

Date: 24/07/2017

To, BSE Limited, 25, P. J. Towers, Dalal Street, Mumbai – 400 001 Ref: Company Scrip Code: 532834	To, The Manager, Listing Department, National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400051 Ref: Symbol: CAMLINFINE Series: EQ
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Sub: Annual Report for the year ended 31st March, 2017.

Dear Sir/Madam,

The members of the Company at its 24th Annual General Meeting held on Friday, 21st July, 2017 (AGM) has inter-alia approved the following:

1. Enclosed Annual Report for the year ended 31st March, 2017.
2. Adoption of a new set of regulations as Articles of Association in substitution, and to the entire exclusion, of the set of regulations contained in the existing Articles of Association. The Articles of Association were amended from time to time in accordance with the provisions of the Companies Act, 1956. With the introduction of Companies Act, 2013 and with the changed circumstances warranting the management to dispense with such articles, the existing Articles of Association of the Company are substituted with a new set of Articles of Association to make it consistent with the provisions of Companies Act, 2013 including the Rules framed thereunder.

The voting results of the AGM were declared and submitted to the stock exchange(s) on Saturday, 22nd July, 2017 along with the scrutinizers report. Kindly take the above information on records.

Encl.: a/a.

Thanking You,

For Camlin Fine Sciences Limited


Rahul D. Sawale
Group Company Secretary



 Registered Office:

Camlin Fine Sciences Ltd. F/11-12, WICEL, Opp. SEEPZ, Central Road, Andheri East, Mumbai 400 093, India.
CIN: L74100MH1993PLC075361 | ISO 22000 Certified Company

EXPANSION CONTINUES...



A N N U A L R E P O R T 2 0 1 6 - 1 7



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Forward-Looking Statement

In this Annual Report, we have shared information and made forward-looking statements to enable investors to know our product portfolio, business logic and direction and thereby comprehend our prospects. Such and other statements - written and oral - that we may periodically make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'intend', 'plan', 'project' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised although we believe we have been prudent in our assumptions. The achievement of results is subject to uncertainties, risks and even inaccurate assumptions. If uncertainties or known or unknown risks materialise or if underlying assumptions prove inaccurate, actual results can vary materially from those anticipated, estimated, intended, planned or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

EXPANSION CONTINUES

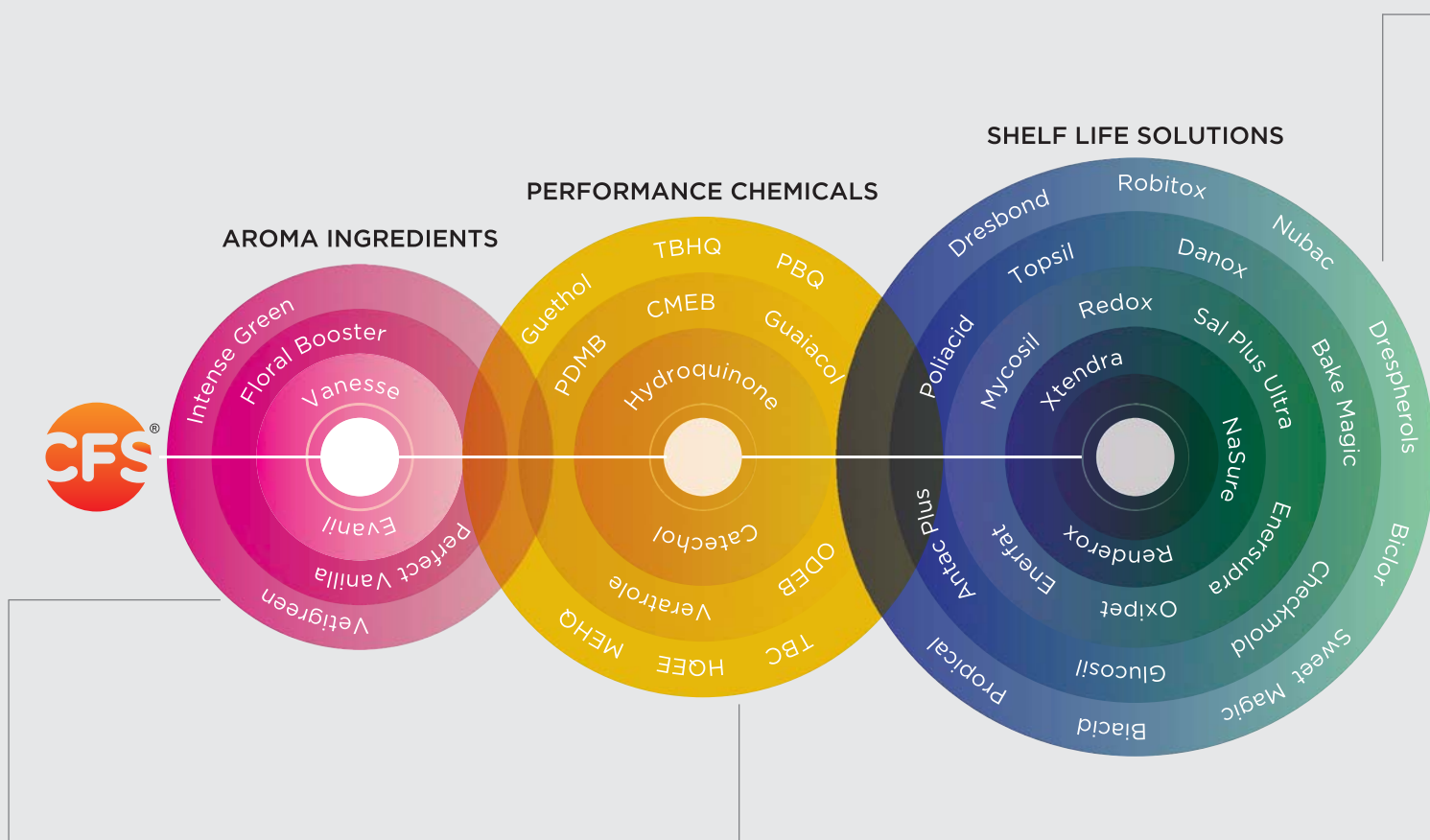
Camlin Fine Sciences (CFS) focuses on three key business verticals - **shelf life solutions, aroma ingredients and performance chemicals**. With the strength of our primary products produced through vertical integration, we forward-integrated and developed value added products, enhanced our capacities, increased distribution and reach which has given us an edge in the market. And with simultaneous horizontal expansion of our product basket, we can now offer more products and services to a wider audience, locally and globally. Our backbone of technical capabilities, expertise and infrastructure has enabled our customers to work collaboratively with us to develop appropriate solutions and to offer superior service.

Our aggressive approach over the years has benefitted us. Today, we are perceived as more reliable, stable, transparent and a credible manufacturer and service provider. We will continue our focused efforts and cater to the growing needs of our customer.

With our established platform and active operations in North America, Central America, South America, Europe and Asia, we aim for market penetration with vertical and horizontal portfolio expansion.



EXPANDING THE CORE



HIGHLIGHTS 2016-17

AROMA INGREDIENTS

- Intense Green, Vetigreen are an inspiration to fragrance manufacturers. Floral booster was a value-added product for the fragrance industry.
- We have enhanced ease-of-application with development of vanilla flavour for different food industries.
- We have promising products in the pipeline, on succeeding pilot trials can widen our product basket for fragrances and flavours.
- After the proposed acquisition of stake in Ningbo Wanglong Flavors and Fragrances Co. Ltd., our aroma platform will strengthen its foothold in Asia and rest of the geographies.

