's website – www.fineotex.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same to the Company, by post free of cost.

14. All the documents referred to in the notice are open for inspection at the registered office of the Company at 42/43, Manorama Chambers, S V Road, Bandra (West), Mumbai 400050 between 10.00 a.m. to 12.00 noon on all days except Sundays and Holidays, prior to the date of the meeting and at the venue of the annual general meeting during the meeting hours.

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

16. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.

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

    (a) Change in their residential status on return to India for permanent settlement.

    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

18. Voting through electronic means

    a. In compliance with the provisions of Section 108 of the Companies Act, 2013, and the Rules made thereunder, the Company is pleased to provide its shareholders with the facility to exercise their right to vote at the 11th Annual General Meeting of the Company by electronic means and the business may be transacted through e-Voting services provided by the Central Depository with the Company / Depository Participant Services Limited (CDSL).

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

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system for e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or foiio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

    In case of members receiving e-mail.

    (i) Log on to the e-voting website

    (ii) Click on 'Shareholders' tab.

    (iii) Now. Select the Electronic Voting Sequence Number (EVSN) – "140809026" along with "Fineotex Chemical Limited" from the drop down menu and click on "SUBMIT".

    (iv) Now enter your User ID (For CDSL : 16 digits Beneficiary ID, For NSDL : 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

    (v) As evoting will be done for the first time user follow the steps given below.

    (vi) Now, fill up the following details in the appropriate boxes:

    *Members who have not updated their PAN with the Company / Depository Participant are requested to use the default PAN number as ABCDE12234Z in the PAN field.

    #Please enter any one of the details in order to login. The case either of the details are not recorded with the depository please enter the value 01/01/1990* in the DOB column or 0123456789* in the Dividend Bank details field (*example only).

    (vii) After entering these details appropriately, click on 'SUBMIT' tab.

    (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for

voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(x) Click on the Electronic Voting Sequence Number (EVSN)- "140809026" of Fineotex Chemical Limited, on which you choose to vote.

(xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https/ www.evotingindia.co.in and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

b. The voting period begins on Wednesday 17th September, 2014 at 10.00 a.m. IST and ends on Thursday 18th September, 2014 at 6.00 P.M. IST. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ('FAQs') and e-voting manual available at www.evotingindia.co.in in under help section or write an email to helpdesk.evoting@ cdslindia.co.

c. The Voting rights of shareholders shall be in proportion to their shares of the paid up capital of the Company as on the cut off date of 22nd August, 2014.

d. Ms Ashwini Gajanan Rajeshirke, practicing Company Secretary (Membership No. ACS 26223 / C.P No.9746) has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

e. The Scrutinizer shall within a period not exceeding 2 (two) working days from the conclusion of the E-Voting period unlock the votes in the presence of atleast two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

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

19. Members can also as per the Ballot Paper enclose. Kindly follow the instructions fully.

By Order of the Board
(Surendrakumar Tibrewala)
Chairman & Managing Director

Place : Mumbai
Dated : 13-Aug-2014

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

Resolution No. 3

M/s UKG & Associates, a firm of Chartered Accountants, having registration no 123393W allotted by the Institute of Chartered Accountants of India hold the office of the Auditors of the Company till the conclusion of this Annual General Meeting (AGM). UKG & Associates have been the Auditors of the Company for the last 5years since 1st April 2009. As per the requirement of Section 139 of the Companies Act, 2013 (Act), a firm of Chartered Accountant can be appointed for two terms of five years. They can be appointed for 5 years till the conclusion of the 16th AGM to be held in 2019 with ratification of their appointment at every AGM.

None of the Board Members or Key Managerial personnel or their relatives are interested in the resolution. The Board recommends the resolution for members' approval.

Resolutions No. 4, & 5

As per the requirements of Clause 49 of the Listing agreement with the Bombay Stock Exchange Ltd., Mr. Manmohan Mehta, Mr. Navin Mittal and Mr. Alok Dhanuka were appointed as Independent Directors of the Company at various times.

As per the provisions of the section 149 of the Companies Act, 2013 (Act) which has come into force every listed Company is required to have at least 1/3 of the total number of Directors as Independent Directors who are not liable to retire by rotation. All the members of the Nomination and Remuneration Committee are independent and hence the Board has recommended the appointment of Mr. Manmohan Mehta and Mr. Alok Dhanuka as Independent Directors for the period of 5 years. These Directors have given a declaration to the Board that they meet the criteria of Independence as provided under section 149(6) of the Act. In the opinion of the Board each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the Management. In compliance with the provisions of section 149 and Schedule IV of the Act, this resolution is put before the members for their approval. Separate notices have been received from the members along with requisite deposits signifying their intention to propose these persons as candidate for the offices of Independent Director of the Company. The brief details of these persons as required as per the Listing Agreement are given separately.

None of the Board Members or Key Managerial personnel or their relatives are interested in the resolution, except the respective Directors themselves with regard to the particular resolution pertaining to them respectively. The Board recommends the resolutions for members' approval.

Resolution No. 6

Ms. Ritu Gupta was appointed as an Additional Director by the Board of Directors at their meeting held on 13-Aug-2014 pursuant to Section 161 of the Companies Act, 2013 ('the Act') read with Article of the Articles of Association of the Company. Ms. Gupta would hold office upto the date of this Annual General Meeting. Ms Gupta is MBA Finance from SP Jain Centre of Management Dubai and has earlier worked with the Company. Her experience and knowledge of the Company's operations would be very useful to the Company.

The Company has received notices in writing under Section 257 of the Act from member of the Company along with the requisite deposit signifying the intention to propose Ms. Gupta as a candidate for the office of the Director.

The Board of Directors recommend the resolution for approval of the Members as Ordinary Resolution. Mr. Surendrakumar Tibrewala, Chairman & Managing Director and Mr. Sanjay Tibrewala, Executive Director & Chief Financial Officer are interested in this resolution as father and brother respectively of Ms Gupta. Ms Gupta is interested in the resolution as it pertains to her. None of the other Board Members or Key Managerial personnel or their relatives is interested in the resolution. The Board recommends the resolution for members' approval.

Resolution No. 7

In the initial stages, when the Company was in a nascent stage and a private limited Company, it took assistance from relatives and other related parties of the Directors. The Company had entered into contracts / agreements for the same as per Section 297 of the Companies Act, 1956. These were approved by the Board and /or the shareholders as required by the provisions of the said Act. The same were disclosed in the prospectus at the time of Public Issue in February 2011 and were valid till 26th March, 2012. Subsequently the renewal of some of these contracts required the approval of the Central Government. The Company received the approvals of the Regional Director, Western Regional Bench, Ministry of Corporate Affairs which are valid till 31st March, 2015. The transactions are also disclosed in the financial statements of the Company sent to all shareholders annually. As per the provisions of section 188 of Companies Act, 2013, the approving authority for such transactions is not the Regional Director but the shareholders of the Company. The proposed contracts are similar to the ones approved by the Central Government is 2012. Hence the Board seeks your approval for the same.

The Companies Act, 1956 did not require any approval – from shareholders or Central Government for agreements / contracts concerning leasing of property of any kind. The Company had taken some factory and office premises on rental basis. The arrangement was since it started its activity. These terms included a monthly rent and interest free deposit. These are in line with the market conditions and were disclosed in the Prospectus at the time of Initial Public Offer in February 2012. As per the provisions of section 188 of Companies Act, 2013, these agreements / contracts require your approval for the same.

Sr. No.	Related Parties with whom Transactions are Estimated	Nature of the Transaction	Transactions amounts approved by Central Government upto 31st March, 2015	Approval sought for transactions from 1st April 2014 on annual basis
1	Proton Biochem Private Limited	Sale/Purchase of goods and services of all kinds. Also placed interest free deposit	Rs.10 (Ten) Crores per annum and deposit of Rs. Fifty Lakhs at interest of 12% p.a	Rs.10 (Ten) Crores per annum and deposit of Rs. Fifty Lakhs at interest of 12% p.a
2	Shree Vinayak Industries	same nature	Rs. 5 (Five) Crores per annum	Rs. 5 (Five) Crores per annum
3	Shree Ganesh Enterprises	same nature	Rs. 5 (Five) Crores per annum	Rs. 5 (Five) Crores per annum
4	Sanjay Exports.	same nature – mainly sales for exports.	Rs.1 5 (Fifteen) Crores per annum	Rs.10 (Ten) Crores per annum
5	Kanaklata Tibrewala	Lease of Factory premises	Not Required previously. Presently Interest free Deposit of Rs. 50 Lakhs and Monthly rent of Rs. 27, 000/-	Interest free Deposit of Rs. 50 Lakhs and Monthly rent not exceeding Rs. 30 /-(Rupees Thirty only) per square feet. per month including interest of at least 9% p.a. on deposit .
6	Kanaklata Tibrewala	Lease of Office Premises	Not Required previously Presently Interest free Deposit of Rs. 195 Lakhs and Monthly rent of Rs. 42,000/-	Interest free Deposit of Rs. 195 Lakhs and Monthly rent not exceeding Rs. 200/- (Rupees Two Hundred only) per square feet per month including interest of at least 9% p.a. on deposit .
7	Surendrakumar Tibrewala	Lease of Office premises	Not Required previously. Presently Monthly Rent of Rs.73,500/-	Monthly rent not exceeding Rs. 200/- (Rupees Two Hundred only) per square feet per month month including interest of at least 9% p.a. on deposit .
8	Sanjay Tibrewala	Lease of Office premises	Not Required previously. Presently Monthly Rent of Rs.73,500/-	Monthly rent not exceeding Rs. 100/- (Rupees One Hundred only) per square feet per month including interest of at least 9% p.a. on deposit .

Mr. Surendrakumar Tibrewala, Chairman & Managing Director, Mr. Sanjay Tibrewala, Executive Director and Chief Financial Officer and Ms Ritu Gupta Director are interested in this resolution. None of the other Board Members or Key Managerial personnel or their relatives is interested in the resolution. The Board recommends the resolution for members' approval.

Resolution No. 8

Proton Biochem Private Limited (Proton) (CIN-U74950MH1994PTC078288) is a related concern of the Company. It is one of the promoters. The shareholdings of Proton is held by the Tibrewala family. It almost exclusively does the processing for Fineotex and contributes around 50% of the Company's turnover. Though the arrangement is approved by the Central Government and is extremely vital to Company's business, the Company is advised that it would be a good governance practice to take over the business. One of the easier methods is to make it a wholly owned subsidiary. The fair value of Proton's business will be determined by approved valuers and experts in this field. On the basis of these reports the Board feels the investments may be made. The Board seeks your approval for investing in the total shareholding of Proton at a total consideration not exceeding Rs. 10 Crs (Rupees Ten Crores Only).

Mr. Surendrakumar Tibrewala, Chairman & Managing Director, Mr. Sanjay Tibrewala, Executive Director and Chief Financial Officer and Ms Ritu Gupta Director are interested in this resolution. None of the other Board Members or Key Managerial personnel or their relatives is interested in the resolution. The Board recommends the resolution for members' approval.

Resolution No. 9

As per the provisions of the section 180(1)(a) of the Companies Act, 2013, the Board can not to sell, lease or otherwise dispose of or create charge, lien, hypothecation , pledge, mortgage or similar encumbrances of the whole or substantially the whole of the Company's business / undertaking or assets, present and future in favour of the lenders without the approval of the shareholders. The Company, in the normal course of its business may have to dispose of substantially the whole of the undertaking(s) of the Company. 'Substantially the whole of the undertaking' means 20% or more of the relevant business/ undertaking. As per the provisions of the section 180(1)(a) of the Companies Act, 2013, these powers can be exercised by the Board only with the consent of the shareholders by a special resolution. The Board therefore seek your approval for the same for a total value

of Rs. 75/- crs. (Rupees Seventy Five crores only).

None of the Board Members or Key Managerial personnel or their relatives is interested in the resolution. The Board recommends the resolution for members' approval as a special resolution.

Resolution No. 10

As per the provisions of the section 180(1)(c) of the Companies Act, 2013, the Company can borrow upto its Paid up Capital and Free Reserves. Due to its expansion of production facilities as well as investing abroad, it may require to borrow funds. As per the authority given to the Board vide its resolution dated 17th August, 2007, the shareholders had given powers to borrow upto Rs. 25 crores. At the 8th Annual General Meeting of the Company the members by a special resolution gave the powers to the Board as per Section 293 of the Companies Act, 1956 to borrow upto Rs. 75 Crores (Seventy Five) only as required. As per the general circular dated 25th March, 2014 issued by the Ministry of Corporate Affairs, it is clarified that the earlier resolutions passed under section 293 of the Companies Act, 1956 shall remain valid for one year from the date of notification of Section 180 of the Companies Act, 2013. Hence your approval is sought, by way of a special resolution, for a higher amount of Rs. 100/- Crs (Rupees One Hundred crores only).

None of the Board Members or Key Managerial personnel or their relatives is interested in the resolution. The Board recommends the resolution for members' approval as a special resolution.

Resolution No. 11

The Cost Auditors are appointed by the Board of Directors as per Section 148 of the Companies Act, 2013 read with Rules made thereunder. M/s V J Talati & Co Cost Accountants were appointed by the Board of Directors of the Company to audit the Cost Records of the Company for the years 2013-14 and 2014-15. The Report for 2013-14 would be issued by them by September 2014 and for 2014-15 by September 2015. The necessary forms in this regard were also filed with the Registrar of Companies. The shareholders' approval is sought as required by the provisions of Section 148(3) of the Companies Act 2013 read with Rule 14 of the Rules in this regard. The proposed fee is Rs. 35,000/- p.a. (Rupees Thirty Five Thousand per annum)

None of the Board Members or Key Managerial personnel or their relatives is interested in the resolution. The Board recommends the resolution for members' approval.

Details of Director seeking reappointment (as per clause 49 of the Listing agreement with Bombay Stock Exchange Limited)

Sr. No.	Particulars	Reappointment of Mr. Manmohan Mehta as Independent Director	Reappointment of Mr. Alok Dhanuka as Independent Director	Reappointment of Ms. Ritu Gupta as Director
1	Name of the Director	Manmohan Mehta	Alok Sashikant Dhanuka	Ms Ritu Gupta
2	Date of Birth	28-Aug-1968	01-Jun-1986	11-Oct-1984
3	Relationship with Directors	Nil	Nil	Daughter of Mr. Surendrakumar Tibrewala and sister of Mr. Sanjay Tibrewala
4	Date of Appointment	31-Dec-2007	11-Feb-2013	13-Aug-2014
5	Expertise in Specific Functional Area	Textile Processing & Reality business	Exports & Finance	Finance
6	No of Equity shares held in the Company	Nil	Nil	1100
7	Directorship in other Public Limited Company as on 31-Mar-2014	Nil	Nil	Nil
8	Chairmanship/Membership of Committees of other Indian Public Limited Companies as on 31-Mar-14	Nil	Nil	Nil
9	Director Identification Number	00391394	06491610	00218561

DIRECTORS' REPORT

Your Directors hereby present their Eleventh Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2014.

FINANCIAL RESULTS

(Rs. in Lakhs)

	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	31-3-2014	31-3-2013	31-3-2014	31-3-2013
Total Income (net of Excise duty)	5,719.01	4,318.23	8,926.70	9,836.80
Less: Expenditure	4,861.16	3,524.08	7,743.89	8,641.37
Less: Depreciation	20.69	20.26	26.20	29.82
Less: Finance Costs	34.27	40.01	40.21	52.23
Net Profit before Tax	802.88	733.75	1,116.40	1,113.37
Provision for Tax (including short	222.02	190.78	334.81	302.20
provision for Previous Year)				
Profit after tax	580.86	542.96	781.59	811.17
Appropriations				
Dividend on Equity Shares	56.15	56.15		
Tax on Dividend	(8.88)	9.11		
Balance Brought forward				
from previous Year	2,075.14	1,597.44		
Profit carried to Reserves	2,608.72	2,075.14		

DIVIDEND

Your Directors have recommended a dividend of Re 0.50 per equity share (Last year Re. 0.50 per share) for the year ended 31st March, 2014. The dividend will be paid to the members whose names appear in the register of members as on 19th September, 2014.. In case of shares held in dematerialised form the same will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. The dividend is free from Income Tax in the hands of the shareholders.

OPERATIONS

The economic conditions during the year under review were worse than those compared to the earlier year. The Company could achieve a turnover of Rs. 5,719 lakhs as against Rs. 4,319 lakhs last year, on Stand alone basis, an increase of 32.41 % inspite of the depressed economic conditions. There was a record fall in the Rupee value vis-a-vis the US dollar during the year resulting overall rise in input costs which could not be fully passed on to the customers. The Company was able to meet the challenge, maintain its position by adapting to the changing environment, ensuring timely delivery and new product development. The Company continues to develop new products and modify the products as per the requirements of its customers. Company has its own testing and development facilities by qualified staff.

This ensured higher sales which helped it to maintain its absolute profits. Your directors are hopeful that, subject to unforeseen circumstances, the Company would be in a position to maintain robust growth rate in the current year.

One big hindrance in the smooth performance during the year was the levy of Local Bodies Tax by the Government of Maharashtra last year. It is heard in the market that the Government is considering the review of the same. It is facing widespread resentment and would have very negative impact on the performance of the businesses as well as margins. Your Company is therefore reviewing the entire plan it had. It has already sought the shareholders permission to go in for diversification. A wholly owned subsidiary has been formed to pursue the company's foray into reality business.

SUBSIDIARIES

Fineotex Malaysia Limited (FML), a Limited Company, was incorporated in Labaun Malaysia in 2011. FML in turn had controlling interest in 3 other companies in Malaysia that have established manufacturing and trading activities. Their turnover is higher than the parent company. The synergy of the businesses has helped all the companies.

FCL Landmarc Private Limited was incorporated in March 2013 as a wholly owned subsidiary to pursue Company's activities in the reality sector. In October 2013, it took over Manya Steels Private Limited (Manya) as a wholly owned subsidiary. It owns land in Wada Taluka in Thane District of Maharashtra which the Company proposes to use for further expansion. In March 2014, Manya was made the direct subsidiary of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company along with its subsidiaries for the year ended 31st March, 2014 form part of this Annual Report

PUBLIC DEPOSITS AND LOANS AND ADVANCES.

The Company has neither accepted any deposits from the public or the shareholders during the year nor are there any outstandings as at year end. Loans & Advances given to Subsidiaries are disclosed in the financial statements as required under Clause 32 of the Listing Agreement with the Bombay Stock Exchange Limited.

RELATED PARTY CONTARCTS.

The Company had entered into contracts with related parties which were either covered under Section 297 of the Companies Act,1956 or were exempt there under. These were properly approved by the Board, shareholders and disclosed in the Prospectus issued by the Company in February 2011 at the time of Initial Public Offer, Subsequently in 2012, the Company had received the approval of the Regional Director, Ministry of Corporate Affairs, Government of India which are valid till 31st March, 2015. There are also other contracts regarding taking of premises on rent. These had been fully disclosed in the Prospectus but did not require any further approval under the erstwhile Act. As disclosed and explained in the Prospectus these contracts are comparable with the market prices. As per the Companies Act, 2013, you consent is required as per the provisions of Section 188 of the said Act. These are as per the normal business terms and, in the opinion of the Board, not prejudicial to the Company's interest. The Board seeks your approval.

DIRECTORS

There were no changes to the Board during the year. Mr. Manmohan Mehta, Mr. Navin Mittal and Mr Alok Dhanuka are the three Independent Directors on the Board of the Company as per the Listing Agrement with the Bombay Stock Exchange Limited. As per the provisions of Section 149 of the Companies Act, 2013, at least one third of the Board should have independent Directors. They have given declarations stating that they meet with the criteria of Independence as prescribed under Section 149(6) of the Companies Act 2013.

Mr. Manmohan Mehta is due to retire by rotation at the ensuing Annual General Meeting as per the provisions of the erstwhile Companies Act, 1956 and is eligible for re-appointment. The Board of the Company seeks the reappointment of Mr. Manmohan Mehta and Mr Alok Dhanuka as Independent Director for a term of five years till the Annual General Meeting to be held in 2019. The Company has received separate notices under Section 160 of the Companies Act 2013 from members signifying their intention to propose them as candidates for the office of an Independent Directors at the ensuing Annual General Meeting. Profiles of Mr. Manmohan Mehta and Mr Alok Dhanuka are given in Corporate Governance Report and Explanatory Statement to the notice of the Eleventh Annual General meeting.

Ms Ritu Gupta was appointed as Additional Director by the Board on 13th August, 2014. She is a MBA Finance from S P Jain, Centre of Management. She was also associated with the Company as General Manager initially at the time of Initial Public offer. She is related to the Chairman and Managing Director and to the Executive Director. Her details are given in the annexure to the notice. She is therefore a Non-Independent Director liable to retire by rotation.

AUDITORS AND AUDIT REPORT

Messrs UKG & Associates, the auditors of the Company, bearing ICAI Registration No Firm Registration No. 123393W, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have given their declaration, in writing, that they are eligible and willing for re-appointment as Auditors. As per the provisions of Section 139 of the Companies Act, 2013 and Rules made there under, they are eligible for reappointment to hold office till the conclusion of 5th Annual General Meeting held thereafter. The Audit Committee has recommended their reappointment which the Board has accepted. Board recommends their appointment.

COST ACCOUNTING RECORDS AND COST AUDIT

The Cost Audit Branch (CAB) of the Ministry of Corporate Affairs have issued CAB Order dated 24th January, 2012 making the products of the Company liable to Cost Audit under Section 233B of the Companies Act, 1956. This Order would apply to accounting periods commencing on or after 1st April, 2012. The Board has therefore recommended the name of M/s V J Talati & Co. as Cost Auditors of the Company. The approval of the government is received and M/s VJ Talati & Co. would do the audit for 2013-14. The Board also proposes to appoint them for 2014-15. The Audit Committee recommended their appointment.

SECRETARIAL AUDIT

The Companies Act, 2013 has made it mandatory for the Listed Company, like yours, to have the secretarial records audited. The Board of Directors have appointed HS Associates, Company Secretaries as Secretarial Auditors for 2014-15.

PARTICULARS OF EMPLOYEES

None of the employees of the Company drew a remuneration of Rs. 5 lakhs per month or Rs 60 lakhs per annum during the year under review. Hence there is no disclosure required as per provisions of Section 217(2A) of the Companies Act, 1956.

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

Information as required by the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed and forms part of this report. Refer Annexure A

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

(i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;

(ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) they have prepared the Accounts on a going concern basis

MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the requirements of the clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. a report on Management Discussion and Analysis is attached hereto (Annexure 'B') and form part of this Report.

CORPORATE GOVERNANCE

Your Company would strive to set and achieve appropriate Corporate Governance practices. In accordance with the requirements of clause 49 of the Listing Agreement with the Stock Exchange, a report on the status of compliance of corporate governance norms is also attached. (Annexure 'C'). The Auditors certificate on the same is also attached.

ACKNOWLEDGEMENT

Your Directors wish to thank the Company's stakeholders, Bankers and employees for their support extended to it throughout the year.

For and on behalf of the Board
(Surendrakumar Tibrewala)
Chairman

Place : Mumbai
Dated: 13-Aug-2014

ANNEXURE A

Part 'A'

		2013-14	2012-13
	Power & Fuel Consumption		
1.	**Electricity**		
	a) Purchased Units (Nos)	1,03,124	85,832
	Total Cost (Rs) #	8,52,392	7,49,893
	Rate / Unit (Rs.) #	8.27	8.93
2.	**Diesel Oil**		
	Quantity (K.Ltrs)	45629	38785
	Total Cost (Rs.)	31,91,352	27,66,376
	Average rate per K Ltr. (Rs.)	69.94	71.33

Part 'B'

		2013-14	2012-13
1.	Production (own manufacture)	6966.683 MT	5918.005 MT
2.	Production (labour jobs only)	307.045 MT	277.958 MT

Note: The consumption per unit is not comparative as the production of various products require different production standards. Hence the same is not computed

ANNEXURE – I

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

(a) Energy conservation measure taken – Energy consumption is not very high for the Company's business. However efforts are being continuously made of monitoring the consumption and reduction of losses to reduce energy costs.

(b) Total energy consumption and energy consumption per unit of production as per form 'A' attached hereto

B. TECHNOLOGY ABSORPTION

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

Form B

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which the research and development (R & D) is being carried out by the Company – There has been no major expenditure in what is generally understood as Research and Development. However it is our continuous endeavour to improve the performance of products as well as develop new products mainly as required by the customers.
2. Benefits derived as a result of the above R & D – Developed few products as well as improved performance of certain products to meet the customer requirements
3. Future plan of action – No major plan is on anvil but development to suit the customer's requirements and satisfaction is the main back bone of our business activity.
4. Expenditure on R & D – Not significant during the year on in immediate future.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adoption and innovation – the initiatives leading to development or improvement and continuously adopted into production process
2. Benefits derived as a result of the above efforts – there are improvement in process, cost reduction, reduction in the production process cycle time.
3. Information regarding Imported Technology – We have no imported technology

A. FOREIGN EXCHANGE EARNING AND OUTGO

(a) Activities relating to export, initiatives to increase Exports developments of New export markets for products. — The Company has started exports on its own account

in lakhs

		2013-14 Rupees	2012-13 Rupees
(b)	Total Foreign exchange earned	920.11	6.41
(c)	Total Foreign exchange used	2013-14	2012-13
	i. Loan Repaid	270.18	199.23
	ii. Interest	26.85	32.79
	iii. Expenses	28.55	1.45
	iv. Imports	150.20	42.57

ANNEXURE 'B' TO THE DIRECTORS REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The overall economic situation during 2013-14 was very grim and challenging. However your Company was in a position to substantially increase the quantitative sales. There was also a decent increase in monetary terms.

The Indian Chemical Industry is one of the major industry. Chemical industry can be broadly divided into 3 categories –(1) Basic Chemicals like petrochemicals, fertilizers etc. (2) Specialty chemicals like intermediaries, auxiliaries or catalyst in nature and (3) high technology based chemicals like medicinal or biotech products.

The Company's products mainly fall under the Specialty Chemical business which is an emerging sector with increased dependence on knowledge, innovation and research. The products of the Company mainly are used by textile industry as performance chemicals in their processing.

The products are like recipes made as per customer needs with the interaction at the customers production process. They are high value low volume products known for their performance enhancing properties. The uses of these products find their way in almost all industries with the textile sector being the major market of the Company's products. The characteristics of this business are more flexibility in the processes as well as the final products causing high product differentiation and low capital investments. The Company is established in this business with many accepted products with growing range and market share. The industry is fragmented and has many player from tiny industries to large corporate.

OPPORTUNITIES, THREATS, RISKS, CONCERNS, PERFORMANCE AND OUTLOOK

With a growth in the manufacturing sector based on the growing economy and emphasis on quality and performance, the requirements for specialty chemicals are rising faster. Your Company is poised to take advantage of the same due to high value and new products. The current results reflect the same. The products have an advantage of scattered textile manufacturers spread across India, a high pool of technicians actively backing the marketing of the products and low manpower costs. The present per capita consumption of these products is very low in India. But with rising consciousness for quality in production process as well as in the products the consumption would rise in the current year as well as continue in the future.

The rising oil prices with its adverse effects on the economy in general and many chemical products which form our raw materials pose a threat to our business. The global slackness in the economy, in India as well as in the neighbouring countries, has affected the Company more than in the previous year. Your company could increase the quantitative sales but the margins remained depressed.

The rising inflation puts the Company's plans at a risk of under performance. The fear apprehended last year has come true this year. This also puts the margins at risk as the lag between rise in inputs and compensation received by us in the form of higher revenues. The Company has in place a mechanism to identify such risks and take measures to minimize its occurrence. The Company is aware of the need to improve on the mechanism and is taking steps in this direction on a continuous basis. The risk from the small scale and unorganized sector is real and the company is taking steps to diversify in other products as well as other fields. These steps have helped the Company to maintain the profits at absolute level.

Caution : Some of the statements made in this Annexure can be describe as 'forward looking statements'. The expectations are based on reasonable assumptions. However the actual results could differ materially from the ones expressed above on the basis of factors beyond the control of the Company and its management. The Company assumes no responsibility to publicly amend or modify these any of these statements on the basis of subsequent developments.

DISCUSSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

The Company's performance during the year shows a jump of 21.53 % over the last year. However due to the rising raw material costs the profit before tax has remained almost at the same level in the year under review. The Company is a zero debt Company with no borrowings for its local operations. Short term borrowings are restricted to need based working capital requirements. The salient indicators are as under :-

(Rs. In lakhs)

	Standalone		Consolidated	
	2013-14	2012-13	**2013-14**	2012-13
Income	**5,719**	4,318	**8,926**	9,837
PBDIT	**868**	794	**1,183**	1,196
PAT	**581**	543	**781**	811
Earnings per Share (Basic & Diluted) (Rs)	**5.17**	4.84	**5.78**	6.26

During the year under review the plant had smooth operations. The certification received by the Company is ISO 9001:2000 from JAS-ANZ in 2007. The Company received the proceeds on the Initial Public Issue (IPO) in the last fortnight of March 2011. By the end of March 2014, it has fully utilised the IPO proceeds as permitted by the shareholders. Securities Exchange Board had sought some information on this which the Company has provided.

As per the Accounting Standard 17 issued by the Institute of Chartered Accountants of India and Companies (Accounting Standards) Rules, 2006, the Company has only one segment i.e. specialty or auxiliary chemicals. The Company's products play an important role in the textile manufacturing processes. With the cautious growth expected in the textile industry in the coming year with increasing demand for chemicals needed for this industry based on the increasing expectation of quality and fashionable textile products, the Company expects a growth in turnover for the current year. However the margins continue to be under stress. The total quantitative sales in 2013-14 were 6967 MT against 5918 MT in 2012-13. It is pertinent to note that quantity is not a very indicative criteria to evaluate performance as the quantity may vary depending upon the concentration level of products sold.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective system of receipt, storage, and utilization of materials –especially in the environment in which the Company operates. Its products are not standardized but each supply has to meet the requirements of the customer on his shop floor. This is backed by quality control at each stage of production, finished product storage and dispatch. It has also in place adequate accounting, administrative and adequate system of internal check and controls to ensure safety and proper recording of all assets of the Company and their proper and authorised utilisation. The Company is aware that Internal Control measures require constant review and modifications to meet the changing requirement of the Indian as well as Global environment. The Company constantly reviews its adherence to the environmental norms. The Company has its own Internal Control system and the Audit Committee reviews its adequacy from time to time. Measures are taken to strengthen the same.

HUMAN RESOURCES

The Company has 39 employees at the year end including whole time Directors. The Company is aware that the success of its business depends upon its technical experts co-ordinating with research and development staff on the one hand and marketing on the other. Necessary training and orientation in this regard is done on a regular basis.

During the year a few innovative ideas were received from the staff, many of which were implemented for improvement in cost control and for achieving greater efficiency.

For and on behalf of the Board

Place : Mumbai
Dated: 13-Aug-2014

(Surendrakumar Tibrewala)
Chairman

ANNEXURE 'C' TO THE DIRECTORS REPORT
CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company continues to practise transparency in its dealings with emphasis on integrity and regulatory compliance. It attaches importance to practice of good corporate governance for meeting the interests and aspirations of the stakeholders. Your Company has implemented the requirements regarding Corporate Governance as mentioned in Clause 49 of the Listing Agreements.

BOARD OF DIRECTORS as on 31st March, 2014

Name of the Director	Executive/ Independent/ Non-executive	No. of Board Meetings attended	Whether attended last AGM	No. of other directorships in Public Ltd Companies	No of other Committee Chairmanship/ Member
Mr. Surendrakumar Tibrewala (DIN 00218394)	Chairman & Managing Director	5	Yes	NIL	NIL
Mr.Sanjay Tibrewala (DIN 00218525)	Executive Director	5	Yes	NIL	NIL
Mr.Manmohan Mehta (DIN 00391964)	Independent Non-executive	4	Yes	NIL	NIL
Mr.Navin Mittal (DIN 03555295)	Independent Non-executive	5	Yes	NIL	NIL
Mr.Alok Dhanuka (DIN 06491610)	Independent Non-executive	5	Yes	NIL	NIL

FINEOTEX CHEMICAL LIMITED

During the year under review, 5 meetings of the Board of Directors were held.

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

Profile of the Directors being re-appointed

The Company have 3 Independent Directors as per the Listing Agreement with BSE Limited – Mr. Manmohan Mehta, Mr. Navin Mittal and Mr. Alok Dhanuka. They were liable to retire by rotation as per the Companies Act, 1956. They are being re-appointed as Independent Directors as per the requirements of the Companies Act, 2013. They have given their willingness and eligibility for re-appointment. Their reappointment will be for a period of 5 years.

Mr. Manmohan Mehta retires by rotation as per the provisions of Companies Act 1956 and offers himself for re-appointment. He is proposed to be appointed as Independent Director s per the provisions of the Companies Act, 2013. He has a vast experience in textile processing and reality business – the two main pillar of the group as a whole. He has been a director from 31-Dec-2007.

Mr. Navin Mittal and Mr. Alok Dhanuka are Independent Directors as per the Listing Agreement with Bombay Stock Exchange Limited. They are proposed to be re-appointed as Independent Directors as per the provisions of the Companies Act 2013 for a period of 5 (Five) years. They have affirmed their eligibility and willingness to act as such. Mr Navin Mittal is a graduate with experience in steel business. Mr Alok Dhanuka in an MBA Finace with experience of exports business.

Ms. Ritu Gupta was appointed as Additional Director on 13-August-2014. She is MBA Finance from SP Jain Centre of Management Dubai and has experience in Finance and Management. She was also associated with the Company earlier. She has given her consent and eligibility for reappointment. Her appointment as Director would be of tremendous value to the Company being aware of the operations of the Company.

AUDIT COMMITTEE

The Company has a qualified Audit Committee. The terms of reference of the Committee were in accordance with the provisions of the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Ltd. The same are being reviewed and enlarged in terms of the Companies Act, 2013 and the new Listing Agreement which would be effective from 1st October 2014. The present members of the Audit Committee are Messers Alok Dhanuka (Chairman), Manmohan Mehta and Mr. Sanjay Tibrewala. The Committee met 5 times during the year and was attended by all the members except Mr. Manmohan Mehta who attended 4 meetings. Mr Alok Dhanuka is the Chairman of the Committee. The terms of reference have been approved by the Board.

Mr. Sanjay Tibrewala is the Executive Director and the others are Independent and Non-Executive Directors.

REMUNERATION COMMITTEE

The Company has a Remuneration Committee to recommend/review the remuneration package of the Managing Director and the Executive Directors as well as to the other members of the Board. As per the requirements of the Companies Act, 2013 the same is renamed as Nomination

and Remuneration Committee. Mr. Manmohan Mehta is the Chairman of the Committee with Messrs Navin Mittal and Alok Dhanuka as members. The Committee met twice during the year. All members are Independent and Non-Executive Directors.