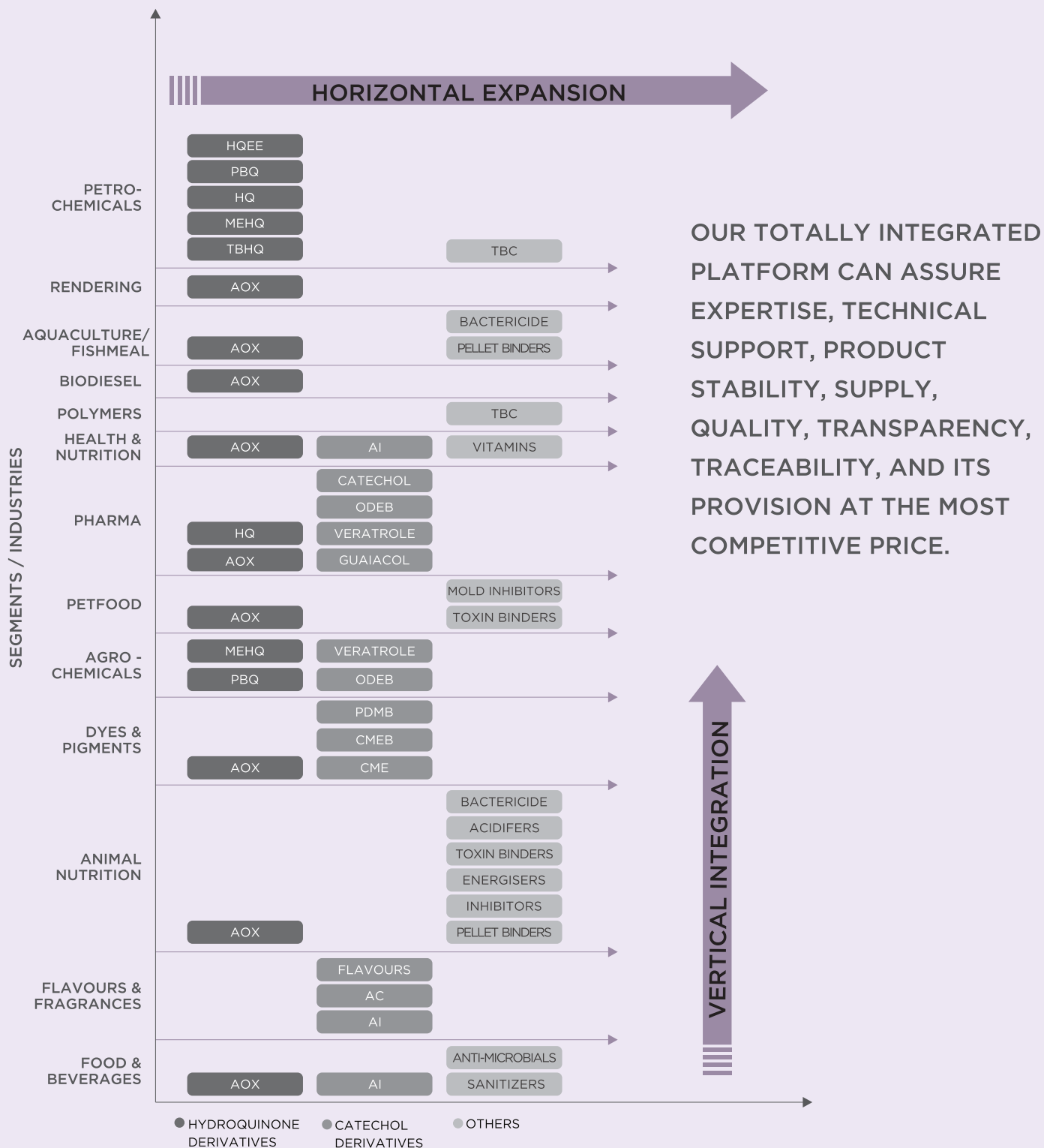
→ SHELF LIFE SOLUTIONS

- With a focus to strengthen our presence and reach in European continent, we have relocated CFS Europe office to a bigger facility. It will have a dedicated blend manufacturing unit and warehousing facility.
- A step forward to expand our presence in European market, we have set-up our representative office in Agro Food Park, Aarhus, Denmark to cater to our customer needs.
- A complete functional structure for Animal Nutrition has been set-up. This will help animal farm producers to find relevant solutions for optimum productivity with our comprehensive animal nutrition product basket in the near future.
- With proactive steps taken to tap customers, to understand and resolve their business challenges with food/feed shelf life and stability; we have been able to develop solutions. This will give opportunities for growth in coming years.
- For dairy, we have developed Enersupra and Enerfat which could be promising products to our livestock customers in FY2017-18.
- With our strong base in American continent topped with market intelligence, we have tapped the biodiesel industry with enhanced antioxidant formulations.
- Our customer service and application laboratories in most of the regions are now fully functional and equipped to conduct studies, tests and analysis. We have an excellent support mechanism wherein our customers can jointly work with us on application projects for value-based and efficient shelf life solutions.
- In 2016, with acquisition of majority stake in Dresen Química S.A.P.I. de C.V., we have strengthened our presence in Central America and Andean States.
- We have a dedicated team of shelf life solutions experts who rigorously work to find appropriate solutions for our customers. This has rewarded us with high performance rating by them in different parts of the world.

→ PERFORMANCE CHEMICALS

- Currently, we are working on few developmental projects with selective customers which can pave way for potential businesses in future.
- CFS International Trading (Shanghai) Ltd., our wholly owned subsidiary set-up in China for sales and distribution is fully operational.
- Our Dahej project for diphenol and its downstream manufacturing facility has received environmental clearance. Detailed engineering has been carried out and its construction would move as per schedule.

POWER OF INTEGRATION

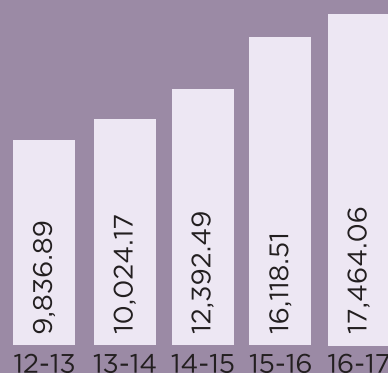


FINANCIAL HIGHLIGHTS

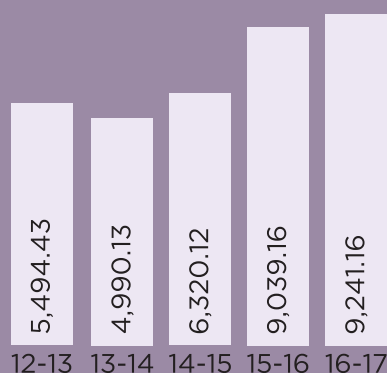
(STANDALONE)

(₹ IN LAKHS)