Remuneration Policy

Payment of remuneration to the Managing Director and Executive Director is governed by the terms and conditions approved by the shareholders at the contained in the Agreement entered into with them which incorporated remuneration within the limit stipulated by the provisions of the Companies Act, 1956. The remuneration structure comprises of salary, consolidated allowance and other perquisites such as house rent allowance, medical benefits, leave travel concession, club subscription, contribution to provident, superannuation and gratuity funds and provision of car and telephone. The other provisions are as per the agreement. At the 10th Annual General Meeting held on 27th September, 2013, the shareholders had approved, by a Special Resolution, the minimum remuneration as per Schedule XIII of the Companies Act, 1956 with the provision to increase the same if the limits are increased either by the Central Government and any enactment. Central Government has notified the relevant provisions of the Companies Act 2013 and subsequently the Remuneration Committee has recommended the increase in remuneration within the limits specified under Schedule II of the Companies Act, 2013. The Board sought further ckarifications and accepted the recommendation from 1st April, 2014.

Committee also recommended that the payment of sitting fees to the Independent Directors.

The details of remuneration paid/provided to Mr. Surendrra Tibrewala Managing Director during the year ended 31st March, 2014 are Basic Salary Rs. 27,00,000/-, House Rent Assistance of Rs. 5,40,000, and other allowances of Rs. 3,20,400/-. The details of remuneration paid to Mr. Sanjay Tibrewala Executive Director during the year ended 31st March, 2014 are Basic Salary Rs. 27,00,000/-, House Rent Assistance of Rs. 5,40,000/- and other allowances of Rs. 3,20,400/-. In addition contribution was made for Provident Fund in case of both the Directors and contribution is made to the Gratuity Scheme with Life Insurance Corporation of India in case of Mr. Sanjay Tibrewala.

INVESTORS/SHAREHOLDERS' GRIEVANCE COMMITTEE

The Company has a Shareholders'/Investors' Grievance Committee of the Board of Directors under the Chairmanship of Mr. Alok Dhanuka, Non-Executive Director, to look into the redressal of investors' grievances with Mr. Sanjay Tibrewala and Mr Manmohan Mehta. The Board of Directors has delegated power of approving transfer/transmission of shares to senior executives of the Company. The Committee has been renamed as Stakeholders Grievances Committee, During the year 2013-14 no complaints were received by the Registrar and Transfer agents. There were no complaints on the 'SCORES' hosted on the website of Securities and Exchange Board of India (SEBI). Certain grievances regarding re-validation of dividend warrants were received during the year and were settled promptly.. Requests for information were received and were attended accordingly and no grievance was outstanding as on 31st March, 2014. No share transfers/transmissions/issue of duplicate share certificates was pending as on 31st March, 2014.

Company Secretary, is the Compliance Officer of the Company.

DETAILS OF GENERAL BODY MEETINGS

Details of location and time of last three Annual General Meetings are as follows:

Year	Venue	Date	Time
2010-11	Gokul Hall, Rajpuria Bagh, Navinbhai Thakkar Road, Vile Parle (E), Mumbai 400057.	12-Aug-2011	2.30 P.M.
2011-12	Gokul Hall, Rajpuria Bagh, Navinbhai Thakkar Road, Vile Parle (E), Mumbai 400057.	31-Dec-2012	9.30 A.M.
2012-13	Gokul Hall, Rajpuria Bagh, Navinbhai Thakkar Road, Vile Parle (E), Mumbai 400057.	27-Sep-2013	9.30 A.M.

Special Resolutions were proposed at the 10th Annual General Meeting held on 27th September, 2013 and were approved unanimously.

No special resolution was put through postal ballot during the last year. Postal Ballot rules will be complied with when required.

No Extra-Ordinary General Meeting was convened during the year 2013-14.

Code of Conduct

The Board of Directors has laid down a code of conduct for the Company which is applicable to all its Board Members and Senior Management Personnel. For the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of the said code.

DISCLOSURES

(a) The Company did not enter into any materially significant related party transactions with its promoters, directors or the management, their subsidiaries, relatives etc, during the year that may have a potential conflict with the interest of the Company at large except that are disclosed in the accounts. The Company get some processing done from an entity where the Executive Director is a significant shareholder and taken premises and production facilities on rent from a relative of the Directors. Some sales have been made to the proprietary concern of the Executive Director. These have been disclosed in the accounts and other public documents. Wherever required, the approval of the Central Government is also obtained.

(b) There was no pecuniary relationship or transactions with Non-Executive Directors.

MEANS OF COMMUNICATION.

The Company has a website www.fineotex.com. The Company's Email Id is info@fineotex.com. Individual communication of the half yearly

results is not made to the shareholders. The Company has not made any presentation to institutional investors or analysts.

The Company has 1799 shareholders as on 31st March, 2014 and the total holding is in dematerialised form except for 8 shareholders holding physical shares..

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

The quarterly unaudited financial results would be published in Free Press Journal (English) and Navashakti (Marathi) as per the requirements of the listing agreement.

General Shareholder Information

a. Annual General Meeting:

Date and Time	Tuesday, 23rd -Sep-20114 at 9.30 A.M
Venue	Gokul Hall, Rajpuria Baug, N B Thakkar Road, Vile Parle (E) Mumbai 400057.

b. Financial Calendar

The Company's Financial Year is a 12 months period from April to following March.

Period	Dates for Unaudited/ Audited Results.
April- June 2014	1st Fortnight of August 2014
July-Sept. 2014	1st Fortnight of November 2014
Oct-Dec 2014	1st Fortnight of February 2015
Jan-Mar -2015	Before 30th May 2015

c. Book Closure 20-Sep-2014 to 23-Sep-2014 (both days inclusive)

d. List of Stock Exchanges where applications for listing of shares have been made

Bombay Stock Exchange Ltd., Mumbai	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 023

The Company has paid Listing fees upto and including financial year 2014-15.

e. Stock Code &Scrip Id

Bombay Stock Exchange Ltd, Mumbai	Code	533333
	Id	FCL

f. Market Price Data

The shares of the Company were traded as under during 2013-14.

Month	High (Rs.)	Low (Rs)	Turnover (Rs.)
April 2013	19.50	16.40	46,11,540
May 2013	29.15	15.65	2,47,38,265
June 2013	27.25	17.45	49,75,661
July 2013	24.65	18.90	83,15,758
August 2013	21.05	17.25	14,69,464
September 2013	27.90	17.25	71,88,389
October 2013	26.90	21.95	1,30,40,729
November 2013	25.65	21.05	24,46,453
December 2013	22.90	19.55	46,19,153
January 2014	32.15	21.05	2,10,13,591
February 2014	32.85	27.10	76,74,604
March 2014	32.90	26.60	1,02,11497

g. Market Price variation in relation to BSE Sensex during 2013-14

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

Month	High (Rs.)	Low (Rs)	BSE Sensex (High)	BSE Sensex (Low)
April 2013	19.50	16.40	19,622.68	18,144.22
May 2013	29.15	15.65	20,443.62	19,451.26
June 2013	27.25	17.45	19,860.19	18,467.16
July 2013	24.65	18.90	20,351.06	19,126.82
August 2013	21.05	17.25	19,569.20	17,448.71
September 2013	27.90	17.25	20,739.69	18,166.17
October 2013	26.90	21.95	21,205.44	19,264.72
November 2013	25.65	21.05	21,321.53	20,137.67
December 2013	22.90	19.55	21,483.74	20,568.70
January 2014	32.15	21.05	21,409.66	20,343.78
February 2014	32.85	27.10	21,140.51	19,963.12
March 2014	32.90	26.60	22,467.21	20,920.98

g. Share Transfer System

99.96% shares are held in dematerialised form and hence the transfer is done through the depository participants.

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

h.Dematerialisation of shares

99.96 % of total Equity Share Capital is held in dematerialised form with NSDL and CDSL as at 31st March 2013.

Members can hold shares in electronic form and trade the same in Depository system. However, they may hold the same in physical form also.

International Securities Identification Number INE 045J01018

i. Shareholding Pattern (at 31st March, 2014)

Category	No. of shareholders	No. of Equity Shares held	Percentage of Shareholding
Promoters (Non Corporate)	7	75,38,553	67.13
Promoters (Corporate)	2	4,02,800	3.59
Bodies Corporate	89	11,18,039	9.96
Clearing Members	18	7,173	0.06
Non Resident Indians	41	28,074	0.25
Public	1,642	21,35,172	19.01
Total	1,799	1,12,29,811	100.00

j. Distribution of shareholding as on 31st March, 2014

Category (no. Of shares)	No of shareholders	Shares held	% of shareholding
1-500	1,362	1,95,354	1.74
501-1000	170	1,40,436	1.25
1001-2000	102	1,60,382	1.43
2001-3000	42	1,09,111	0.97
3001-4000	20	70,668	0.63
4001-5000	22	1,02,655	0.91
5001-10000	34	2,77,382	2.47
> 10001	47	1,01,73,823	90.60
Total	1,799	1,12,29,811	100.00

k. Company Registration number with

ROC/ Ministry of Corporate Affairs L24100MH2004PLC144295

l. Plant location

A-699/700, TTC Industrial Area Mahape, New Mumbai

m. Address for correspondence

i) Registrars and Share Transfer Agents: (For shares and dividend related queries)

Bigshare Services Private Ltd.,
E-2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka, Andheri (East),
Mumbai 400072
Phone : (022) 40430200 Telefax: (02) 28475207

ii) Company
(For any other matter, unresolved complaints)
Company Secretary
Fineotex Chemical Limited
42/43, Manorama Chambers,
S V Road, Bandra West
Mumbai 400050

n.	E-mail	info@fineotex.com
o.	Investors Grievances	grievances@fineotex.com
p.	Phone No:	022-26559174-75
q.	Fax No.	022-26559178
r.	Website :	www.fineotex.com

For and on behalf of the Board

Place : Mumbai
Dated: 13-Aug-2014

(Surendrakumar Tibrewala)
Chairman & Managing Director

DECLARATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

All Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2014.

For and on behalf of the Board

(Surendrakumar Tibrewala)
Chairman & Managing Director

Place: Mumbai
Date: 30-May-2014

AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of

Fineotex Chemical Limited

We have examined the compliance of the conditions of Corporate Governance by Fineotex Chemical Limited ("the Company") for the year ended on 31st March 2014 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

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

Place : Mumbai
Dated, 30th May., 2014

Champak Dedhia
Partner
(Membership No.101769)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FINEOTEX CHEMICAL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of Fineotex Chemical Limited which comprises the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of Significant Accounting Policies and other explanatory information.

MANAGEMENT'S RESPONISBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 read with general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation, and maintenance of internal control 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing the procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or errors. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, based upon such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we annex herewith a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

As required by section 227(3) of the Act, we report that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of accounts as required by the law have been kept by the Company so far as appears from our examination of those books;
- The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement attached with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent they are applicable to the Company.
- Based on the written representations made by the directors of the Company we report that none of the Directors are disqualified as on 31st March,2014 from being appointed as Directors in terms of clause (g) of Sub-section(1) of Section 274 of the Companies Act, 1956;

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

Champak K. Dedhia
Partner
Membership No: 101769

Place: Mumbai
Date: 30th May, 2014

ANNEXURE TO THE AUDITOR REPORT

(Referred to in Paragraph-1 under the heading of 'Report on Other Regulatory Requirements' of even date of Fineotex Chemical Limited on the financial statements for the year ended 31st March, 2014)

1. **Fixed Assets:**
   a. The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
   b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
   c. No significant fixed assets have been disposed off during the year and therefore do not affect the going concern status of the Company.
2. **Inventories:**
   a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
   b. In our opinion, the procedures for the physical verification of inventory 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 records of inventory, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noted on physical verification between the physical stocks and the book records were not material.
3. **Related Party Transactions:**
   a. Loans granted:

      According to information and explanations given to us, no loans have been granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and hence the requirement of clauses (iii)(a) to (iii)(d) of paragraph 4 of the Order are not applicable.
   b. Loans taken:

      According to information and explanations given to us, no loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and hence the requirement of clauses (iii)(e) to (iii)(g) of paragraph 4 of the order are not applicable.
   c. In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
   d. In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices.
4. **Internal Controls:**

   In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit we have not observed any continuing failure to correct major weakness in the internal control.
5. **Internal Audit:**

   The Company has an internal audit system, which in our opinion is commensurate with the size of the Company and nature of its business.
6. **Taxation:**
   a. According to the books and records as produced and examined by us and in accordance with generally accepted auditing practices in India, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, ESIC dues, Sales Tax, Wealth Tax, Excise Duty, Service Tax, Education Cess and other material statutory dues applicable to it. There are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they become payable.
   b. According to the information and explanation given to us, and also based on management's representation, there were no dues of Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service tax, Education Cess and Sales Tax that have not been deposited on account of any dispute.

Miscellaneous:

7. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
8. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash losses in the current financial year covered by our audit or in the immediately preceding financial year.
9. According to the information and explanations given to us on the basis of our examination of the books of accounts, there are no defaults in repayment of dues to financial institutions and banks during the year.
10. The Company has not accepted any deposits from the public within the meaning of the provisions of section 58A or section 58AA or any other relevant provisions of the Act & the rules framed there under.
11. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
12. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Hence the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. The Company has maintained proper records of the transactions and contracts in respect of dealings or transactions in shares, securities, debentures and other investments and timely entries have been made therein. All the shares, securities, debentures and other investments have been held by the Company in its own name.
14. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
15. In our opinion and on the basis of information and explanations provided to us, term loans have been applied for the purposes for which they have been raised.
16. According to the information and explanation given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
17. According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties or Companies covered by the register maintained under section 301of the Companies Act, 1956.
18. According to the information and explanation given to us, the Company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. We have verified the end use of money raised by public issues from the prospectus filed with SEBI, the offer document and as disclosed in Note no. 36 forming part of the financial statements.
20. According to the information and explanations given to us, no fraud on or by Company have been noticed or reported during the year.

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

Champak K. Dedhia
Partner
Membership No: 101769

Place: Mumbai
Date: 30th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(In Rs.)

Particulars	Note No.	As At March 31, 2014	As At March 31, 2013
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
- Share Capital	3	112,298,110	112,298,110
- Reserves and Surplus	4	488,824,721	433,661,250
		601,122,831	**545,959,360**
2. NON-CURRENT LIABILITIES			
- Long Term Borrowings	5	7,321,057	33,131,514
		7,321,057	**33,131,514**
3. CURRENT LIABILITIES			
- Short Term Borrowings	6	-	1,777,703
- Trade Payables	7	110,716,562	72,349,204
- Other Current Liabilities	8	34,255,263	29,154,867
- Short Term Provisions	9	7,183,070	6,621,697
		152,154,895	**109,903,471**
Total		**760,598,784**	**688,994,345**
II. ASSETS			
1. NON-CURRENT ASSETS			
- Fixed Asset			
Tangible Assets	10	67,870,135	63,496,303
- Non-Current Investments	11	91,263,251	83,968,940
- Deferred Tax Assets (Net)	12	4,367,857	4,945,299
- Long Term Loans and Advances	13	79,044,285	72,542,320
		242,545,528	**224,952,861**
2. CURRENT ASSETS			
- Current Investments	14	158,090,775	207,040,086
- Inventories	15	59,273,152	41,886,201
- Trade Receivables	16	171,125,873	113,744,696
- Cash and Cash Equivalents	17	81,387,160	90,965,819
- Short Term Loans and Advances	18	34,985,041	3,495,478
- Other Current Assets	19	13,191,256	6,909,203
		518,053,256	**464,041,483**
Total		**760,598,784**	**688,994,345**
Significant Accounting Policies			
Notes on Financial Statements	**1 to 42**		

As per our Report of even date
For **UKG & Associates**
Chartered Accountants
(Firm Registration No : 123393W)

As per the order of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
Sanjay Tibrewala
Executive Director & CFO

Champak K. Dedhia
Partner
Membership No.: 101769
Mumbai, 30th May, 2014

A. V. Nerurkar
Company Secretary

Alok Dhanuka
Chairman Audit Committee

Mumbai, 30th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(In Rs.)

Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
- Revenue from Operations	20	534,586,786	406,863,673
- Other Income	21	37,501,700	24,986,378
Total		**572,088,486**	**431,850,051**
EXPENSES			
- Cost of Materials Consumed	22	404,822,914	299,504,141
- Purchase of Stock-in-Trade	23	-	39,000
- Changes in Inventories of Work-in-Progress	24	(9,727,782)	(3,099,562)
- Employee Benefit Expenses	25	21,753,559	18,044,712
- Finance Costs	26	3,427,205	4,001,271
- Other Expenses	27	67,485,371	37,959,741
- Depreciation	10	2,069,261	2,026,017
Total		**489,830,527**	**358,475,320**
Profit Before Tax and Exceptional Items		82,257,959	73,374,730
Exceptional Items		1,969,528	-
Profit Before Tax		80,288,431	73,374,730
Tax Expenses			
- Current Tax		21,600,000	19,600,000
- Deferred Tax		577,442	328,454
- Short / (Excess) Tax Provision for Earlier Years		25,334	(849,861)
Profit after Tax		**58,085,654**	**54,296,137**
Earning per Equity Share (Face value Rs. 10 each)			
Basic and Diluted		5.17	4.34
Significant Accounting Policies			
Notes on Financial Statements	**1 to 42**		

As per our Report of even date
For **UKG & Associates**
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership No.: 101769
Mumbai, 30th May, 2014

A. V. Nerurkar
Company Secretary

As per the order of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
Sanjay Tibrewala
Executive Director & CFO
Alok Dhanuka
Chairman Audit Committee

Mumbai, 30th May, 2014

CASH FLOW STATEMENT

(In Rs.)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Cash flow from operating activities		
Net Profit before tax as per Statement of Profit and Loss	80,288,431	73,374,731
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization on continuing operations	2,069,261	2,026,017
Loss on sale of fixed assets	298,596	-
Net gain on sale of current investments	(14,724,503)	(13,556,222)
Interest expense	2,564,431	3,866,154
Interest income	(10,695,326)	(11,262,829)
Dividend income	(11,688,750)	(140,390)
Balances written back	-	(3,380.00)
Exchange Difference amortised	5,283,332	1,424,222
Provision for dimunition in value of investments	(356,877)	(26,936)
Operating profit before working capital changes	53,038,593	55,701,365
Movements in working capital		
Increase/(Decrease) in trade payables	38,367,358	23,250,106
Increase/(Decrease) in short term provisions	1,472,672	(1,445,482)
Increase/(Decrease) in other current liabilities	2,317,439	56,145
(Increase)/Decrease in trade receivables	(57,381,176)	(27,375,475)
(Increase)/Decrease in trade inventories	(17,386,950)	(16,540,716)
(Increase)/Decrease in long term loans and advances	(7,894,260)	(1,597,532)
(Increase)/Decrease in short term loans and advances	(6,196,663)	482,222
(Increase)/Decrease in Other Current Assets	(272,073)	2,088,059
Cash generated from operations	6,064,941	34,618,694
Direct taxes paid(net of refunds)	18,600,841	21,885,019
Cash flow generated from operating activities	(12,535,900)	12,733,675
Cash flows from Investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(6,796,689)	(25,729,995)
Proceeds on sale of Fixed Assets	55,000	-
Purchase of non-current investments	(7,294,311)	(100,000)
Purchase of current investments	(72,229,444)	(155,610,417)
Proceeds from sale/maturity of current investments	136,260,135	157,869,438
Interest received	10,695,326	11262829
Dividend received	5,678,770	140,390
Loans & Advances (given) / Recd Back		
- Subsidiary Companies	(5,292,900)	-
- Others	(20,000,000)	9,500,000
Fixed Deposits with Bank Withdrawn / (Placed)	10,837,606	19,927,077
Net cash flow from/(used in) investing activities (B)	51,913,493	17,259,322

(In Rs.)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Cash flows from Financing activities		
Proceeds / (Repayment) from Long term borrowings	(26,506,079)	(18697956)
Proceeds / (Repayment) from Short term borrowings	(1,777,703)	(383510)
Interest paid	(2,564,431)	(3,866,154)
Dividends paid	(5,614,906)	(5,614,906)
Dividend distribution tax	(23,329)	(911,299)
Net cash flow from/(used in) financing activities (C)	(36,486,448)	(29,473,825)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,891,145	519,173
Cash and cash equivalents at the beginning of the year	2,221,611	1,702,437
Cash and cash equivalents at the end of the year	5,112,756	2,221,611
Components of cash and cash equivalents		
Cash on hand	193,515	365,935
With banks-		
in current Accounts	4,899,745	660,120
in Earmarked Accounts	19,496	1,195,556
Total Cash and cash equivalents	**5,112,756**	**2,221,611**

As per our Report of even date
For **UKG & Associates**
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership No.: 101769
Mumbai, 30th May, 2014

A. V. Nerurkar
Company Secretary

As per the order of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
Sanjay Tibrewala
Executive Director & CFO
Alok Dhanuka
Chairman Audit Committee

Mumbai, 30th May, 2014

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

1 CORPORATE INFORMATION

Fineotex Chemical Ltd. (The Company) is a public limited Company domiciled in India and incorporated under the Companies Act, 1956. The Company was incorporated in 2004 and is listed on Bombay Stock Exchange. The Company is engaged in the business of manufacturing and trading of Chemicals. The Company is one of the leading manufacturers of chemicals for textiles, construction, water-treatment, fertiliser, leather and paint industry. Its Company Identification Number is L24100MH2004PLC144295.

2 SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements:

The financial statements are prepared under historical cost convention in accordance with generally accepted accepted accounting principles in India and comply in all material aspects with the applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

B. Use of Estimates:

Estimates and assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements, which may differ from the actual results at a subsequent date. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

C. Basis of Accounting:

The financial statements are prepared:

i. On the historical cost convention.

ii. On a going concern basis.

iii. In accordance with the Accounting Standards as notified by Companies (Accounting Standard) Rules, 2006.

iv. On mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.

v. In accordance with the relevant presentation requirements of *Revised Schedule VI* of the Companies Act, 1956 to the extent applicable.

D. Fixed Assets:

i. Tangible Assets

Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets. Fixed Assets are shown net of accumulated depreciation and amortisation. Historical cost comprises of the acquisition price or construction price and all direct and indirect costs attributable to bring the asset to the working condition for intended use, but excluding any Cenvat/Service Tax / Value Added Tax credit available. Borrowing cost directly attributable to acquisition / construction of fixed asset which necessarily takes a substantial period of time to get ready for their intended use are capitalised.

ii. Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization. Amortization is done on Straight Line Method.

E. Depreciation:

i. Depreciation has been calculated as per the Straight Line Method at the rates prescribed under Schedule - XIV of the Companies Act, 1956.

ii. Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation.

iii. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

iv. For assets costing Rs.5000/- or less, depreciation is fully provided.

v. Depreciation on additions on account of increase in rupee value due to revaluation of foreign currency loans is being provided at rates of depreciation over the future life of said asset.

F. Inventories:

i. Cost of Inventories have been computed to include all cost of Purchases, Cost of Conversion and other costs incurred in bringing the inventories to their present location and condition.

ii. Raw materials are valued at cost. The costs are ascertained using the FIFO method, except in case of slow moving and obsolete materials, at lower of cost or estimated realizable value. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

iii. Work-in-progress and finished goods are valued at the lower of cost or estimated realizable value. Cost represents prime cost, and includes appropriate portion of overheads.

iv. Scrap is valued at estimated realizable value.

G. Foreign Currency Transactions:

i. Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

ii. Monetary items denominated in foreign currencies at the year end are restated at the year end rates.

iii. Exchange difference arising on reporting of long term foreign currency monetary items (other than related to acquisition of depreciable Fixed Assets) at rates different from those at which they were initially recorded during the period or reported in previous financial statement which were until now being recognized in the statement of Profit and Loss are now being accumulated in "Foreign Currency Monetary Item Translation Reserve Account" and amortized in the statement of Profit and Loss over the remaining life of the long term foreign currency monetary items.

iv. Non Monetary items denominated in foreign currencies are carried at cost.

H. Research and Development:

i. Capital Expenditure, if any is shown separately in Fixed Assets.

ii. Research and development cost (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.

I. Investments:

i. Investments are stated at their cost of acquisition. Long term investments are carried at cost. In case there is any diminution of permanent nature in value of Investments, the same is provided for.

ii. Current Investments are valued at cost of acquisition, less provision for dimunition, as necessary, if any.

iii. Unquoted current investments are stated at the lower of cost and fair value where available.

J. Revenue Recognition:

i. The Company recognizes revenues on the sale of products when the products are delivered to the customer or when delivered to the carrier for exports sales, which is when risks and rewards of ownership pass to the customer. Sales are net of taxes on sales and sales returns.

ii. Other income is accounted for on accrual basis when it is reasonably certain that the ultimate collection will be made.

iii. Interest is accrued over the period of loan/ investment.

iv. Dividend on shares and mutual funds is accounted as and when the right to receive is established.

K. Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in Statement of Profit and Loss.

L. Impairment of Assets:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

M. Borrowing Costs:

i. Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till such time as the assets are ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

ii All other borrowing costs are recognised as an expense in the period in which they are incurred.

N. Taxation:

Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the applicable tax rates and tax laws. Deferred Tax resulting from timing difference between Book Profits and Tax Profits is accounted for at the applicable rate of tax to the extent the timing differences are expected to crystallize, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Assets can be realized.

O. Employment Retirement Benefits:

i. Benefits in the form of Provident Fund whether in pursuance of law or otherwise which are defined contributions is accounted on accrual basis and charged to Statement of Profit and Loss of the year.

ii. Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave, etc. are determined at the close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gains and losses are recognized in the year when they arise.

iii. Termination benefits such as compensation under voluntary retirement scheme are recognized as a liability in the year of termination.

P. Cash Flow Statements:

The Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March 2013 and the related Statement of Profit and Loss for the year ended on that date. The cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the ICAI.

Q. Provisions, Contingent Liabilities and Contingent Assets:

Necessary provisions are made for present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

R. Earnings per share:

i Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

ii For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

S. Operating Cycle for current and non-current classification:

Operating cycle for the business activites of the Company covers the duration of product line/ service including the defect liability period, wherever applicable and extends up to the realization of receivables within the agreed credit period normally applicable to the respective lines of business.

3 Share Capital

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Authorised		
13,000,000 (13,000,000) Equity shares of Rs. 10/- each	130,000,000	130,000,000
	130,000,000	**130,000,000**
Issued, Subscribed and Paid-up		
EQUITY SHARE CAPITAL		
11,229,811 (11,229,811) Equity shares of Rs. 10/- each fully paid up	112,298,110	112,298,110
Total	**112,298,110**	**112,298,110**

i. Shareholders holding more than 5 % of Equity Shares

Name of the Shareholder	March 31, 2014		March 31, 2013	
	No. of Shares	% held	No. of Shares	% held
Mr. Surendra Tibrewala	6,870,583	61.18%	6,426,032	57.22%
Mr. Amitabh Harivansh Rai Bachchan	573,452	5.11%	-	-

ii. Reconciliation of the number of Equity Shares outstanding

Particulars	March 31, 2014	March 31, 2013
	No. of Shares	No. of Shares
Number of shares at the beginning of the year	11,229,811	11,229,811
Add: Shares issued	-	-
Number of shares at the end of year	**11,229,811**	**11,229,811**

iii. The Company has only one type of equity share. Each equity share is entitled to one voting right only.

iv. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution would be in proportion of the number of Equity shares held by the Equity Shareholders.

4 Reserves and Surplus

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Capital Reserve	1,085,354	1,085,354
Securities Premium Account	234,318,990	234,318,990
Foreign Currency Monetary Item Translation Reserve (Refer Note below)		
Balance at the beginning of the year	(9,257,284)	(7,136,757)
Add : Additions during the year	(3,478,580)	(3,544,749)
Less : Amortised during the year	5,283,332	1,424,222
	(7,452,532)	**(9,257,284)**
Profit and Loss Account		
Balance at the beginning of the year	207,514,190	159,744,257
Add : Profit for the year	58,085,655	54,296,138
Less : Appropriations		
Proposed Dividend on Equity Shares	5,614,906	5,614,906
Tax on Dividend	-	911,299
Add: Excess Provision written back	887,970	-
	260,872,910	**207,514,190**
Total	**488,824,721**	**433,661,250**

Note:

The Company has exercised the option under paragraph 46A(1) of Accounting Standard - 11 (revised 2003) 'The effect of changes in Foreign Exchange rates' as notified by Ministry of Company Affairs vide notification dated 29th December, 2011. Consequently the foreign exchange loss arising on reporting/settlement of long term foreign currency monetary items (other than relating to acquisition of depreciable fixed assets) amounting to Rs. 127.36 lakhs (Rs. 106.82 lakhs) for the year ended 31st March 2014 has been accumulated in "Foreign Currency Monetary Translation Difference Account", out of which Rs. 52.83 lakhs (Rs 14.24 lakhs) has been amortized for the year ended 31st March, 2014. The outstanding balance as on 31st March 2014 in the "Foreign Currency Monetary Translation Difference Account" is Rs. 74.52 lakhs (92.57 lakhs).

5 Long Term Borrowings

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Secured Borrowings		
Term Loan from bank	7,321,057	33,131,514
Total	**7,321,057**	**33,131,514**

Note:

i. Term loan from bank is secured by way of exclusive first charge created by hypothecation of the total current assets including receivables (both present and future) of the Company. Fixed Deposits of the Company of Rs. 5.5 crores have been marked as lien in favour of the Bank as a collateral security. Interest is charged at six months LIBOR plus 4.50 % p.a. and is payable quarterly on the outstanding loan amount.

ii. Details of Terms of repayment:

Details of Installments	Period of Loan	Outstanding Balance	
		March 31, 2014	March 31, 2013
5 Quarterly installments of US $ 121,835/- each	Apr 01, 2014 to Apr 27, 2015	36,610,094	74,790,803
		36,610,094	**74,790,803**

6 Short Term Borrowings

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Secured Borrowings		
- Bank Overdraft	-	1,777,703
Total	**-**	**1,777,703**

Note:

Bank Overdraft is secured against Bank Fixed deposits.

7 Trade Payables

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Trade Payables		
Other than Micro, Small and Medium Enterprises	110,716,562	72,349,204
Total	**110,716,562**	**72,349,204**

8 Other Current Liabilities

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Current maturities of Long Term Debt (Secured) Refer note 5(i) and (ii)	29,289,039	26,506,081
Interest accrued but not due on Borrowings	314,684	512,262
Advance from customers	2,088,440	245,263
Trade deposits	616,027	616,027
Interest payable on Trade deposits	311,520	244,613
Other		
Unclaimed dividend	19,496	6,473
Statutory dues	1,616,058	1,024,148
Total	**34,255,263**	**29,154,867**

9 Short Term Provisions

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Provision for Employee Benefits		
Provision for leave encashment	69,058	95,492
Provision for gratuity	84,184	-
Others		
Provision for Income tax (net of Advance Tax)	1,414,922	-
Proposed dividend	5,614,906	5,614,906
Provision for dividend tax	-	911,299
Total	**7,183,070**	**6,621,697**

10 Fixed Assets

(in Rs.)

	Particulars	Gross Block				Depreciation/Amortisation				Net Block	
		As on 01.04.2013	Additions for the year	Disposals/ Adjustments	As on 31.03.2014	As on 01.04.2013	For the year	Disposals / Adjustments	As on 31.03.2014	As At 31.03.2014	As At 31.03.2013
I.	**Tangible Assets**										
	Freehold Land	19,812,341	-	-	19,812,341	-	-	-	-	19,812,341	19,812,341
	Leasehold Land	10,200,000	-	-	10,200,000	-	-	-	-	10,200,000	10,200,000
	Factory Building	5,478,279	-	-	5,478,279	673,692	182,974	-	856,666	4,621,613	4,804,587
	Plant and Machinery	24,334,747	4,342,114	500,000	28,176,861	3,721,724	1,182,190	146,404	4,757,510	23,419,351	20,613,023
	Plant and Machinery	22,515,714	4,219,778	500,000	26,235,492	3,409,837	1,092,371	146,404	4,355,804	21,879,688	19,105,877
	Electric Fittings	1,236,318	-	-	1,236,318	233,500	58,377	-	291,878	944,440	1,002,817
	Office Equipments	582,715	122,336	-	705,051	78,387	31,441	-	109,828	595,223	504,328
	Office Premises	483,000	-	-	483,000	47,238	7,873	-	55,111	427,890	435,762
	Furniture and Fixtures	1,516,499	-	-	1,516,499	397,377	95,994	-	493,372	1,023,127	1,119,122
	Computers	1,236,531	211,474	-	1,448,005	601,663	196,994	-	798,657	649,347	634,868
	Vehicles	3,247,945	2,243,101	-	5,491,046	1,461,706	331,895	-	1,793,601	3,697,445	1,786,239
	Motor Car	2,545,074	2,243,101	-	4,788,175	1,360,491	252,401	-	1,612,892	3,175,283	1,184,583
	Tempo	702,871	-	-	702,871	101,215	79,495	-	180,709	522,162	601,656
	Renovation on Lease Premises	4,376,699	-	-	4,376,699	286,338	71,340	-	357,678	4,019,021	4,090,361
	Total	70,686,040	**6,796,689**	**500,000**	**76,982,730**	**7,189,738**	**2,069,261**	**146,404**	**9,112,595**	**67,870,135**	**63,496,303**
	Previous Year	50,517,736	20,169,995	1,691	70,686,040	5,168,791	2,026,017	5,071	7,189,738	63,496,303	45,348,945

11 Non Current Investments

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Long Term Investment - at cost		
Trade Investments (Unquoted)		
In Equity Shares of Subsidiary Companies		
1890218 (1890218) Shares Fineotex Malaysia Limited of US $ 1 each fully paid	83,868,940	83,868,940
10000 (10000) Shares FCL Landmarc Private Limited of Rs. 10/- each fully paid	100,000	100,000
10000 (Nil) Shares Manya Steel Private Limited. of Rs.10/- each fully paid	7,294,311	-
Total	**91,263,251**	**83,968,940**

12 Deferred Tax Asset (Net)

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Deferred Tax Asset		
Expenditure allowable u/s. 35D	9,258,805	9,258,805
Provision for dimunition in value of investments	-	151,984
Expenditure/Provisions allowable on payment basis - 43B Items	92,756	90,883
Sub-Total (A)	**9,351,561**	**9,501,672**
Deferred Tax Liability		
Depreciation	4,983,704	4,556,373
Sub-Total (B)	4,983,704	4,556,373
Total (A - B)	**4,367,857**	**4,945,299**

13 Long Term Loans and Advances

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Unsecured, Considered good		
Capital Advances	36,960,000	36,960,000
Security Deposits		
- Related parties Refer Note (i and ii) below	24,500,000	24,500,000
- Others	175,654	159,624
Other Loans and Advances		
-Trade Deposits	1,632,199	-
-Balance with VAT & Excise Authorities	15,776,432	8,524,874
-Balance with Tax Authorities (Net of provision)	-	1,682,091
- Interest accrued but not due	-	715,731
Total	**79,044,285**	**72,542,320**

Notes:

i. Interest Free deposit towards rented premises paid to relative of director Rs.19,500,000/-(Rs.19,500,000/-)

ii. Trade deposit paid to a Group Company Rs.5,000,000/- (Rs.5,000,000/-).