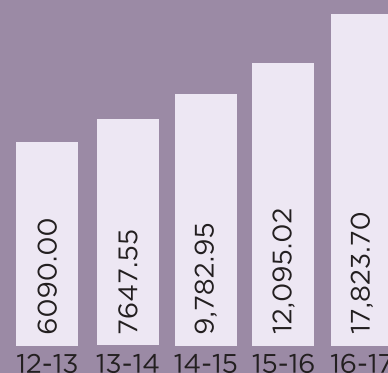
FIXED ASSETS GROSS BLOCK



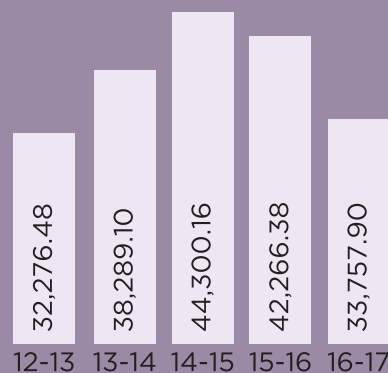
NET FIXED ASSETS



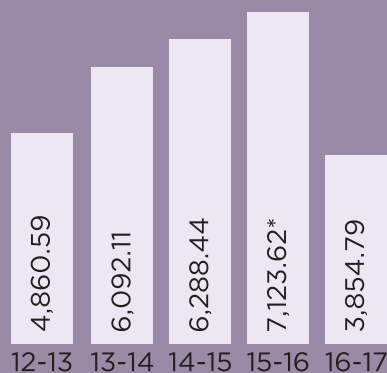
SHAREHOLDER'S FUNDS



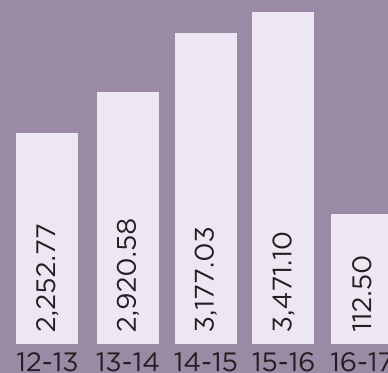
GROSS SALES / OTHER OPERATING INCOME



EBIDTA

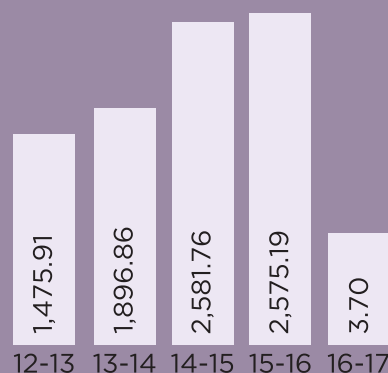


PROFIT BEFORE TAX

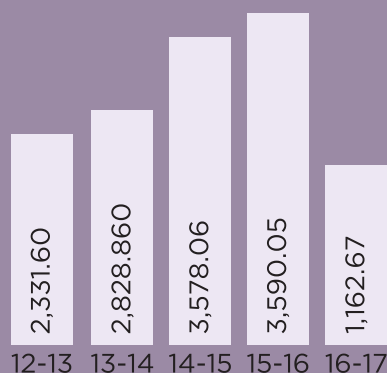


*EBIDTA is before exception item ₹ 454.73/-

PROFIT AFTER TAX



CASH ACCRUALS



FINANCIAL HIGHLIGHTS

(STANDALONE)

(₹ IN LAKHS)

Sr. No.	Year Ending 31st March	2016-17	2015-16	2014-15	2013-14	2012-13
A Assets Employed						
1	Fixed Assets					
	Gross Block	17,464.06	16,118.51	12,392.49	10,024.17	9,836.89
	Less: Depreciation	8,222.90	7,079.35	6,072.37	5,034.04	4,342.46
	Net Fixed Assets	9,241.16	9,039.16	6,320.12	4,990.13	5,494.43
2	Net Current Assets	4,368.09	3,714.79	5,431.48	5,487.04	4,458.02
3	Others	5,929.10	1,851.22	1,224.00	515.19	231.82
	Total	19,538.35	14,605.17	12,975.60	10,992.36	10,184.27
B Financed By						
1	Equity Share Capital	1,037.10	966.66	958.88	944.08	938.88
2	Reserves & Surplus	16,786.60	11,128.36	8,815.55	6,683.13	5,141.60
3	Employee Stock Options Outstanding	-	-	8.52	20.34	9.52
4	Shareholder's Funds	17,823.70	12,095.02	9,782.95	7,647.55	6,090.00
5	Loan Funds	1,105.25	2,000.38	2,671.31	2,852.46	3,766.98
6	Deferred Tax Liability	394.97	324.51	374.34	394.40	327.29
7	Long-Term Provisions	214.43	185.26	147.00	97.95	-
	Total	19,538.35	14,605.17	12,975.60	10,992.36	10,184.27
C Sales & Profitability						
1	Gross Sales/Other Operating Income	33,757.90	42,266.38	44,300.16	38,289.10	32,276.48
2	Less: Excise Duty/Discount	1,293.48	1,047.85	1,230.23	849.83	923.01
3	Net Sales/Other Operating Income	32,464.42	41,218.53	43,069.93	37,439.27	31,353.47
4	Other Income	1,307.93	370.25	194.64	232.70	286.50
5	Total Income (3+4)	33,772.35	41,588.78	43,264.57	37,671.97	31,639.97
6	Operating Profit (EBIDTA)	3,854.79	7,123.62	6,288.44	6,092.11	4,860.59
7	Finance Cost	2,583.32	2,182.93	2,115.11	2,239.53	1,752.13
8	Profit before exceptional item, Depreciation & Tax	1,271.47	4,940.69	4,173.33	3,852.58	3,108.46
9	Depreciation	1,158.97	1,014.86	996.30	932.00	855.69
10	Exceptional item	-	454.73	-	-	-
11	Profit Before Tax	112.50	3,471.10	3,177.03	2,920.58	2,252.77
12	Taxes	108.80	895.91	595.27	1,023.72	776.86
13	Profit After Tax	3.70	2,575.19	2,581.76	1,896.86	1,475.91
14	Dividend & Tax on Dividend**	34.76	525.38	519.84	388.23	329.51
15	Retained Earnings	(31.06)	2,049.81	2,061.92	1,508.63	1,146.40
16	Cash Accruals (9+13)	1,162.67	3,590.05	3,578.06	2,828.86	2,331.60
D Per Share Information						
1	Earning Per Share (Basic)*	0.00 [#]	2.68	2.71	2.02	1.58
2	Earning Per Share (Diluted)*	0.00 [#]	2.67	2.70	2.02	1.58
3	Book Value Per Share (₹)*	17.19	12.51	10.20	8.10	6.49
4	Dividend Per Share (₹)* (Excluding Tax on Dividend)	0.00	0.45	0.45	0.35	0.30

NOTE: *Calculated with reference to face value of Equity Share at ₹ 1/- Per Share

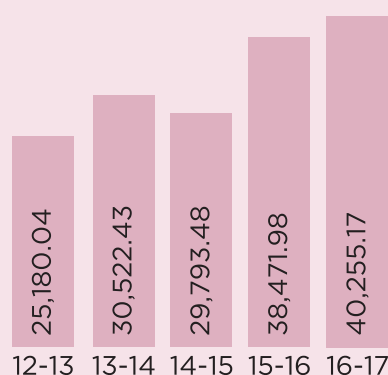
[#] The EPS value upto two decimals is zero

FINANCIAL HIGHLIGHTS

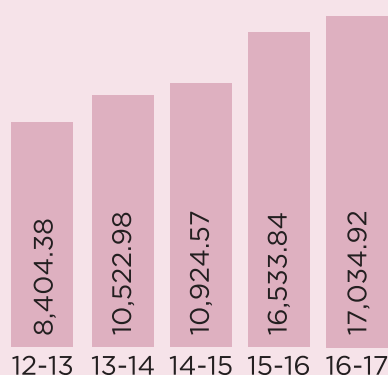
(CONSOLIDATED)

(₹ IN LAKHS)

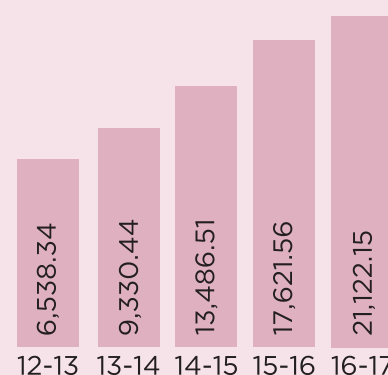
FIXED ASSETS GROSS BLOCK



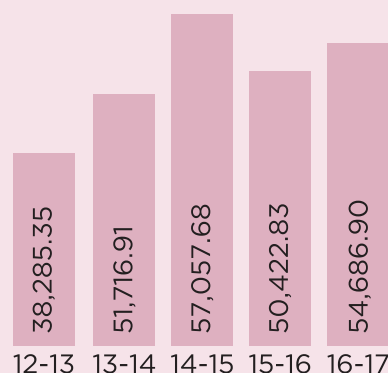
NET FIXED ASSETS



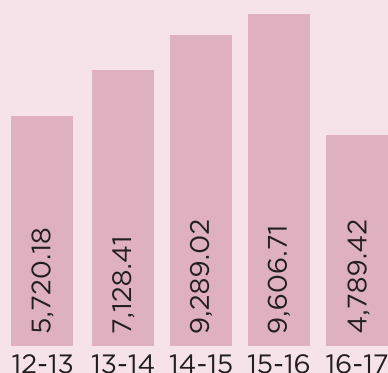
SHAREHOLDER'S FUNDS



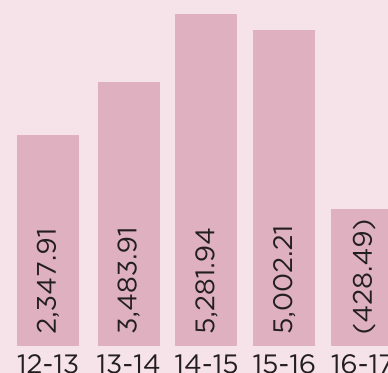
GROSS SALES / OTHER
OPERATING INCOME



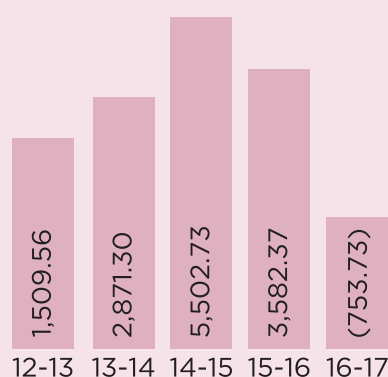
EBIDTA



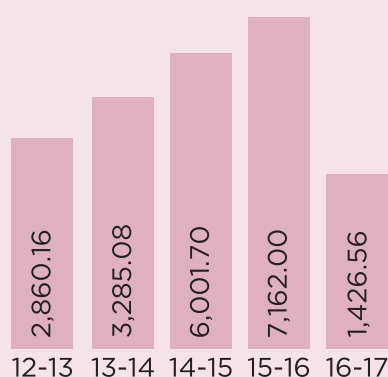
PROFIT BEFORE TAX



PROFIT AFTER TAX



CASH ACCRUALS



FINANCIAL HIGHLIGHTS

(CONSOLIDATED)

(₹ IN LAKHS)

Sr. No.	Year Ending 31st March	2016-17	2015-16	2014-15	2013-14	2012-2013
A	Assets Employed					
1	Fixed Assets					
	Gross Block	40,255.17	38,471.98	29,793.48	30,522.43	25,180.04
	Less: Depreciation	23,220.25	21,938.14	18,868.91	19,999.45	16,775.66
	Net Fixed Assets	17,034.92	16,533.84	10,924.57	10,522.98	8,404.38
2	Net Current Assets	4,976.57	1,978.04	3,716.08	1,087.15	1,992.10
3	Others	6,613.15	1,764.26	2,173.53	1,065.14	223.54
	Total	28,624.65	20,276.14	16,814.18	12,675.27	10,620.02
B	Financed By					
1	Equity Share Capital	1,037.10	966.66	958.88	944.08	938.88
2	Reserves & Surplus	20,085.05	16,654.90	12,519.11	8,366.02	5,589.94
3	Employee Stock Options Outstanding	-	-	8.52	20.34	9.52
4	Shareholder's Funds	21,122.15	17,621.56	13,486.51	9,330.44	6,538.34
5	Loan Funds	5,131.61	2,144.80	2,806.33	2,852.46	3,766.98
6	Deferred Tax Liability	394.97	324.51	374.34	394.40	314.70
7	Long-term provisions	214.43	185.26	147.00	97.97	-
8	Minority Interest	1,761.48	-	-	-	-
	Total	28,624.65	20,276.14	16,814.18	12,675.27	10,620.02
C	Sales & Profitability					
1	Gross Sales/Other Operating Income **	54,686.90	50,422.83	57,057.68	51,716.91	38,285.35
2	Less: Excise Duty/Discount	1,293.85	1,488.61	1,230.23	849.83	923.01
3	Net Sales/Other Operating Income	53,393.05	48,934.22	55,827.45	50,867.09	37,362.34
4	Other Income	1,480.27	426.89	837.63	966.38	1,022.11
5	Total Income (3+4)	54,873.32	49,361.11	56,665.08	51,833.47	38,384.45
6	Operating Profit (EBIDTA)	4,789.42	9,606.71	9,289.02	7,128.41	5,720.18
7	Finance Cost	3,037.62	2,444.25	2,382.46	2,465.90	2,010.99
8	Profit before exceptional item, Depreciation & tax	1,751.80	7,162.46	6,906.56	4,662.51	3,709.19
9	Depreciation	2,180.29	1,705.52	1,624.62	1,178.60	1,361.28
10	Exceptional item	-	454.73	-	-	-
11	Profit Before Tax	(428.49)	5,002.21	5,281.94	3,483.91	2,347.91
12	Taxes	325.24	1,419.84	(220.79)	612.61	838.35
13	Profit After Tax	(753.73)	3,582.37	5,502.73	2,871.30	1,509.56
14	Dividend & tax on Dividend ***	34.76	525.38	519.84	388.23	271.93
15	Retained Earnings	(788.49)	3,056.99	4,982.89	2,483.07	1,237.63
16	Cash Accruals	1,426.56	7,162.00	6,001.70	3,285.08	2,860.16
D	Per Share Information					
1	Earning Per Share (Basic)*	(1.40)	3.73	5.77	3.06	1.61
2	Earning Per Share (Diluted)*	(1.40)	3.71	5.75	3.04	1.60
3	Book Value Per Share (₹)*	20.37	18.23	14.06	9.88	6.96
4	Dividend Per Share (₹)* (Excluding Tax on Dividend)	0.00	0.45	0.45	0.35	0.30

NOTE: *Calculated with reference to face value of Equity Share at ₹ 1/- Per Share

MANAGING DIRECTOR'S MESSAGE



“ WE ARE PERCEIVED AS MORE RELIABLE, TRANSPARENT AND A STABLE COMPANY WITH SUPERIOR CUSTOMER SERVICE. THIS WILL CONTINUE TO BE THE ESSENTIAL ELEMENTS FOR FUTURE GROWTH. ”

Dear Fellow Shareholders,

Committing to our vision to be a globally preferred, trusted and integrated provider of reliable and innovative products; financial year 2016-17 focused on augmenting Camlin Fine Sciences' (CFS) core businesses.