-

14 Current Investments

(in Rs.)

Particulars	Face Value	Number	March 31, 2014	March 31, 2013
Investment in Mutual Funds				
Equity Based Mutual Funds				
Birla Sunlife Dividend Yield Plus Growth Fund	10	69958.145 (107321)	5,987,443	8,998,752
HDFC Equity Growth Fund	10	53162.163 (38013.26)	14,350,000	10,150,000
Kotak Midcap Growth Fund	10	19,010.68 (19,010.68)	500,000	500,000
Pramerica Dynamic Growth Fund	10	300,000 (300,000)	3,000,000	3,000,000
Reliance Growth Retail Plan Fund	10	730.35 (730.35)	350,123	350,123
Religare PSU Equity Fund - Growth	10	301507.54 (Nil)	3,000,000	3,000,000
Sundaram Select Midcap Appreciation Fund	10	83721.03 (57667.85)	12,823,329	8,623,329
Debt Based Mutual Funds				
Birla Sunlife Income Plus - Retail Growth	10	174,996.18 (174996.18)	9,000,000	9,000,000
Birla Sunlife Cash Manager Growth Fund	100	Nil (18950.02)	-	4,687,744
BNP Paribas Bond Fund	10	Nil (895373.20)	-	12,000,000
BNP Paribas Bond Fund - Growth	10	389285.359 (Nil)	5,000,000	-
BNP Paribas Flexi Debt Fund - Growth	10	543193.088 (446459.07)	10,794,116	8,344,116
BSL MNC Fund	10	28114.007 (Nil)	7,500,000	-
DSP BR Bond Fund - Retail Plan (G)	10	443635.997 (274811.97)	16,500,000	10,000,000
DSP BR Income Opportunities Fund	10	7741.618 (1,051,150.66)	136,251	18,500,000
DWS Premier Bond Regular Growth Plan Fund	10	Nil (116,862.70)	-	2,000,000
DWS Short Maturity Growth Plan Fund	10	Nil (134,930.77)	-	2,284,544
HDFC Income Fund - Growth	10	69818.96 (69818.96)	1,834,388	1,834,388
HSBC Flexi Debt Fund - Growth	10	123223.27 (123223.27)	2,000,000	2,000,000
HSBC Flexi Debt Fund - Regular Growth	10	373243.21 (373243.21)	5,500,000	5,500,000
ICICI Prudential Flexible Income Plan	10	236559.10 (236559.10)	8,500,000	8,500,000
ICICI Prudential Regular Savings Growth Fund	10	689063.463 (1770045.42)	8,061,903	19,953,343

(in Rs.)

Particulars	Face Value	Number	March 31, 2014	March 31, 2013
Kotak Bond Regular Growth Fund	10	Nil (18,176.16)	-	5,500,000
Kotak Income Opportunities Fund - Growth	10	505451.450 (Nil)	6,494,445	-
Kotak Credit Opportunity Growth Fund	10	32198.621 (1672460.40)	373,681	19,409,733
Reliance Regular Saving Fund - Debt PL Growth	10	382666.616 (730939.03)	5,869,309	11,000,000
SBI Dynamic Bond Growth Fund	10	298244.827 (989289.099)	4,069,897	13,500,000
SBI Regular Saving Fund - Reg Growth	10	90985.262 (Nil)	1,770,000	-
UTI Bond Growth Plan Fund	10	Nil (256,335.59)	-	8,000,000
UTI Bond Growth Regular Fund	10	378770.830 (269642.82)	12,849,542	8,849,542
UTI Credit Oppotunitity Fund-Growth	10	936178.210 (Nil)	9,915,000	-
Investment in Equity Instruments				
Sun Pharmaceuticals Industries Limited	10	4000 (2000)	1,413,020	1,413,020
Vinati Organics Limited	10	4000 (4000)	609,887	609,887
Total			**158,202,333**	**207,508,521**
Less : Provision for diminution in value			111,558	468,435
Total			**158,090,775**	**207,040,086**

Notes:

i.	Aggregate provision for dimunition in value of Current Investments	Rs. 111,558/-	Rs. 468,435/-
ii.	Aggregate cost of quoted investments	Rs. 2,022,907/-	Rs. 2,022,907/-
iii.	Aggregate market value of quoted investments	Rs.3,413,000/-	Rs. 1,826,420/-
iv.	Aggregate amount of unquoted investments	Rs. 156179427/-	Rs.205,485,614/-
v.	All the investments have been valued at cost or market value whichever is lower. (Refer Note 2 I of Significant Accounting Policies).		

15 Inventories

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Raw materials	38,278,515	31,308,534
Work in progress	18,699,743	8,971,961
Packaging materials	2,294,894	1,605,707
Total	**59,273,152**	**41,886,201**

Note:

Inventories are valued at lower of cost or net realizable value . (Refer Note 2 F of Significant Accounting Policies).

16 Trade Receivables

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Unsecured, Considered good		
- Outstanding for a period exceeding six months	106,477	26,319
- Others	171,019,396	113,718,377
Total	**171,125,873**	**113,744,696**

Note:

Out of above Rs.Nil /- (7,64,200/-) is due from a concern in which director is interested.

17 Cash and Cash Equivalents

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Cash and Cash Equivalents		
Balance with bank	4,899,745	660,120
Cash on hand (As certified by the management)	193,515	365,935
Other Bank Balances		
Balance Earmarked With banks		
- Unclaimed dividends	19,496	6,473
- Tender deposits	-	1,189,083
Fixed Deposits with maturity of less than 3 months	67,500,000	-
Fixed Deposits with maturity of more than 3 months but less than 12 months	8,774,404	88,744,209
Total	**81,387,160**	**90,965,819**

Note:

Fixed Deposits amounting to Rs. 55,000,000/- (Rs. 89,933,292/-) are under lien with Banks for guarantees given against borrowings and tender deposits.

18 Short Term Loans and Advances

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Unsecured, Considered good		
Security deposits - Others	72,000	22,000
Other Loans and Advances		
- Balance with VAT and Excise Authorities	5,121,949	2,921,937
- Advance to Related Party	5,300,000	7,100
- Other loans	20,000,000	-
- Others	4,491,092	544,441
Total	**34,985,041**	**3,495,478**

Note:

Others include advance to Creditors, Prepaid expenses and Loan to employees.

19 Other Current Assets

(Amount in Rupees)

Particulars	March 31, 2014	March 31, 2013
- Interest accrued but not due	5,616,558	6,909,203
- Interest accrued and due	620,000	-
- Duty Drawback Receivable	944,718	-
- Dividend receivable from subsidiary	6,009,980	-
	13,191,256	**6,909,203**

20 Revenue from Operations

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Sale of Products	587,275,191	448,578,467
Less: Excise Duty	54,572,525	42,932,748
	532,702,666	405,645,719
Sale of Services	-	1,191,081
Duty Drawback / DEPB Incentive	1,884,120	26,873
Total	**534,586,786**	**406,863,673**

21 Other Income

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Dividend		
Subsidiary (Long term investment)	11,668,750	-
Others (Current investment)	20,000	140,390
Net Gain on redemption of Mutual Fund (Current investment)	14,724,503	13,556,222
Interest on deposits with banks and others	10,695,326	11,262,829
Reversal of provision for dimunition of investments	356,877	26,936
Other Income	36,243	-
Total	**37,501,700**	**24,986,378**

22 Cost of Materials including packaging materials consumed

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Raw materials	363,131,992	268,765,269
Packaging materials	41,690,922	30,738,871
Total	**404,822,914**	**299,504,141**

23 Purchase of Stock-in-Trade

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Stock-in-Trade	-	39,000
Total	**-**	**39,000**

24 Changes in Inventories of Work-in-Progress

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Closing stock	18,699,743	8,971,961
Less: Opening stock	8,971,961	5,872,399
Total	**9,727,782**	**3,099,562**

25 Employee Benefit Expenses

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Salaries, Wages, Bonus and Leave Encashment	20,096,378	16,666,903
Contribution to Provident and Other Funds	976,263	874,257
Provision of Gratuity	258,617	55,363
Staff Welfare Expenses	422,301	448,189
Total	**21,753,559**	**18,044,712**

Disclosures as defined in Accounting Standard 15 "Employee Benefits" are given below:

Defined Contribution Plan

Employer's contribution to PF, ESIC and other funds

Defined Benefit Plan

The Company has taken a policy under Group Gratuity Scheme with the Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	March 31, 2014	March 31, 2013
A) Table showing changes in the Present value of Obligation		
Defined Benefit Obligation at the beginning of the year	598,329	486,392
Current Service Cost	117,859	102,920
Interest Cost	47,866	38,911
Actuarial (Gain)/ Loss	151,278	(29,894)
Benefit paid	(246,635)	-
Defined Benefit Obligation at year-end	668,697	598,329
B) Table showing changes in fair value of plan assets		
Fair value of plan assets at beginning of the year	688,131	477,242
Expected return of plan asset	58,386	56,574
Actuarial (Gain)/ Loss	-	-
Employer Contribution	84,631	154,315

Particulars	March 31, 2014	March 31, 2013
Benefit paid	(246,635)	-
Fair Value of plan assets at year end	584,513	688,131
Actual return on plan assets	-	-
C) Table showing fair value of plan assets		
Fair Value of Plan asset at beginning of the year	688,131	477,242
Actual return on plan asset	58,386	56,574
Employer Contribution	84,631	154,315
Benefit Paid	(246,635)	-
Fair Value of Plan asset at the end of the year	584,513	688,131
Funded Asset/ (Liability)	(84,184)	89,802
D) Actuarial Gain/Loss recognized		
Actuarial (Gain)/Loss for the year obligation	151,278	29,894
Actuarial (Gain)/Loss for the year plan assets	-	-
Total (Gain)/Loss for the year	151,278	(29,894)
Actuarial (Gain)/Loss recognized for the year	151,278	(29,894)
E) The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	668,697	598,329
Fair Value of plan assets as at the end of the year	584,513	688,131
Funded Status	(84,184)	89,802
Net Asset/(Liability) recognized in balance sheet	(84,184)	89,802
F) Expenses recognized in statement of profit and loss		
Current Service Cost	117,859	102,920
Interest Cost	47,866	38,911
Expected return of plan asset	(58,386)	(56,574)
Net Actuarial (Gain)/loss recognised in the year	151,278	(29,894)
Expenses recognised in statement of profit and loss	258,617	55,363
G) Assumption		
Discount Rates	8%	8%
Salary Escalation	5%	5%

26 Finance Cost

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Interest on Trade deposits	73,923	73,923
Bank charges including interest	862,774	135,117
Other Borrowing Cost		
- Interest on loan	2,490,508	3,792,231
Total	**3,427,205**	**4,001,271**

27 Other Expenses

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Labour charges	13,697,876	9,365,052
Power and Fuel	1,570,594	1,233,082
Rent	1,710,000	1,620,000
Repairs and Maintenance of		
- Buildings	124,373	596,327
- Plant and machinery	1,104,758	616,488
- Others	408,528	260,696
Insurance	337,028	196,647
Rates and taxes	3,040,961	3,378,551
Payment to auditors		
- For Audit	300,000	300,000
- For Taxation matters	88,000	200,500
- For Other services	40,000	83,535
Commission	21,106,915	6,594,281
Advertisement	419,761	437,480
Legal and professional fees	2,211,568	2,050,462
Transport charges	4,771,815	1,163,178
Travelling expenses	4,308,226	2,125,246
Donation	156,000	107,751
Foreign exchange loss (Net)	5,810,176	2,591,264
Bad debts written off	-	58,592
Loss on sale of Fixed Asset	298,596	-
Miscellaneous expenses	5,980,195	4,980,608
Total	**67,485,371**	**37,959,741**

28 Contingent Liabilities and Commitments

i. Contingent liabilities not provided for in respect of:

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
(a) Guarantees given by bank	1,632,199	1,189,083
(b) Claims against the Company not acknowledged as debts	-	3,898,285

ii. Premium amount to be paid to MIDC on account of transfer of leasehold land in the name of the Company, for which amount is not ascertainable.

iii. **Commitments**

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances).	15,840,000	15,840,000

29 Value of Imports on CIF Basis

(in Rs.)

Particulars	March 31, 2014	March 31, 2013
Raw material	15,020,102	4,370,037
Total	**15,020,102**	**4,370,037**

30 Expenditure in Foreign Currency *(in Rs.)*

Particulars	March 31, 2014	March 31, 2013
Interest	10,135,054	6,656,038
Travelling	2,657,522	453,243
Commission	169,514	-
Total	**12,962,089**	**7,109,282**

31 Earnings in Foreign Currency *(in Rs.)*

Particulars	March 31, 2014	March 31, 2013
Sales	92,010,903	641,000
Total	**92,010,903**	**641,000**

32 Earnings per share

Particulars	March 31, 2014	March 31, 2013
Profit available to shareholders (In Rs.)	58,085,654	54,296,138
Weighted average number of shares oustanding during the year	11,229,811	11,229,811
Basic and Diluted Earnings per Share (In Rs.)	5.17	4.84
Face Value per Equity Share (In Rs.)	10	10

33 Proposed Dividend

The Board of Directors of the Company in the meeting held on 30th May, 2014 has proposed a dividend of 5% on the Equity shares of Rs. 10/- each. The payment of the above proposed dividends are subject to the approval from the shareholders of the Company in the Annual General Meeting.

34 Segment Reporting

The Company is primarily engaged in the business of manufacturing of textile chemicals, auxilliaries and specialty chemicals. These in the context of Accounting Standard 17 on Segment Reporting, are considered to constitute one single primary segment. There is no other secondary reportable segment.

35 Related Party Transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given by way of an annexure 1

List of related parties where control exists and related parties with whom transactions have taken place and relationships

S.N.	Name of the Related Party	Relationship
1	Surendrakumar Tibrewala	Key Management Personnel
2	Sanjay Tibrewala	Key Management Personnel
3	Kanaklata Surendra Tibrewala	Relatives of Key Management Personnel
4	Sanjay Exports	Enterprise under significant influence of Key Management Personnel or their relatives
5	Proton Biochem Private Limited	Enterprise under significant influence of Key Management Personnel or their relatives
6	FCL Landmarc Private Limited	Subsidiary
7	Manya Steels Private Limited	Subsidiary
8	BT Chemical SDN. BHD.	Subsidiary
9	Fineotex Malaysia Limited	Subsidiary

36 Intial Public Offering (IPO)

During the year 2010-11, pursuant to the approval of the shareholders of the Company in an extra ordinary general meeting held on 26th August 2010, the Company has issued and alloted through Initial Public Offering (IPO) 4,211,211 equity shares of Rs.10/- each at a premium of Rs.60/- per share aggregating to total of Rs. 29.48 crores to all categories of investors. The issue was made in accordance with the terms of the Company's prospectus dated 26th February 2011 and the shares got listed on 11th March 2011 on Bombay Stock Exchange Limited.

In accordance with the "objects of issue" as stated in the prospectus of the Company, the status of utilisation upto 31st March 2014 of the amount raised through the said intial public offer is as follows:

Statement of utilisation of IPO funds

Particulars of Fund Utilisation		**Amt (in Rs.)**
Amount received from IPO		**294,784,770**
Deployment of funds received from IPO	**As per prospectus***	**Actual Incurred**
Investment in Capital Expenditure	67,500,000	67,500,000
Working Capital Requirements	100,000,000	100,000,000
Corporate Purposes	106,800,000	106,800,000
Issue related expenses	20,484,770	20,484,770
Total	**294,784,770**	**294,784,770**
Balance amount to be utilsed		**-**

* Modified by the Board of Directors in terms of the powers given by the shareholders at the 8th Annual General Meeting.

37 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act could not be furnished.

38 The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements. Annexure 2

39 Balance of sundry debtors, creditors and loans and advances are subject to confirmation, reconciliation, if any.

40 In the opinion of board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance sheet.

41 In the opinion of the board, provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

42 Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

As per our Report of even date
For **UKG & Associates**
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership No.: 101769
Mumbai, 30th May, 2014

As per the order of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
Sanjay Tibrewala
Executive Director & CFO
Alok Dhanuka
Chairman Audit Committee

A. V. Nerurkar
Company Secretary

Mumbai, 30th May, 2014

AS 18 - Related Parties Disclosure

Annexure 1

Amt (in Rs.)