Vertical expansion enabled us to move into new geographic markets, acquire more customers to cater to their requirements and also helped to raise the bar for ourselves. Whereas, portfolio expansion gives a stronghold in the category, delivers value to our existing businesses and customers through products, services and technical capabilities.

FY 2016-17 was a good start for shelf life solutions business as we acquired 65% majority stake in CFS Dresen [Dresen Química S.A.P.I. de C.V.]. We have gained a firm footing with forward-integration to blends (value-added products), portfolio expansion in food and feed with greater access to remote markets.

Shelf life testing laboratories set-up in different parts of the world are also now fully functional and capable of handling projects on food, feed, rendering and animal nutrition, shelf life and stability solutions. With an enhanced formulation for biodiesel industry, we are ready to market our products.

This year failed to see the momentum we expected largely due to fall - out of customers, to whom we sold intermediates of value-added products. Our business arrangement with them was not in line with CFS' strategic intent and growth. This negative drift has however opened doors with direct access to manufacturers and distributors which was earlier restricted.

With the recent trend of pet-humanisation, many regions have developed natural shelf life solutions to fulfill this new need of the market. We have also developed solutions for total traceability and offered transparency of products to pet food manufacturers.

With the focus to strengthen the value chain from manufacturing-to-marketing, all our regions are equipped with good infrastructure and operational structure for future success and to serve our customer base on a direct level.

Our vertical integration places an unceasing challenge for innovation which to a great extent has been successful. We developed new products for flavour and fragrance industry. After the proposed acquisition of stake in Ningbo Wanglong Flavors and Fragrances Co. Ltd., our aroma platform will strengthen its foothold in Asia and rest of the geographies.

The Performance Chemicals Division focused on deeper market penetration in FY2016-17, by adding distribution channels in newer geographies. The Company now has a functional distribution hub in China.

Our diphenol manufacturing project at Dahej is moving as per schedule. The construction of the plant would begin post completion of ongoing detailed engineering. We have also received environmental clearance for the facility and expect to see it up and running in FY2018-19.

The revenue from operations (net) on consolidated basis was ₹ 53,393.05 lacs as against ₹ 48,934.22 lacs in the previous year thereby registering a growth of 9.11% on YoY basis. The revenues were higher mainly due to addition of Dresen Quimica SAPI de CV, Mexico revenues of ₹ 120.97 Crores. Consolidated loss before tax was ₹ 428.49 lacs as against profit before tax of ₹ 5,001.84 lacs in previous year. Margins were impacted due to gestation losses in CFS North America LLC of ₹ 12.67 Crores and CFS do Brasil Indústria, Comércio, Importação E Exportação De Aditivos Alimentícios Ltda of ₹ 3.67 Crores. CFS Europe S.p.A results also subdued due to volatile input prices.

Loss after tax was ₹ 753.73 lacs as against profit after tax of ₹ 3,582.00 lacs in previous year.

Today, we are perceived as more reliable, transparent and a stable company with superior customer service. This will continue to be the essential elements for future growth to establish and make a visible presence in all three key business verticals.

Our core values express the role we play in empowering the society to progress. We continue our work on upliftment of remote tribal areas, promoting child education, women empowerment and training on vocational skills and enable them to live a respectful and independent life.

Our expansion has offered career potential. We inspire our employees giving them opportunities to acquire new knowledge/trends - something that they seek and the market demands. In a dynamic, global and multicultural organization, a team of 453 members work in an inclusive environment embracing views, perspectives and delivering products and services that's required!

We continue to be responsible towards both our internal and external people and aim for expansion and growth.

With regards,

Ashish S. Dandekar

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dilip D. Dandekar – Chairman

Mr. Ashish S. Dandekar – Managing Director

Mr. Dattatraya R. Puranik – Executive Director & CFO*

**CFO till 9th Feb., 2017 and resigned from directorship on 19th May, 2017*

Ms. Leena Dandekar – Executive Director**

***resigned w.e.f. 10th April, 2017*

Mr. Pramod M. Sapre – Independent Director

Mr. Sharad M. Kulkarni – Independent Director

Mr. Bhargav A. Patel – Independent Director

Mr. Abeezar E. Faizullahbhoj – Independent Director

Mr. Atul R. Pradhan – Independent Director

Mr. Nicola A. Paglietti – Independent Director

Mr. Nirmal V. Momaya – Non-Executive Director

Mr. Ajit S. Deshmukh – Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr. Santosh Parab[#]

[#]appointed w.e.f. 10th Feb., 2017

GROUP COMPANY SECRETARY

Mr. Rahul Sawale

REGISTERED OFFICE

F/11-12, WICEL, Opp. SEEPZ Main Gate,

Central Road, Andheri East,

Mumbai 400 093

Tel No. 91-22-67001000

Fax: 91-22-28324404

www.camlinfs.com

E: secretarial@camlinfs.com

CIN: L74100MH1993PLC075361

WORKS

Plot No. D-2/3, M.I.D.C. Boisar

Tarapur (Dist. Thane) 401 506 (Unit-1)

Plot No. N-165, M.I.D.C. Boisar

Tarapur (Dist. Thane) 401 506 (Unit-2)

AUDITORS

M/s B.K. Khare & Co.

Chartered Accountants

Mumbai

BANKERS

IDBI Bank Limited

Bank Of India

Oriental Bank Of Commerce

State Bank Of India

State Bank Of Travancore

Export-Import Bank of India

State Bank Of Patiala

REGISTRARS AND TRANSFER AGENTS

Link Intime India Pvt Ltd[^]

C 101, 247 Park,

L B S Marg, Vikhroli West,

Mumbai 400 083

Tel No: +91 22 4918 6000 / 4918 6270

Fax: +91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

[^]w.e.f. 20th June, 2016

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of Camlin Fine Sciences Limited, will be held on Friday 21st July, 2017 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31st March, 2017 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ajit S. Deshmukh (DIN: 00203706), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dilip D. Dandekar (DIN: 00846901), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166), as Statutory Auditors of the Company till the conclusion of the 29th Annual General Meeting, and to fix their remuneration and to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Firm Registration No. 104607W/W100166) be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. B .K. Khare & Co., Chartered Accountants, Mumbai (Firm Registration No. 105102W) whose tenure expires at the ensuing Annual General Meeting of the Company, AND THAT the Board of Directors be and are hereby authorized to fix the remuneration payable to them, as may be determined by the audit committee in consultation with the auditors, in addition to the reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of accounts of the Company.

RESOLVED FURTHER THAT M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Firm Registration No. 104607W/W100166) shall hold the office from the conclusion of this twenty fourth Annual General Meeting till the conclusion of twenty ninth Annual General Meeting of the Company subject to ratification of their re-appointment by Members at every Annual General Meeting hereafter.

RESOLVED FURTHER THAT the Directors of the Company and/or Company Secretary be and are hereby severally authorized to file necessary forms with Ministry of Corporate Affairs and to do all such acts, deeds and things as may be deemed and expedient and necessary to give effect to this resolution.”

SPECIAL BUSINESS

5. Adoption of Articles of Association: To consider, and if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 including any rules made thereunder, and any statutory modification(s) or re-enactment thereof, to the extent notified for the time being in force, the set of regulations be and are hereby adopted as the Articles of Association of the Company in substitution, and to the entire exclusion, of the set of regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Directors of the Company and/or Company Secretary be and are hereby severally authorized to file necessary forms with Ministry of Corporate Affairs and to do all such acts, deeds and things as may be deemed and expedient and necessary to give effect to this resolution.”

6. Further Issue of Securities: To consider, and if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 23, 41, 42, 62(1)(C) and 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder including any amendments thereto or re-enactment thereof, for the time being in force and applicable provisions, if any of the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have

effect upon notification of the Companies Act, 2013 (collectively, the “Companies Act”), the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the listing agreements entered into with the stock exchanges and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “SEBI ICDR Regulations”), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015, the provisions of the issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 or the Depository Receipt Scheme, 2014, the provisions of the Foreign Exchange Management Act, 1999, (“FEMA”) and rules and regulations framed there under as amended from time to time and subject to other applicable rules, regulations and guidelines issued by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Government of India (“GoI”), the stock exchanges and / or any other competent governmental or regulatory authorities from time to time to the extent applicable, and subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, Stock Exchanges, RBI, GoI and any other governmental or regulatory authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and / or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the members be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), with or without green shoe option, such number of equity shares of the Company of face value ₹ 1 each (“Equity Shares”), Global Depository Receipts (“GDRs”), American Depository Receipts (“ADRs”), Foreign Currency Convertible Bonds (“FCCBs”), convertible foreign currency bonds, fully convertible debentures/partly convertible debentures/non-convertible debentures, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including

warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter Collectively referred to as “Securities”) or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in one or more foreign markets and/or domestic market, by way of one or more public and/or private offerings, and/or on preferential allotment basis including Qualified Institutions Placement (“QIP”) or any combination thereof, through issue of prospectus and /or placement document/ or other permissible/requisite offer document to any eligible person, including Qualified Institutional Buyers (“QIBs”) as defined under the SEBI ICDR Regulations in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of equity shares of the Company or not (collectively called the “Investors”) as may be decided by the Board in its discretion and permitted under applicable laws and regulations, for an aggregate amount not exceeding ₹ 250 Crores (Rupees Two Hundred Fifty Crores) or equivalent thereof, in one or more foreign currency and/or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities through public offer(s) or private placement(s) or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, tenure, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) appointed and / or to be appointed by the Company (the “Issue”).

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions: (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; (b) the Equity Shares that may be issued by the Company shall rank *pari passu* with the existing Equity Shares of the Company in all respects; and (c) Equity Shares to be issued on conversion of Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, consolidation of stock, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate re-organisation or restructuring.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time.

RESOLVED FURTHER THAT any issue of Eligible Securities made by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations (the "QIP Floor Price"). The Company may, however, in accordance with applicable law, also offer a discount of not more than 5% (Five Percentage) or such percentage as permitted under applicable law on the QIP Floor Price.

RESOLVED FURTHER THAT in the event that Equity Shares are issued to QIBs by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares as Eligible Securities and in case Eligible Securities are eligible convertible securities, then either the date of the meeting in which the Board decides to open the proposed issue or the date on which holder of Eligible Securities become eligible to apply for Equity Shares, as may be determined by the Board.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, ADRs or GDRs etc. the relevant date for the purpose of pricing the Securities shall be determined in accordance with

the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993, or the Depository Receipt Scheme, 2014, as the case may be (including any amendments thereto or re-enactment thereof, for the time being in force) or as may be permitted under applicable law.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities or equity shares on conversion of Securities, the Board be and is hereby authorized on behalf of the Company to seek listing of any or all of such Securities or equity shares as the case may be, on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors, debenture trustees and all such agencies as are or may be required to be appointed, involved or concerned in the Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the Issue, including the finalization and approval of the draft as well as final offer document(s), determining the form and manner of the Issue, finalization of the dates and timing of the Issue, identification and class of the Investors to whom the Securities are to be offered, determining the issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest and all other terms and conditions of the Securities, offer and allotment of Securities, execution of various transaction documents, signing of declarations, creation of mortgage/ charge, utilization of the issue proceeds, and to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the Issue and resolve and settle all questions or difficulties that may arise in regard to such Issue without being required to seek any further consent or approval of the members or otherwise to the end and intent that the

members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or any director(s) of the Company in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the Issue and settle any questions or difficulties that may arise in this regard to the Issue.”

By Order of the Board
Rahul Sawale
 Group Company Secretary

Place : Mumbai
 Dated : 19th May, 2017

Note:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, body corporates, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 15th July, 2017 to 21st July, 2017 (both days inclusive) for annual closing.
4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars 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 of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.

5. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund. Members who have not encashed their Dividend Warrants for the financial years ended 31st March, 2010 to 31st March 2016 may approach the R & T Agent/Company for issuance of demand draft upon completion of necessary formalities in the said behalf.
6. Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice and is given in the Corporate Governance Report. The directors have furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a print copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent in the permitted mode. With a view to using natural resources responsibly, members are requested to register/update their email address for receiving all communication including Annual Report, Notices etc. from the Company electronically.
8. Electronic copy of the Notice of the 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

9. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for financial year ending 31st March, 2017 will also be available on the Company's website www.camlinfs.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.

The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.

11. Any Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.

12. Members, who hold Shares in dematerialised form, are requested to bring their Client ID. and DP ID. Nos. for easy identification of attendance at the meeting.

13. Members who are holding Shares in physical form are requested to get their Shares dematerialised with any Depository Participants in their own interest.

14. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 (the "Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015 (the "Rules") the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The facility for voting through polling paper shall also be made available at the venue of the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise

their voting rights at the meeting. The members who have already cast their vote may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s):

1. Open the attached PDF file "CFSL 24th AGM e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login.
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
7. Select "EVEN" of Camlin Fine Sciences Limited. Members can cast their vote online from 18th July, 2017 (9:00 am IST) till 20th July, 2017 (5:00 pm IST).
8. Note: e-Voting shall not be allowed beyond said time.
9. Now you are ready for "e-Voting" as "Cast Vote" page opens.
10. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
11. Once you have voted on the resolution, you will not be allowed to modify your vote.
12. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required

to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail cfs.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

1. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM : EVEN (E Voting Event Number) U S E R ID PASSWORD/PIN
2. Please follow all steps from Sl. No. 2 to Sl. No. 9 above, to cast vote.
3. In case of any queries, you may refer the Frequently Asked Questions available at the Downloads section of www.evoting.nsdl.com (FAQs) for Shareholders and e-voting user manual for Shareholders
4. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

Please note that:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following Telephone No.: 1800-222-990.

15. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 14th July, 2017.
16. Mr. J. H. Ranade, Partner of M/s. JHR and Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
17. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
18. The Results declared along with the Scrutinizers report shall be placed at the Company's website www.camlinfs.com and on the website of NSDL immediately after the results are declared by the Chairman and simultaneously communicated to the BSE and NSE.
19. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Important Note:

Member / proxy needs to furnish the printed attendance slip/proxy form along with valid identity proof such as PAN card, passport, AADHAR card or driving license to enter into AGM hall. As Company is required to provide e-voting facility to its Members in terms of Section 108 of the Act read with Rule 20 of the Rules voting by show of hands will not be available to the Members at the 24th Annual General Meeting in view of further provisions of Section 107 read with Section 114 of the Act.