S. No.	Refer Note : 35 PARTICULARS	KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		ENTERPRISE UNDER SIGNIFICANT INFLUENCE OF KEY MANAGEMENT PERSONNEL OR THEIR RELATIVES		SUBSIDIARIES		TOTAL	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	**Sale of Goods**										
	Sanjay Exports	-	-	-	-	2,530,400	59,174,039	-	-	2,530,400	59,174,039
	BT Chemical SDN BHD	-	-	-	-	-	-	2,275,976	-	2,275,976	-
2	**Divident Income**										
	Fineotex Malaysia Limited	-	-	-	-	-	-	11,668,750	-	11,668,750	-
3	**Labour Charges**										
	Proton Biochem Private Limited	-	-	-	-	12,576,676	8,736,427	-	-	12,576,676	8,736,427
4	**Directors Remuneration**										
	Surendra Tibrewala	3,563,400	3,563,400	-	-	-	-	-	-	3,563,400	3,563,400
	Sanjay Tibrewala	3,563,400	3,563,400	-	-	-	-	-	-	3,563,400	3,563,400
5	**Rent Paid**										
	Kanaklata Tibrewala	-	-	828,000	780,000	-	-	-	-	828,000	780,000
	Surendra Tibrewala	882,000	840,000	-	-	-	-	-	-	882,000	840,000
6	**Interest on Deposits (Income)**										
	Proton Biochem Private Limited.	-	-	-	-	504,269	600,000	-	-	504,269	600,000
7	**Investments**										
	FCL Landmarc Private Limited	-	-	-	-	-	-	-	100,000	-	100,000
8	**Purchase of Shares**										
	FCL Landmarc Private Limited	-	-	-	-	-	-	7,294,311	-	7,294,311	-
9	**Loans given**										
	FCL Landmark Private Limited	-	-	-	-	-	-	14,650,000	-	14,650,000	-
	Manya Steels Private Limited	-	-	-	-	-	-	5,300,000	-	5,300,000	-
10	**Loans received back**										
	FCL Landmark Private Limited	-	-	-	-	-	-	14,650,000	-	14,650,000	-
11	**Reimbursements Receivable**										
	FCL Landmarc Private Limited	-	-	-	-	-	-	-	7,100	-	7,100
12	**Reimbursements of expenses**										
	Kanaklata Tibrewala	-	-	-	85,564	-	-	-	-	-	85,564
	Sanjay Tibrewala	17,718	-	-	-	-	-	-	-	17,718	-
	Outstanding Balances										
13	**Rent Payable**										
	Kanaklata Tibrewala	-	-	248,400	-	-	-	-	-	248,400	-
	Surendra Tibrewala	264,600	-	-	-	-	-	-	-	264,600	-
14	**Trade Payables**										
	Proton Biochem Private Limited	-	-	-	-	935,170	1,029,496	-	-	935,170	1,029,496
15	**Directors Remuneration Payable**										
	Surendra Tibrewala	205,704	200,993	-	-	-	-	-	-	205,704	200,993
	Sanjay Tibrewala	205,704	183,313	-	-	-	-	-	-	205,704	183,313
16	**Trade Receivables**										
	Sanjay Exports	-	-	-	-	-	764,200	-	-	-	764,200
17	**Interest on Deposits Receivable**										
	Proton Biochem Private Limited	-	-	-	-	620,000	715,731	-	-	620,000	715,731
18	**Dividend Receivable**										
	Fineotex Malaysia Limited	-	-	-	-	-	-	6,009,980	-	6,009,980	-
19	**Security Deposits**										
	Proton Biochem Private Limited	-	-	-	-	5,000,000	5,000,000	-	-	5,000,000	5,000,000
	Kanaklata Tibrewala	-	-	19,500,000	19,500,000	-	-	-	-	19,500,000	19,500,000
20	**Loan Given**										
	Manya Steel Private Limited	-	-	-	-	-	-	5,300,000	-	5,300,000	-

Note :

1 Related parties are identified by the Company and relied upon by Auditors.

STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT,1956,RELATING TO SUBSIDIARY COMPANIES /ENTITIES

(Amt in Rupees)

Refer Note : 38 **FOR YEAR ENDED 31/03/2014** **Annexure 2**

Particulars \ Name of the Subsidiary /entity	FINEOTEX MALAYSIA LTD.(FML)	BT CHEMICAL SDN. BHD	BT BIOTEX SDN.BHD	BT EXON SDN. BHD	FCL LANDMARC PVT LTD (FLPL)	MANYA STEELS PVT LTD (MSPL)
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	AUDITED
1.Holding Company's interest in subsidiary Entity	100%	60% THRU - FML	60% THRU - FML	60% THRU - FML	100%	100%
2.Net aggregate amount of the profit/ (loss) of the subsidiary not dealt with in Holding Company's account						
a)For the financial year / period of the the Subsidiary Company /Entity	1,251,534	24,117,908	4,970,441	42,278	(47,485)	(32,975)
b)For the previous financial year of the Subsidiary Company /Entity	(38,410)	20,931,660	5,257,927	692,846	(22,836)	NA
3.Net aggregate amount of the profit of the Subsidiary / entity dealt with in Holding Company's account						
a)For the financial year of the Subsidiary Company	NIL	NIL	NIL	NIL	NIL	NIL
b)For the previous financial year of the Subsidiary Company /entity	NIL	NIL	NIL	NIL	NA	NA

Note :

Currency Rate considered as on 31st March 2014 are USD-INR Rs.60.0998/- and RM-INR Rs.18.3584/-.

The Company had during the year acquired 100% stake in Manya Steel Private Limited on 11th October, 2013 and hence the previous years figure has not been given in 2(b)

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT,1956,RELATING TO SUBSIDIARY COMPANIES / ENTITES

Particulars \ Name of the Subsidiary /entity	FINEOTEX MALAYSIA LTD.(FML)	BT CHEMICAL SDN. BHD	BT BIOTEX SDN.BHD	BT EXON SDN. BHD	FCL LANDMARC PVT LTD (FLPL)	MANYA STEELS PVT LTD (MSPL)
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	AUDITED
Capital	113,601,724	9,179,200	1,836	18,358	100,000	100,000
Reserves	5,619,482	70,057,800	24,604,772	2,296,906	(47,485)	(109,672)
Total Assets	119,221,206	106,442,236	37,256,490	3,466,482	54,015	5,291,826
Total Liabilities	119,221,206	106,442,236	37,256,490	3,466,482	54,105	5,291,826
Investments other than Investment in Subsidiary	-	-	-	-		
Turnover	2,746,621	302,389,430	101,902,983	4,779,353	NIL	NIL
Profit/(Loss) Before Tax	1,300,062	33,225,168	6,689,674	173,408	(47,485)	(32,975)
Provision for Tax	48,528	9,107,260	1,719,233	131,129	-	NIL
Profit / (Loss)After Tax	1,251,534	24,117,908	4,970,441	42,278	(47,485)	(32,975)
Dividend	11,418,962	5,507,520	2,753,760	917,920	NIL	NIL

Note :

Currency Rate considered as on 31st March 2014 are USD-INR Rs.60.0998/- and RM-INR Rs.18.3584/-.

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF FINEOTEX CHEMICAL LIMITED

REPORT ON THE CONSOLDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Financial Statements of **FINEOTEX CHEMICAL LIMITED** ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2014, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date and a summary of Significant Accounting Policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956 read with general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 the procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or errors. In making those risk assessments, the auditor considers internal control relevant to the Groups preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the 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 accounting principles generally accepted in India:

- In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- In the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

OTHER MATTERS

a. We have not audited the financial statements of subsidiaries, whose financial statements have been considered for the purpose of Consolidated Financial Statements, which constitute total assets of Rs. 2778.51 Lakhs as at 31st March, 2014 as well as the total revenue of Rs. 4268.62 Lakhs for the year ended 31st March, 2014.

b. The consolidated financial results are based on unaudited financial statements of the subsidiaries as approved by the respective Board of Directors of these companies and have been furnished to us by the management. Our report in so far as it relates to the amounts included in respect of the subsidiaries is based solely on such approved unaudited financial statements.

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

Champak K. Dedhia
Partner
Membership No: 101769

Place: Mumbai
Date: 30th May, 2014

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2014

(In Rs.)

Particulars	Note No.	As At March 31, 2014	As At March 31, 2013
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
- Share Capital	3	112,298,110	112,298,110
- Reserves and Surplus	4	535,333,206	468,606,956
		647,631,316	**580,905,066**
2. MINORITY INTEREST		42,683,929	35,438,958
3. NON-CURRENT LIABILITIES			
- Long Term Borrowings	5	7,321,057	33,131,514
		7,321,057	**33,131,514**
4. CURRENT LIABILITIES			
- Short Term Borrowings	6	-	1,777,703
- Trade Payables	7	137,443,564	128,378,063
- Other Current Liabilities	8	34,485,362	29,175,138
- Short Term Provisions	9	9,187,267	6,621,697
		181,116,193	**165,952,602**
Total		**878,752,495**	**815,428,140**
II. ASSETS			
1. NON-CURRENT ASSETS			
- Fixed Assets			
Tangible Assets	10	76,154,597	66,394,960
-Goodwill on consolidation		61,385,192	54,086,447
- Non-Current Investments	11	-	1,000
- Deferred Tax Assets (Net)	12	4,079,792	4,665,511
- Long Term Loans and Advances	13	81,336,105	74,811,867
		222,955,687	**199,959,786**
2. CURRENT ASSETS			
- Current Investments	14	158,090,775	207,040,086
- Inventories	15	114,432,471	111,716,044
- Trade Receivables	16	219,200,452	167,128,767
- Cash and Cash Equivalents	17	127,203,127	117,239,868
- Short Term Loans and Advances	18	29,688,707	5,434,387
- Other Current Assets	19	7,181,276	6,909,203
		655,796,809	**615,468,355**
Total		**878,752,495**	**815,428,140**
Significant Accounting Policies			
Notes on Financial Statements	1 to 42		

As per our Report of even date
For **UKG & Associates**
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership No.: 101769
Mumbai, 30th May, 2014

A. V. Nerurkar
Company Secretary

As per the order of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
Sanjay Tibrewala
Executive Director & CFO
Alok Dhanuka
Chairman Audit Committee

Mumbai, 30th May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In Rs.)

Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
- Revenue from Operations	20	866,708,239	958,510,238
- Other Income	21	27,932,102	25,169,467
Total		**894,640,341**	**983,679,704**
EXPENSES			
- Cost of Materials Consumed	22	582,206,844	567,622,142
- Purchase of Stock-in-Trade	23	42,095,545	126,870,141
- Changes in Inventories of Semi Finished / Finished Goods	24	(8,143,007)	(1,277,718)
- Employee Benefit Expenses	25	35,351,760	42,784,518
- Finance Costs	26	4,021,392	5,223,201
- Other Expenses	27	122,877,140	128,137,766
- Depreciation	10	2,620,488	2,981,864
Total		**781,030,162**	**872,341,914**
Profit Before Tax and Exceptional Item		**113,610,180**	**111,337,791**
Exceptional Item		1,969,528	
Profit Before Tax		**111,640,652**	**111,337,791**
Tax Expenses			
- Current Tax		32,882,895	30,100,184
- Deferred Tax		572,569	559,055
- Short / (Excess) Tax Provision for Earlier Years		25,334	(438,752)
Profit after tax for the year before pre acquisition profits		**78,159,853**	**81,117,303**
Less: Pre acquisition profits		(27,737)	
Profit after tax for the year before Minority Interest		**78,187,590**	**81,117,303**
Less: Minority Interest		13,176,166	10,752,965
Profit for the year		**65,011,424**	**70,364,338**
Earning per Equity Share (Face value Rs. 10 each)			
Basic and Diluted		5.79	6.27
Significant Accounting Policies			
Notes on Financial Statements	1 to 42		

As per our Report of even date
For **UKG & Associates**
Chartered Accountants
(Firm Registration No : 123393W)

Champak K. Dedhia
Partner
Membership No.: 101769
Mumbai, 30th May, 2014

A. V. Nerurkar
Company Secretary

As per the order of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
Sanjay Tibrewala
Executive Director & CFO
Alok Dhanuka
Chairman Audit Committee

Mumbai, 30th May, 2014

CONSOLIDATED CASH FLOW STATEMENT

(In Rs.)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Cash flow from operating activities		
Net Profit before tax as per Statement of Profit and Loss	111,640,652	111,337,791
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Depreciation	2,620,488	2,981,864
Loss on sale of Fixed Assets	298,596	-
Dividend Income	(20,000)	(140,390)
Net Gain on sale of current investments	(14,724,503)	(13,556,222)
Interest Income	(10,882,447)	(11,378,476)
Interest Expense	3,947,469	5,149,278
Exchange Difference amortised	5,283,332	1,424,222
Preliminary expenditure written off	3,600	-
Provision for dimunition in value of investments	(356,877)	(26,936)
Operating Profit before Working Capital Changes	**97,810,308**	**95,791,129**
Movements in working capital		
Increase/(Decrease) in Trade Payables	9,065,501	(24,690,396)
Increase/(Decrease) in Short Term Provisions	3,476,869	9,786
Increase/(Decrease) in Other Current Liabilities	2,527,266	76,417
(Increase)/Decrease in Trade Receivables	(52,071,685)	(1,517,363)
(Increase)/Decrease in Trade Inventories	(2,716,427)	(11,558,533)
(Increase)/Decrease in Long Term Loans and Advances	(15,495,611)	(5,577,535)
(Increase)/Decrease in Short Term Loans and Advances	(4,254,320)	18,205,912
Cash generated from operations	**38,341,901**	**70,739,417**
Direct Taxes paid (net of refunds)	(25,569,056)	(29,555,799)
Cash Flow generated from Operating Activities	**12,772,845**	**41,183,618**
Cash Flows from Investing Activities		
Purchase of fixed assets including capital advances	(6,870,320)	(25,946,234)
Proceeds on sale of Fixed Assets	55,000	-
Acquisition of Subsidiaries/Associate	(7,294,311)	(1,000)
Purchase of current investments	(72,229,444)	(155,610,417)
Proceeds from sale/maturity of current investments	136,260,135	157,869,438
Interest received	10,882,447	11,378,476
Loans & Advances (given) / Recd Back	(20,000,000)	-
Dividend received	20,000	140,390
Fixed Deposits with Bank Withdrawn / (Placed)	78,337,606	19,927,077
Net Cash Flow from/(used in) Investing Activities (B)	**119,161,113**	**7,757,731**
Cash Flows from Financing Activities		
Proceeds / (Repayment) from Long term borrowings	(26,506,080)	(18,697,956)
Proceeds / (Repayment) from Short term borrowings	(1,777,703)	(383,510)
Interest paid	(3,947,469)	(5,149,278)
Dividends paid	(5,614,906)	(5,614,906)
Dividend Distribution Tax	(23,329)	(911,299)
Net cash flow from/(used in) Financing Activities (C)	**(37,869,486)**	**(30,756,950)**

CONSOLIDATED CASH FLOW STATEMENT

(In Rs.)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Foreign Exchange translation effect (D)	(4,134,393)	(1,257,541)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C+D)	89,930,078	16,926,859
Cash and Cash Equivalents at the begining of the year	28,495,659	11,568,800
Cash and Cash Equivalents on Acquisition of Subsidiary	2,986	--
Cash and Cash Equivalents at the end of the year	**118,428,723**	**28,495,659**
Components of cash and cash equivalents		
Cash on hand	293,247	436,817
With banks-		
in current A/c	41,732,649	21,489,351
in Earmarked A/c	19,496	1,195,556
in Fixed deposits with maturity less than 3 months	76,383,331	5,373,935
Total Cash and Cash Equivalents	**118,428,723**	**28,495,659**

As per our Report of even date

Consolidated Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standards (AS 3) " Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.

Figures in bracket represent outflow.

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

As per the order of the Board of Directors

Surendrakumar Tibrewala
Chairman & Managing Director
Sanjay Tibrewala
Executive Director & CFO
Alok Dhanuka
Chairman Audit Committee

Champak K. Dedhia
Partner
Membership No.: 101769
Mumbai, 30th May, 2014

A. V. Nerurkar
Company Secretary

Mumbai, 30th May, 2014

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

1 CORPORATE INFORMATION

Fineotex Chemical Limited is a Public Limited Company domiciled in India and incorporated under the Companies Act, 1956. The Company was incorporated in 2004 and is listed on Bombay Stock Exchange. The Group comprises of Fineotex Chemical Limited and its directly and indirectly held subsidiaries companies and associates The Group is engaged in the business of Manufacturing and Trading of Chemicals and Real Estate.

SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Consolidation

1 The Consolidated Financial Statements relate to the Financial Statements of Fineotex Chemicals Ltd ('The Company') and its Subsidiary Companies and associates.

2 The Consolidated Financial statements have been prepared on the following basis:

i. The Financial Statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard 21 - "Consolidated Financial Statements" notified by Companies(Accounting Standards) Rules, 2006.

ii. In case of foreign subsidiaries, being non-integral foreign operations, income and expense items are consolidated at the average rate prevailing during the year. All assets and liabilities both monetary and non-monetary are translated at the end of the year at the closing rate. Any exchange difference arising on consolidation is recognised in the Foreign Currency Transalation Reserve grouped under Reserves & Surplus.

iii. The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the Financial Statements as Goodwill or Capital Reserve as the case may be.

iv. Minority Interest's share of net profit in Consolidated Subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Company.

v. Minority Interest in the net assets of Consolidated Subsidiaries is identified and presented in the Consolidated Balance Sheet seperately from the Liabilities and Equity of the Company's shareholders.

vi. Minority Interest in the net assets of the consolidated subsidiaries consists of:

a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and

b) The minority share of movements in equity since the date the parent subsidiary relationship came into existence.

vii. The results of operations of the subsidiaries are included in the Consolidated Financial Statements as from the date on which parent-subsidiary relation came into exsitence.

viii. The Consolidated Financial Statements have been prepared using financial statements drawn upto same reporting dates to the extent practicable.

ix. Investment in Associate Companies has been accounted under the equity method as per Accounting Standard(AS) 23- " Accounting for Investments in Associate in the Consolidated Financial Statements".

x. The Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and loss to the extent such change is attributable to the associates Profit and loss through its reserves for the balance, based on available information.

xi. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve if any, as the case may be.

3 Investments other than subsidiaries and associates have been accounted as per Accounting Standard (AS) -13 on Accounting for Investments".