By Order of the Board
Rahul Sawale
 Group Company Secretary

Place : Mumbai
 Dated : 19th May, 2017

ANNEXURE FORMING PART OF THE NOTICE

(Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013)

ORDINARY BUSINESS

Item No. 4

This Explanatory Statement is provided though not required as per the provision of section 102 of the Companies Act, 2013 (the "Act").

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai were last re-appointed at 23rd Annual General Meeting held on Wednesday, the 10th August, 2016 to hold the office till conclusion of 24th Annual General Meeting of the Company.

As per the provisions of the Companies Act, 2013 ("the Act"), no listed Company shall appoint an audit firm (including its affiliate firms) as auditors for more than two terms of five consecutive years. The Act also provided for additional transition period of three years from the commencement of the Act.

The term of present auditors M/s. B. K. Khare & Co. Chartered Accountants, Mumbai, expires at the conclusion of this Annual General Meeting. The Audit Committee and the Board have placed on record their appreciation for the professional services rendered by them and their long association with the Company as its auditors.

The Board of Directors on the recommendation of the Audit Committee proposes to appoint M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Firm Registration No. 104607W/W100166) to hold office from the conclusion of this twenty fourth Annual General Meeting till the conclusion of twenty ninth Annual General Meeting of the Company subject to ratification of their re-appointment by Members at every Annual General Meeting.

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Firm Registration No. 104607W/W100166) have confirmed that their appointment, if made would be within the limits specified under section 141 of the Act and that they are not disqualified to be appointed as statutory auditor in term of the provisions of section 139 and section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution.

The Board recommends the Ordinary Resolution for your approval.

SPECIAL BUSINESS

Item No. 5

The Ministry of Corporate Affairs has as on date notified substantive sections of the Act which deal with the general functioning of companies.

The Articles of Association were amended from time to time in accordance with the provisions of the Companies Act, 1956. With the introduction of Companies Act, 2013 and with the changed circumstances warranting the management to dispense with such articles, it is proposed to wholly substitute the existing Articles of Association of the Company with a new set of Articles of Association to make it consistent with the provisions of Companies Act, 2013 including the Rules framed thereunder.

As per the provisions of Section 14 of the Companies Act, 2013, alteration of the Articles of Association of the Company needs to be approved by the shareholders of the Company.

The Board of Directors in its meeting held on 19th May, 2017 has accorded its approval for adoption of a new set of regulations as Articles of Association in substitution, and to the entire exclusion, of the set of regulations contained in the existing Articles of Association. The new set of Articles of Association shall be available for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company

None of the Directors and Key Managerial Personnel(s) of the Company or their relatives are directly or indirectly concerned or interested in this Resolution.

The Board recommends the Special Resolution for your approval.

Item No. 6

This special resolution contained in the Notice relates to a resolution by the Company enabling the Board to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible or Non-convertible or Partly convertible Debentures and such other securities as stated in the resolution (the "Securities"), including by way of a qualified institutions placement in accordance with Chapter VIII of the SEBI ICDR Regulations, in one or more

tranches, at such price and on such terms and conditions as may be deemed appropriate by the Board (which term shall be deemed to include any committee thereof which the Board may have constituted) at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed by the Board for the purpose of the Issue.

This special resolution enables the Board to issue Securities for an aggregate amount not exceeding ₹ 250 Crores or its equivalent in any foreign currency.

The Board shall issue Securities pursuant to this special resolution and utilize the proceeds for business purposes, including but not limited to meet capital expenditure and working capital requirements of the Company and its subsidiaries, joint ventures and affiliates, including investment in subsidiaries, joint ventures and affiliates, repayment of debt, exploring acquisition opportunities and general corporate purposes.

The special resolution seeks to empower the Board also to issue by way of one or more public and/or private offerings, and/ or on preferential allotment basis including Qualified Institutions Placement ("QIP") or any combination thereof, through issue of prospectus and /or placement document/ or other permissible/requisite offer document to any eligible person, including Qualified Institutional Buyers ("QIBs") as defined under the SEBI ICDR Regulations in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/ or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds and/ or any other categories of investors, whether they be holders of equity shares of the Company or not (collectively called the "Investors") as may be decided by the Board.

Further, if any issue of securities is made by way of QIP the Board may also offer a discount of not more than 5% or such other percentage as permitted on the QIP Floor Price

calculated in accordance with the pricing formula provided under SEBI ICDR Regulations. The "Relevant Date" for this purpose will be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares as Eligible Securities and in case Eligible Securities are eligible convertible securities, then either the date of the meeting in which the Board decides to open the proposed issue or the date on which holder of Eligible Securities become eligible to apply for Equity Shares, as may be determined by the Board.

As the Issue may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the SEBI ICDR Regulations and any other law for the time being in force and being applicable and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of issue of convertible bonds and/or equity shares through depository receipts the price will be determined on the basis of the current market price and other relevant guidelines.

The Stock Exchange for the same purpose is the BSE Limited/National Stock Exchange of India Limited.

In case of QIP Issuance the special resolution has a validity period of 12 months before which allotments under the authority of said resolution should be completed.

None of the Directors and Key Managerial Personnel(s) of the Company or their relatives are directly or indirectly concerned or interested in this Resolution.

The Board recommends the Special Resolution for your approval.

By Order of the Board
Rahul Sawale
Group Company Secretary

Place : Mumbai
Dated : 19th May, 2017

Route Map to the venue of the AGM



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 24th Annual Report and the Audited Financial Statements of Accounts for the financial year ended 31st March, 2017.

Standalone Financial Highlights of 2016-2017

- Net Sales and other income of the Company were ₹ 33,772.35 Lakhs as compared to ₹ 41,588.78 Lakhs in the previous year.
- Profit before tax was ₹ 112.50 Lakhs as compared to ₹ 3,471.10 Lakhs in the previous year.
- Profit after tax was ₹ 3.70 Lakhs as compared to ₹ 2,575.19 Lakhs in the previous year.

Standalone Financial Results

(₹ In Lakhs)

	2016 - 2017	2015-2016
Net Sales & Other Income	33,772.35	41,588.78
Profit before Interest & Depreciation	3,854.79	7,123.62
Interest	2,583.32	2,182.93
Depreciation	1,158.97	1,014.86
Profit/(Loss) before exceptional item and tax	112.50	3,925.83
Less : Exceptional Item	-	454.73 [#]
Less: Provision for Tax (Net)	108.80	895.91
Profit After Tax	3.70	2,575.19
Balance available for Appropriation	7,453.32	8,105.01
Appropriations:		
Proposed Dividend	29.30	436.35 [*]
Corporate Dividend Tax	5.46	89.03
General Reserve	-	130.00
Balance Carried Forward	7,418.56	7,449.62

Loss on final settlement of insurance claim

* Includes short provision of ₹ 1.36 lakhs pertaining to the earlier periods.

The revenue from operations (net) on standalone basis decreased to ₹ 32,464.42 lakhs as against ₹ 41,218.53 lakhs in the previous year. The revenues were lower by 21.24% on year on year basis mainly due to loss of customers due to competitive & negative pressure on international product prices. Consequential adverse impact on standalone profit before tax, which was decreased to ₹ 112.50 lakhs as against ₹ 3,471.10 lakhs in previous year, thereby a reduction in growth by 96.76% on year on year basis. There was also a Foreign Exchange fluctuation loss of ₹ 4.21 Crores. Profit After Tax was decreased to ₹ 3.70 lakhs as against ₹ 2,575.19 lakhs.