4 The list of subsidiary companies which are included in the Consolidation and the Company's holdings therein are as under

SN	Name of the Company	Ownership held by	Ownership in % either directly or through Subsidiaries		Country of incorporation
			As At March 31, 2014	As At March 31, 2013	
1	Fineotex Malaysia Limited	Fineotex Chemical Limited	100%	100%	Malaysia
2	BT Chemiclas SDN BHD	Fineotex Malaysia Limited	60%	60%	Malaysia
3	BT Biotex SDN BHD	Fineotex Malaysia Limited	60%	60%	Malaysia
4	BT Exon SDN BHD	Fineotex Malaysia Limited	60%	60%	Malaysia
5	FCL Landmarc Private Limited	Fineotex Chemical Limited	100%	100%	India
6	Manya Steels Private Limited	Fineotex Chemical Limited	100%	0%	India

B. Basis of Preparation and Method of Accounting

The financial statements are prepared:

i. On the historical cost convention.

ii. On a going concern basis.

iii. In accordance with the Accounting Standards as notified by Companies (Accounting Standard) Rules, 2006.

iv. On mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.

v. In accordance with the relevant presentation requirements of *Revised Schedule VI* of the Companies Act, 1956 to the extent applicable.

C. Use of Estimates

Estimates and assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements, which may differ from the actual results at a subsequent date. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

D. Fixed Assets

i. Tangible Assets

Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets. Fixed Assets are shown net of accumulated depreciation and amortisation. Historical cost comprises the acquisition price or construction price and all direct and indirect costs atributable to bring the asset to the working condition for intended use, but excluding any Cenvat/Service Tax / Value Added Tax credit available. Borrowing cost directly attributable to acquisition / construction of fixed asset which necessarily takes a substantial period of time to get ready for their intended use are capitalised.

ii. Intangible Assets

a. Intangible Assets are stated at cost of acquisition less accumulated amortization. Amortization is done on Straight Line Method.

E. Depreciation

i. Depreciation has been calculated as per the Straight Line Method at the rates prescribed under Schedule - XIV of the Companies Act, 1956 and in case of subsidiaries, depriciation has been calculated using the Stratight Line Method over the estimated useful life of the assets .

ii. Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/ installation.

iii. Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis upto the date on which such assets are sold, discarded or demolished.

iv. For assets costing Rs.5000/- or less, depreciation is fully provided.

v. Depreciation on additions on account of increase in rupee value due to revaluation of foreign currency loans is being provided at rates of depreciation over the future life of said asset.

vi. Depreciation has been calculated as per the Straight Line Method in Foreign Subsidiary as well as the Parent Company. However the rates at which depreciation has been charged in books of Foreign Subsidiaries differ from the rates of depreciation as charged in the books of Parent Company. Since the difference is not material, depreciation charged in Foreign Subsidiaries has not been reworked to be in line with the Parent Company.

F. Inventories

i. Cost of Inventories have been computed to include all cost of Purchases, Cost of Conversion and other costs incurred in bringing the inventories to their present location and condition.

ii. Raw materials are valued at cost. The costs in relation to work in progress is arrived on 'weighted average' method, except in case of slow moving and obsolete material, at lower of cost or estimated realizable value. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

iii. Work-in-progress and finished goods are valued at the lower of cost or estimated realizable value. Cost represents prime cost, and includes appropriate portion of overheads.

iv. Scrap is valued at estimated realizable value.

G. Foreign Currency Transactions

i. Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.

ii. Monetary items denominated in foreign currencies at the year end are restated at the year end rates.

iii. Any income or expense on account of exchange difference either on settlement or translation is recognised in the Profit and Loss Account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets or in case of long term foreign currency monetary items in which they are transferred to "Foreign Currency Monetary Item Translation Reserve" and amortised over the term of the loan.

iv. Exchange differences relating to monetary items that are in substance forming part of the Company's net investments in non integral foreign operations are accumulated in foreign currency transalation reserve.

H. Research and Development

i. Capital Expenditure, if any is shown separately in Fixed Assets.

ii. Research and development cost (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.

I. Investments

i. Investments are stated at their cost of acquisition. Long term investments are carried at cost. In case there is any diminution of permanent nature in value of Investments, the same is provided for.

ii. Current Investments are valued at cost of acquisition, less provision for dimunition, as necessary, if any.

iii. Unquoted current investments are stated at the lower of cost and fair value where available.

J. Revenue Recognition

i. The Company recognizes revenues on the sale of products when the products are delivered to the customer or when delivered to the carrier for exports sales, which is when risks and rewards of ownership pass to the customer. Sales are net of taxes on sales and sales returns.

ii. Other income is accounted for on accrual basis when it is reasonably certain that the ultimate collection will be made.

iii. Interest is accrued over the period of loan/ investment.

iv. Dividend on shares and mutual funds is accounted as and when the right to receive is established.

K. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in Profit and Loss Account.

L. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

M. Borrowing Costs

i. Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till such time as the assets are ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

ii All other borrowing costs are recognised as an expense in the period in which they are incurred.

N. Taxation

Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the applicable tax rates and tax laws. Deferred Tax resulting from timing difference between Book Profits and Tax Profits is accounted for at the applicable rate of tax to the extent the timing differences are expected to crystallize, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Assets can be realized.

O. Employment Retirement Benefits

i. Benefits in the form of Provident Fund whether in pursuance of law or otherwise which are defined contributions is accounted on accrual basis and charged to Profit And Loss Account of the year.

ii. Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave, etc. are determined at the close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gains and losses are recognized in the year when they arise.

iii. Termination benefits such as compensation under voluntary retirement scheme are recognized as a liability in the year of termination.

P. Cash Flow Statements

The Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March 2013 and the related Statement of Profit & Loss for the year ended on that date. The cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the ICAI.

Q. Provisions, Contingent Liabilities and Contingent Assets

Necessary provisions are made for present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are not recognized in the financial statements.

R. Earnings per share

i Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

ii For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

S. Operating Cycle for current and non-current classification

Operating cycle for the business activites of the Company covers the duration of product line/ service including the defect liability period, wherever applicable and extends up to the realization of receivables within the agreed credit period normally applicable to the respective lines of business.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

3- Share Capital

Particulars	Total (INR) March 31, 2014	Total (INR) March 31, 2013
Authorised		
13,000,000 (13,000,000) Equity Shares of Rs. 10/- each	130,000,000	130,000,000
	130,000,000	**130,000,000**
Issued, Subscribed and Paid-up		
EQUITY SHARE CAPITAL		
11,229,811 (11,229,811) Equity Shares of Rs. 10/- each fully paid up	112,298,110	112,298,110
Total	**112,298,110**	**112,298,110**

i. **Details of Shareholding as at March 31, 2014**

Shareholders holding more than 5 % of Equity Shares

Name of the Shareholder	March 31, 2014		March 31, 2013	
	No. of Shares	% held	No. of Shares	% held
Mr. Surendra Tibrewala	6,870,583	61.18%	5,994,500	53.38%
Mr. Amitabh Harivansh Rai Bachchan	573,452	5.11%	-	-

ii. **Reconciliation of the number of Equity Shares outstanding**

Particulars	March 31, 2014	March 31, 2013
	No. of Shares	No. of Shares
Number of shares at the beginning of the year	11,229,811	11,229,811
Add: Shares issued	-	-
Number of shares at the end of year	**11,229,811**	**11,229,811**

iii. The Company has only one type of equity share. Each equity share is entitled to one voting right only.

iv. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution would be in proportion of the number of equity shares held by the equity shareholders.

4 - Reserves and Surplus

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Capital Reserve	1,085,354	1,085,354
Securities Premium Account	234,318,990	234,318,990
Foreign Currency Translation Reserve		
Balance at the beginning of the year	9,343,267	10,828,328
Add : Additions during the year	(10,135,618)	(1,485,061)
	(792,352)	**9,343,267**
Foreign Currency Monetary Item Translation Reserve		
Balance at the beginning of the year	(9,257,284)	(7,136,757)
Add : Additions during the year	13,426,207	(3,544,749)
Less : Amortised during the year	5,283,332	1,424,222
	9,452,255	**(9,257,284)**
Profit and Loss Account		
Balance at the beginning of the year	233,116,629	169,278,496
Add : Profit for the year	65,011,425	70,364,338
Less : Appropriations	-	
Proposed Dividend on Equity Shares	12,978,045	5,614,906
Tax on dividend	(887,970)	911,299
	286,037,979	**233,116,630**
Total	**530,102,226**	**468,606,956**

Note:

The Company has exercised the option under paragraph 46A(1) of Accounting Standard - 11 'The effect of changes in Foreign Exchange rates' as notified by Ministry of Company Affairs vide notification dated 29th December, 2011. Consequently the foreign exchange loss arising on reporting/settlement of long term foreign currency monetary items(other than relating to acquisition of depreciable fixed assets) amounting to Rs.127.36 lakhs (Rs. 106.82 lakhs) for the year ended 31st March 2014 has been accumulated in "Foreign Currency Monetary Translation Difference Account", out of which Rs. 52.83 lakhs (Rs 14.24 lakhs) has been amortized for the year ended 31st March, 2014.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

5 - Long Term Borrowings

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Secured Borrowings		
Term loan from bank	7,321,057	33,131,514
Total	**7,321,057**	**33,131,514**

Note:

i. Term loan from bank is secured by way of exclusive first charge created by hypothecation of the total current assets including receivables (both present and future) of the Company. Fixed Deposits of the Company of Rs. 5.5 Crores have been marked as lien in favour of the Bank as a collateral security. Interest is charged at six months LIBOR plus 4.50 % p.a. is payable quarterly on the outstanding loan amount.

ii. Details of Terms of repayment:

Details of Installments	Period of Loan	Outstanding Balance	
		March 31, 2014	March 31, 2013
5 Quarterly installments of US $ 121,835/- each	April 01, 2014 to Apr 27, 2015	36,610,094	74,790,803
		36,610,094	**74,790,803**

6 - Short Term Borrowings

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Secured Borrowings		
Bank Overdraft	-	1,777,703
Unsecured Borrwoings		
Interest free loan	-	-
Total	**-**	**1,777,703**

Note:

Bank Overdraft is secured against Bank Fixed Deposits.

7 - Trade Payables

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Trade Payables		
Other than Micro, Small and Medium Enterprises	110,846,643	128,378,063
i. To related Party	1,484,924	
ii. To Others	25,111,997	
Total	**137,443,564**	**128,378,063**

8 - Other Current Liabilities

(In Rs.)

Particulars		March 31, 2014	March 31, 2013
Current maturities of long term debt (Secured)	Refer note 5(i) & (ii)	29,289,039	26,506,081
Interest accrued but not due on borrowings		314,684	512,262
Advance from customers		2,088,440	265,534
Trade Deposits		616,027	616,027
Interest payable on Trade Deposits		311,520	244,613
Other		-	
Unclaimed dividend		249,594	6,473
Statutory dues		1,616,058	1,024,148
Payable for capital goods			
Others		-	-
Total		**34,485,362**	**29,175,138**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

9 - Short Term Provisions

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Provision for Employee Benefits		
Provision for leave encashment	69,058	95,492
Provision for gratuity	84,184	
	-	
Others	-	
Provision for Income tax (net of Advance Tax)	3,419,119	-
Proposed dividend	5,614,906	5,614,906
Provision for dividend tax	-	911,299
Total	**9,187,267**	**6,621,697**

11- Non Current Investments

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Long Term Investment - at cost		
Investments in Associate	-	1,000
Total	**-**	**1,000**

12 - Deferred Tax Asset (Net)

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Deferred Tax Asset		
Expenditure allowable u/s. 35D	9,258,805	9,258,805
Provision for dimunition in value of investments	-	151,984
Expenditure/Provisions allowable on payment basis - 43B Items	92,756	90,883
Sub-Total (A)	9,351,561	9,501,672
Deferred Tax Liability		
Depreciation	5,271,768	4,836,161
Sub-Total (B)	5,271,768	4,836,161
Total(A-B)	**4,079,792**	**4,665,511**

13 - Long Term Loans and Advances

(In Rs.)

Particulars		March 31, 2014	March 31, 2013
Unsecured, Considered good			
Capital Advances		36,960,000	36,960,000
Security Deposits			
- Related Parties	Refer Note (i & ii) below	24,500,000	24,500,000
- Others		2,117,321	163,142
Other Loans and Advances			
-Trade Deposits		1,632,199	-
-Balance with VAT & Excise Authorities		15,776,432	8,524,874
-Balance with Income Tax Authorities		350,153	3,948,121
- Interest accrued but not due		-	715,731
Total		**81,336,105**	**74,811,867**

Notes:

i. Interest Free deposit towards rented premises paid to relative of director Rs.19,500,000/-(Rs.19,500,000/-)

ii. Trade deposit paid to a group Company Rs.5,000,000/- (Rs.5,000,000/-).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

10 - Fixed Assets

	Gross Block					Depreciation				Net Block	
	As on 01.04.2013	Additions during the year	Effect of foreign currency exchange differences	Disposals/ Adjustments	As on 31.03.2014	As on 01.04.2013	For the year	Disposals / Adjustments	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
Tangible Assets											
Freehold Land	19,812,341	5,230,980	-	-	25,043,321	-	-		-	25,043,321	19,812,341
Leasehold Land	10,200,000	-	-	-	10,200,000	-	-	-	-	10,200,000	10,200,000
Factory Building	5,478,279	-	-	-	5,478,279	673,692	182,974	-	856,666	4,621,613	4,804,587
Plant and Machinery	30,505,938	4,415,745	287,312	500,000	34,708,995	8,285,083	1,461,614	146,404	9,600,292	25,108,703	22,220,855
Office Premises	483,000	-	-	-	483,000	47,238	7,873	-	55,111	427,890	435,762
Furniture and Fixtures	1,774,802	-	12,026	-	1,786,827	480,805	123,743	-	604,548	1,182,280	1,293,997
Computers	1,236,531	211,474	-	-	1,448,005	601,663	196,994	-	798,657	649,347	634,868
Vehicles	8,132,025	2,243,101	227,388	-	10,602,513	6,076,619	332,161	-	6,408,780	4,193,733	2,055,405
Leasehold Improvements	6,646,342	-	105,668	-	6,752,010	1,709,200	315,100	-	2,024,300	4,727,710	4,937,143
Total - (I)	**84,269,257**	**12,101,300**	**632,393**	**500,000**	**96,502,950**	**17,874,299**	**2,620,459**	**146,404**	**20,348,354**	**76,154,597**	**66,394,960**
Previous Year	63,211,114	20,386,234	673,601	1,691	84,269,258	14,897,506	2,981,864	5,071	17,874,299	66,394,960	48,313,608

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

14 - Current Investments

(In Rs.)

Particulars	Face Value	Number	March 31, 2014	March 31, 2013
Investment in Mutual Funds				
Equity Based Mutual Funds				
Birla Sunlife Dividend Yield Plus Growth Fund	10	69958.145 (107321)	5,987,443	8,998,752
HDFC Equity Growth Fund	10	53162.163 (38013.26)	14,350,000	10,150,000
Kotak Midcap Growth Fund	10	19,010.68 (19,010.68)	500,000	500,000
Pramerica Dynamic Growth Fund	10	300,000 (300,000)	3,000,000	3,000,000
Reliance Growth Retail Plan Fund	10	730.35 (730.35)	350,123	350,123
Religare PSU Equity Fund - Growth	10	301507.54 (Nil)	3,000,000	3,000,000
Sundaram Select Midcap Appreciation Fund	10	83721.03 (57667.85)	12,823,329	8,623,329
Debt Based Mutual Funds				
Birla Sunlife Income Plus - Retail Growth	10	174,996.18 (174996.18)	9,000,000	9,000,000
Birla Sunlife Cash Manager Growth Fund	100	Nil (18950.02)	-	4,687,744
BSL Capital Protection Oriented Growth Fund	10		-	-
BNP Paribas Bond Fund	10	Nil (895373.20)	-	12,000,000
BNP Paribas Flexi Debt Fund	10	543193.088 (446459.07)	10,794,116	8,344,116
BNP Paribas Bond Fund - Growth	10	389285.359 (Nil)	5,000,000	
BSL MNC Fund	10	28114.007 (Nil)	7,500,000	
DSP BR Bond Fund - Retail Plan (G)	10	443635.997 (274811.97)	16,500,000	10,000,000
DSP BR Income Opportunities Fund	10	7741.618 (1,051,150.66)	136,251	18,500,000
DWS Premier Bond Regular Growth Plan Fund	10	Nil (116,862.70)	-	2,000,000
DWS Short Maturity Growth Plan Fund	10	Nil (134,930.77)	-	2,284,544
HDFC Income Fund - Growth	10	69818.96 (69818.96)	1,834,388	1,834,388
HSBC Flexi Debt Fund - Growth	10	123223.27 (123223.27)	2,000,000	2,000,000
HSBC Flexi Debt Fund - Regular Growth	10	373243.21 (373243.21)	5,500,000	5,500,000
ICICI Prudential Flexible Income Plan	10	236559.10 (236559.10)	8,500,000	8,500,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

14 - Current Investments

(In Rs.)

Particulars	Face Value	Number	March 31, 2014	March 31, 2013
Kotak Income Opportunities Fund - Growth	10	505451.450 (Nil)	6,494,445	
Kotak Bond Regular Growth Fund	10	Nil (18,176.16)	-	5,500,000
Kotak Credit Opportunity Growth Fund	10	32198.621 (1672460.40)	373,681	19,409,733
Reliance Regular Saving Fund - Debt PL Growth	10	382666.616 (730939.03)	5,869,309	11,000,000
SBI Regular Saving Fund - Reg Growth	10	90985.262 (Nil)	1,770,000	
SBI Dynamic Bond Growth Fund	10	298244.827 (989289.099)	4,069,897	13,500,000
UTI Bond Growth Plan Fund	10	Nil (256,335.59)	-	8,000,000
UTI Bond Growth Regular Fund	10	378770.830 (269642.82)	12,849,542	8,849,542
UTI Credit Oppotunitity Fund-Growth	10	936178.210 (Nil)	9,915,000	
Investment in Equity Instruments			-	
Sun Pharmaceutical Industries Limited	10	4000 (2000)	1,413,020	1,413,020
Vinati Organics Limited	10	4000 (4000)	609,887	609,887
		Total	**158,202,333**	**207,508,521**
Less : Provision for Diminution in Value			111,558	468,435
		Total	**158,090,775**	**207,040,086**

Notes:

i.	Aggregate provision for dimunition in value of Current Investments	Rs. 111,558/-	Rs. 468,435/-
ii.	Aggregate cost of quoted investments	Rs. 2,022,907/-	Rs. 2,022,907/-
iii.	Aggregate market value of quoted investments	Rs.3,413,000/-	Rs. 1,826,420/-
iv.	Aggregate amount of unquoted investments	Rs. 156179427/-	Rs.205,485,614/-
v.	All the investments have been valued at cost or market value whichever is lower. (Refer Note 2I of Significant Accounting Policies).		

15- Inventories

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Raw Materials	60,610,701	68,392,666
Work in Progress	18,699,743	8,971,961
Packaging Materials	2,294,894	1,605,707
Finished Goods	32,827,133	32,745,711
Total	**114,432,471**	**111,716,044**

Note :

Inventories are valued at lower of cost or net realizable value whichever is less. (Refer Note 2F of Significant Accounting Policies).

16 - Trade Receivables

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Unsecured, Considered good		
- Outstanding for a period exceeding six months	106,477	352,714
- Others	219,093,975	166,776,053
Total	**219,200,452**	**167,128,767**

Note:

Out of above Rs. NIL/- (Rs.7,64,200/-) is due from a concern in which director is interested.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

17 - Cash and Cash Equivalents

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Cash and Cash Equivalents		
Balance with Banks	41,732,649	21,489,351
Cash on hand (As certified by the management)	293,247	436,817
Other Bank Balances		
- Unclaimed dividends	19,496	6,473
- Unclaimed IPO proceeds	-	-
- Tender deposits	-	1,189,083
Fixed Deposits with maturity of less than 3 months	76,383,331	5,373,935
Fixed deposits with maturity of more than 3 months but less than 12 months	8,774,404	88,744,209
Total	**127,203,127**	**117,239,868**

Note:

Fixed Deposits amounting to Rs. 55,000,000/- (Rs. 89,933,292/-) are under lien with Banks for guarantees given against borrowings and tender deposits.

18 - Short Term Loans and Advances

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Unsecured, Considered good		
Security Deposits	3,666	
- Others	72,000	1,680,710
Other Loans and Advances		
- Balance with VAT and Excise Authorities	5,121,949	2,921,937
- Loans to related parties	-	-
-Others Loans	20,000,000	-
- Advance to related party	-	-
-Gratuity (Net of Provision)	-	-
- Others	4,491,092	831,739
Total	**29,688,707**	**5,434,387**

Note:

Others include advance to Creditors, Prepaid expenses and Loan to employees.

19 - Other Current Assets

Particulars	March 31, 2014	March 31, 2013
- Interest accrued but not due	5,616,558	6,909,203
- Interest accrued and due	620,000	
- Duty Drawback Receivable	944,718	
-Dividend receivable from subsidiary	-	
	7,181,276	6,909,203

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

20 - Revenue from Operations	Total (INR)	Total (INR)
Particulars	**March 31, 2014**	**March 31, 2013**
Sale of Products	918,106,083	993,447,097
Less: Excise Duty	54,572,525	42,932,748
	863,533,558	950,514,349
Sale of Services	409,554	7,197,643
Other operating revenue		
Duty Drawback/DEPB incentive	1,884,120	26,873
Sale of scrap	881,007	771,373
Total	**866,708,239**	**958,510,238**

21 - Other Income

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Dividend income (Subsidiary)	-	-
Dividend Income (Others) (Current investment)	20,000	140,390
Net Gain on sale / redemption of Mutual Funds (Current Investment)	14,724,503	13,556,222
Interest on deposits with banks and others	10,882,447	11,378,476
Foreign exchange gain (Net)	1,894,810	67,442
Reversal of provision for diminuation of investments	356,877	26,936
Other Income	53,464	-
Total	**27,932,102**	**25,169,467**

22 - Cost of Materials including packaging materials consumed

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Raw materials	532,556,895	522,751,738
Packaging materials	49,649,949	44,870,404
Total	**582,206,844**	**567,622,142**

23 - Purchase of Stock in Trade

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Purchase of Stock in trade	42,095,545	126,870,141
Total	**42,095,545**	**126,870,141**

24 - Changes in Inventories of Semi Finished / Finished Goods

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Closing stock	52,283,795	42,373,842
Less: Opening stock	44,140,788	41,096,123
Total	**8,143,007**	**1,277,718**

25 - Employee Benefit Expenses

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Salaries, wages, bonus and leave encashment	32,350,195	38,933,001
Contribution to provident and other funds	2,131,644	2,949,775
Provision for gratuity	376,781	55,363
Staff welfare expenses	493,140	846,379
Total	**35,351,760**	**42,784,518**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

26 - Finance Cost

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Interest on trade deposits	73,923	73,923
Bank charges including interest	1,456,961	1,357,048
Other Borrowing cost		
- Interest on loan	2,490,508	3,792,231
- Loan processing fees	-	-
Total	**4,021,392**	**5,223,201**

27 - Other Expenses

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Labour charges	13,697,876	9,365,052
Consumption of stores and spares	3,203,300	5,727,513
Power and fuel	3,759,828	3,775,261
Factory expenses	-	1,620,000
Rent	7,603,835	5,203,009
Repairs and Maintenance of :		
- Buildings	397,489	1,194,225
- Plant and Machinery	2,957,822	3,274,293
- Others	1,221,053	1,234,211
Insurance	729,151	475,820
Rates and Taxes	3,655,214	3,709,666
Payment to Auditors		
- For Audit	799,867	775,251
- For Taxation Matters	236,290	356,142
- For Other Services	58,890	191,183
Commission	21,106,915	6,594,281
Advertisement	436,029	525,698
Provision for diminution in value of current investments	-	-
Legal & Professional fees	26,192,165	43,790,592
Printing & Statoionery	93,247	229,677
Postage & courier charges	771,643	1,003,958
Travelling & conveyance	4,313,138	414,076
Transport charges	15,651,423	20,548,723
Telephone expenses	601,657	1,034,939
Travelling expenses	387,081	3,391,982
Donation	184,336	303,438
Frieght Charges	202,261	-
Foreign Exchange Loss(Net)	7,168,894	3,746,526
Bad debts	-	2,904,100
Loss on sale of Fixed Assets	298,596	67,48,151
Miscellaneous expenses	7,149,138	6,457,819
Total	**122,877,140**	**128,137,766**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

28 Earnings per share

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Consolidated Profit attributable to shareholders (In Rs.)	65,011,424	70,364,338
Weighted average number of shares oustanding during the year	11,229,811	11,229,811
Basic and Diluted Earnings per Share (In Rs.)	5.79	6.27
Face Value per Equity Share (In Rs.)	10	10

29 Contingent Liabilities and Commitments

i. Contingent liabilities not provided for in respect of:

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
(a) Guarantees given by bank	1,632,199	1,189,083
(b) Claims against the Company not acknowledged as debts		3,898,285
ii. Premium amount to be paid to MIDC on account of transfer of leasehold land in the name of the Fineotex Chemical Limited, for which amount is not ascertainable.		
iii **Commitments**		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances).	15,840,000	15,840,000

30 Related Party transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given by way of an annexure

List of related parties where control exists and related parties with whom transactions have taken place and relationships

SN	Name of the Related Party	Relationship
1	Surendrakumar Tibrewala	Key Management Personnel
2	Sanjay Tibrewala	
3	Sanai Kedha Shankar	
4	Cedric Jean Veniat	
5	Manoj Motiwala	
6	Liau Chenag Kiat	
7	Ng Yin Ling	
8	Mrs. Kanaklata Surendra Tibrewala	Relatives of Key Management Personnel
9	Kedha Shankar	
10	Sanjay Exports	Enterprise under significant influence of Key Management Personnel or their relatives
11	Proton Biochem Private Limited	

31 Segment Reporting

The Group (FCL and its Subsidiaries) has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Group is primarily determined by the nature of products and services. Consequently, the geographical segment has been considered as a secondary segment.

The business segment has been identified on the basis of the nature of products and services, the risks and returns, internal organisation and management structure and the internal perfomance reporting systems.

The Group is engaged in the business of manufacturing and trading of chemicals execpt for one subsidiary which is engaged in the business of Real Estate. Considering the nature of business and financial reporting of the Group, the Group has only two segments viz; Speciality chemicals and Real estate Development as reportable segment. However since the operations of the Real Estate Segment does not exceed 10% of the total operations of all segments, the same has not been reported.

The group operates in different locations viz:- within India and Outside India. The same has been considered as secondary segment for reporting as required under Accounting Standard 17- 'Segment Reporting', issued under Companies (Accounting Standards) Rules, 2006.

Based on the above, The Disclosure required under Accounting Standard 17- 'Segment Reporting', issued under Companies (Accounting Standards) Rules, 2006 are provided below:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

a. PRIMARY SEGMENT

The Group has identified 'Speciality Chemicals' as the only reportable segment

b. SECONDARY SEGMENT INFORMATION - GEOGRAPHICAL SEGMENT

Geographical Segment has been identified as secondary segment based on segment reveue

(In Rs.)

Particulars	March 31, 2014	March 31, 2013
Segment Revenue		
- Domestic	534,943,664	406,890,609
- Overseas	336,292,239	551,714,007
	871,235,902	**958,604,616**

32 The Consolidated Financial Statements have been prepared on the basis of unaudited Financial Statements of the respective Subsidiary Companies provided by the Management for the purpose of consolidation.

33 Significant Accounting policies and notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide for better understanding of the consolidated position of the Group. Recognising this purpose, the Group has disclosed only such policies and notes from the individual Financial Statements which fairly represent the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed when referred from the individual Financial Statements.

34 The Group has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act could not be furnished.

35 Statement regarding Subsidiary Companies as required under Sec 212(8) of the Companies Act, 1956 persuant to the general circular no. 2/2011 dtd February 8, 2011 issued by the Ministry of Corporate Affairs is attached herewith.

36 Balance of sundry debtors, creditors and loans and advances are subject to confirmation, reconciliation, if any.

37 In the opinion of board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

38 Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring in line with the Company's Financial Statement.

39 Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

Figures in bracket represent outflow.

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

As per the order of the Board of Directors

Surendra Tibrewala
Chairman & Managing Director
Sanjay Tibrewala
Executive Director & CFO

Champak K. Dedhia
Partner
Membership No.: 101769
Mumbai, 30th May, 2014

A. V. Nerurkar
Company Secretary

Alok Dhanuka
Chairman Audit Committee

Mumbai, 30th May, 2014

FCL

FCL FINEOTEX CHEMICAL LIMITED

(CIN : L24100MH2004PLC144295)
Registered Office : 42,43 Manorama Chambers SV Road, Bandra (W), Mumbai 400050
Tel: 91 22 26559174 Fax : 91 22 26559178 E-Mail: info @fineotex.com
Website: www.fineotex.com

BALLOT FORM

1. Name and Registered Address of the Sole/ First named Shareholder :

2. Name(s) of the Joint-holder(s), if any :

3. Registered Folio No. / DP ID No / Client ID No. :

4. Number of Share(s) held :

5. EVEN (E-Voting EVENT Number) :

6. User ID :

7. Password :

8. I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the Twentieth Annual General Meeting (AGM) of the Company to be held on day, September, 2014 by sending my/our assent or dissent to the said Resolutions by placing a tick (√) mark at the appropriate box below:

Item No.	Resolution	Type of Resolutions	No. of Shares	(FOR)	(AGAINST)
				I/We assent to the Resolution	I/We dissent the Resolution
	Ordinary Business				
1	Adoption of Audited Financial Statements of the Company for the financial year ended 31st March, 2014, e and the Reports of the Board of Directors and Auditors thereon.	Ordinary			
2	Declaration of dividend on the Rs. 0.50 per equity share for the year 2013-14.	Ordinary			
3	Appoint Auditors and fix their remuneration	Ordinary			
	Special Business				
4	Appointment of Mr. Manmohan Mehta as an Independent director of the Company	Ordinary			
5	Appointment of Mr. Alok Dhanuka as an Independent director of the Company	Ordinary			
6	Appointment of Ms. Ritu Gupta as an Independent director of the Company	Ordinary			
7	Approval of Contracts with Related parties	Special			
8	Approval of Investment in Related Private Limited Company	Special			
9	Creation of charge on the assets of the Company	Special			
10	Approve Borrowing Powers of the Company	Special			
11	Ratification of Remuneration to Cost Auditors	Ordinary			

Place :

Date :

Signature of the Shareholders

Note: Please read the instructions carefully before exercising your vote.

INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
2. A Member can opt for only one mode of voting ie. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to Note No. 18 in the notes appended to the Notice of the AGM.
4. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.

Process and manner for Members opting to vote by using the Ballot Form:

1. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company. Ms. Ashwini Gajanan Rajeshirke, Practicing Company Secretary (Membership No. 26223/CP. No. 9746), C/o. Fineotex Chemical Limited, 42, 43 Manorama Chambers, S.V. Road, Bandra West, Mumbai 400050. The Form should be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
3. In case the shares are hold by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanies by a certified true copy of the relevant Board Resolution/Authorisation.
4. Votes should be cast in case of each resolution either in favour or against by putting the tick (√) mark in the column provided in the Ballot.
5. The voting rights of shareholders shall be in proportion of the share held by them in the paid up equity share capital of the company as on 22nd August, 2014 and as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than Thursday, 18th September , 2014 (6.p.m.IST) Ballot Form received after 18th September, 2014 will be strictly treated as if the reply from the Member has not been received.
7. A Members may request for a duplicate Ballot Form, If so required. However, duly filled in and signed duplicate form should reach the Scrutinizer not later than the date and time specified in serial No.6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected, A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
10. The results shall be placed on the Company's website www.fineotex.com within two days of the AGM of the Company on 23rd September, 2014, and communicated to BSE Limited where the shares of the Company are listed.

FCL FINEOTEX CHEMICAL LIMITED

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

Corporate Identity Number : L24100MH2004PLC144295: Website : www.fineotex.com, E-Mail : info@fineotex.com

ATTENDANCE SLIP

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

11th Annual General Meeting - xx September, 2014

I hereby record my presence at the 11th ANNUAL GENERAL MEETING of the Company held at Gokul Hall, Rajpuria Bagh, Navinbhai Thakkar Marg, Vile Parle (East), Mumbai 400057 on Tuesday, 23rd September, 2014 at 9.30 a.m.

Full Name of the Member (IN BLOCK LETTERS)_____

Folio NO. _____

.DP ID _____ Client ID_____

No. of Shares held _____

Full name of Proxy (IN BLOCK LETTERS) _____

Member/s / Proxy's Signature _____.

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

FORM NO.MGT - 11

PROXY FORM

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

Name(s) of the Member(s) :

Registered Address :

E-mail ID :

Folio No./Client ID:

DP/ID:

Affix Revenue Stamp

I/We being the Member(s) of _____ equity shares of Rs.10 each of Fineotex Chemical Limited, hereby appoint :

1. Name _____

   Address : _____

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

2. Name _____

   Address : _____

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

3. Name _____

   Address : _____

   E-Mail ID: _____ Signature _____,

as my/our proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Corporation, to be held on Tuesday 23rd September, 2014 at 9.30 a.m at Gokul Hall, Rajpuria Bagh, Navinbhai Thakkar Marg, Vile Parle (East), Mumbai 400057 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution Nos.:-

Item No.	Resolution	Type of Resolutions	No. of Shares	(FOR)	(AGAINST)
				I/We assent to the Resolution	I/We dissent the Resolution
	Ordinary Business				
1	Adoption of Audited Financial Statements of the Company for the financial year ended 31st March, 2014, e and the Reports of the Board of Directors and Auditors thereon.	Ordinary			
2	Declaration of dividend on the Rs. 0.50 per equity share for the year 2013-14.	Ordinary			
3	Appoint Auditors and fix their remuneration	Ordinary			
	Special Business				
4	Appointment of Mr. Manmohan Mehta as an Independent director of the Company	Ordinary			
5	Appointment of Mr. Alok Dhanuka as an Independent director of the Company	Ordinary			
6	Appointment of Ms. Ritu Gupta as an Independent director of the Company	Ordinary			
7	Approval of Contracts with Related parties	Special			
8	Approval of Investment in Related Private Limited Company	Special			
9	Creation of charge on the assets of the Company	Special			
10	Approve Borrowing Powers of the Company	Special			
11	Ratification of Remuneration to Cost Auditors	Ordinary			

Signed, this_____day of ____,2014

Signature of Member(s) : _____

Signature of the Proxy holder(s) : _____

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

REGISTERED POST/COURIER

If undelivered, please return to;
FINEOTEX CHEMICAL LTD.
42, 43 Manorama Chambers,
S. V. Road, Bandra (W),
Mumbai - 400 050.

Venkatesh Offset 9619053648

Form A

Format of covering letter of the Annual Audit Report to be filed with the stock exchanges

Sr. No.	Related Parties with whom Transactions are Estimated	Nature of the Transaction
1	Name of the Company	Fineotex Chemical Limited (533333)
2	Annual Financial Statements for	Year ended 31st March, 2014.
3	Type of Observation	Unqualified
4	Frequency of observation	Since Listing in March 2011.
5	Signed by CEO	

30th August, 2014