Our results of operations on consolidated basis is as follows:

The revenue from operations (net) on consolidated basis was ₹ 53,393.05 lakhs as against ₹ 48,934.22 lakhs in the previous year thereby registering a growth of 9.11% on year on year basis. The revenues were higher mainly due to addition of Dresen Quimica SAPI de CV, Mexico revenues of ₹ 120.97 Crores. Consolidated loss before tax was ₹ 428.49 lakhs as against profit before tax of ₹ 5,001.84 lakhs in previous year. Margins were impacted due to gestation losses in CFS North America LLC of ₹ 12.67 Crores and CFS do Brasil Indústria, Comércio, Importação E Exportação De

Aditivos Alimentícios Ltda of ₹ 3.67 Crores. CFS Europe S.p.A results were also subdued due to volatile input prices.

Consolidated Loss after tax was ₹ 753.73 lakhs as against profit after tax of ₹ 3,582.00 lakhs in previous year.

State of Affairs

Your Company is engaged in research, development, manufacturing, commercialising, and marketing of speciality chemicals and blends which are used in a wide array of food, feed, animal and pet nutrition and industrial products. Our business is categorised into three verticals based on our product portfolio, namely: (i) Shelf-life Extension Solutions; and (ii) Aroma Ingredients and (iii) Performance Chemicals. We have added animal nutrition to our portfolio of products pursuant to our acquisition of 65% stake in Dresen Quimica SAPI De CV, Mexico (Dresen) and going forward we expect this to complement our Shelf-life Extension Solutions portfolio. We market our products globally including in Europe, Asia Pacific, India, South and Central America and North America.

Shelf-life Extension Solutions include a range of antioxidant solutions used to increase the shelf life of oils and fats, which in turn is used in processed food products like bakery, confectionery, fried snack foods, dairy, animal feed and pet food. We also manufacture antioxidant blends ("Blending Business"), which we market under brands "Xtendra" and "NaSure".

Aroma vertical primarily includes production of Vanillin and Ethyl Vanillin ("Vanillin Products") which are marketed under the brands "Vanesse" and "Evanil". The key raw materials used to manufacture our Vanillin Products are Guaiacol and Guethol, respectively, which in turn are derived from Catechol. Our Vanillin Products are used to give food and beverages a flavour of vanilla, to enhance other flavours or to mask unwanted flavours and are used in food, flavour and fragrance, incense sticks, pharma and cattle feed segments.

Performance Chemicals vertical includes production of amongst others, Guaiacol, Veratrole, TBC and MEHQ, which are derivatives of either Catechol or Hydroquinone and have wide application in sectors such as food flavouring, pharmaceuticals intermediate, agrochemicals, dyes and pigments and fragrance industry.

Dresen manufactures and markets a range of animal nutrition products, antioxidants, adsorbents, acidifying agents, bactericides, binders and mould inhibitor.

Dividend

Considering the growth requirements of the business and absence of sufficient profits, your directors do not recommend any dividend for the financial year 2016-2017.

The Company had transferred a sum of ₹ 1,90,854 during the financial year to the Investor Education and Protection Fund established by the Central Government. The said amount represents Unclaimed Dividend for the financial year 2008-2009 with the Company for a period of 7 years from the due date of payment.

QIP ISSUE

During the year under review, the Company allotted to eligible qualified institutional buyers in the Qualified Institutions Placement, 65,19,500 equity shares of face value ₹ 1 each of the Company (the "Equity Shares") at a price of ₹ 85.40 per Equity Share (including share premium of ₹ 84.40 per Equity Share) aggregating to ₹ 5,567.65 lakhs.

Employee Stock Option Scheme

During the year under review, the Company allotted 5,24,240 Equity Shares of ₹ 1/- each upon exercise of stock options by the eligible Employees/Directors under the Employee Stock Option Scheme of 2014.

The applicable disclosure as stipulated under SEBI Guidelines as at 31st March, 2017 is given in Annexure A to this report.

Deposits

During the year under review, your Company neither accepted nor renewed any fixed deposits falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. The total unclaimed Fixed Deposits as on 31st March, 2017 were ₹ 5.35 lakhs.

Subsidiaries

The Company has the following overseas subsidiaries (including step down subsidiaries) as on March 31, 2017:

- **CFCL Mauritius Private Limited**

A 100% owned subsidiary of the Company incorporated for acquisition of CFS Europe S.p.A. in Italy.

- **CFS Europe S.p.A.**

A step down subsidiary of the Company engaged in manufacture and sale of key raw materials required by the Company.

- **CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda.**

A 100% owned subsidiary in Brazil to manufacture and market customized blends to cater to the Latin American market. Besides, it also handles distribution of bulk antioxidants and vanillin.

- **Solentus North America Inc.**

A 100% wholly owned subsidiary in Canada engaged in sales, marketing and distribution of antioxidants, food ingredients, blends, formulations etc. in USA and Canada.

- **CFS North America LLC.**

A 100% wholly owned subsidiary in USA engaged in sales, marketing and distribution of antioxidants, food ingredients, blends, formulations etc. in North America.

- **CFS Antioxidantes de Mexico SA de C.V.**

A 100% owned subsidiary of the Company incorporated for acquisition of Dresen Quimica SAPI de C.V. in Mexico.

- **CFS International Trading (shanghai) Ltd.**

On 15th April, 2016, a 100% wholly owned subsidiary CFS International Trading (Shanghai) Ltd. was incorporated in China (Shanghai) pilot free trade zone to manufacture and deal in speciality chemicals.

- **Dresen Quimica S.A.P.I. de C.V.**

On 04th May, 2016, our subsidiary CFS Antioxidantes De Mexico S.A. de C.V., Mexico acquired 65% stake in Dresen Quimica S.A.P.I. de C.V., Mexico along with its group companies viz. Industrias Petrotec de México, S.A. de C.V., Mexico; Nuvel, S.A.C., Peru; Britec, S.A., Guatemala, Inovel, S.A.S., Colombia and Grinel, S.A., Dominican Republic.

On 22nd March, 2017, **Chemolutions Chemicals Limited** (CCL) allotted 62,67,003 (Sixty Two Lakhs Sixty Seven Thousand and Three) equity shares on preferential basis to the Company. Post allotment, the shareholding of Company in CCL was 94.08% and CCL became the subsidiary of the Company. CCL inter alia deals in specialty chemicals and is also engaged in third party contract manufacturing/job-work. CCL is having its registered office in Mumbai and its plant at Tarapur, Maharashtra.

During the year under review, your Company has entered into a Share Purchase Agreement to acquire (either through itself or its subsidiaries/group companies) 51% stake in an entity in China namely Ningbo Wanglong Flavors and Fragrances Company Limited, which shall be subject to certain conditions being fulfilled prior to the said acquisition and regulatory approvals. The said acquisition can also be through the Company's subsidiaries and/or group companies.

The statement containing the salient features of Company's Subsidiaries and Associate Companies under the first proviso of section 129(3) forms the part of the financial statements.

As decided by the Board of Directors at its meeting held on 19th May, 2017 the copies of Audited Financial Statements of the Subsidiaries have not been attached to the Annual Accounts of the Company. These documents will, however, be made available upon request by any member of the Company and also shall be available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

The Policy for Determining Material Subsidiaries is disclosed on the Company's website and the weblink for the same is <http://www.camlinfs.com/IR.php>.

Directors

Mr. Ajit S. Deshmukh and Mr. Dilip D. Dandekar are retiring by rotation and being eligible offer themselves for reappointment. You are requested to appoint them.

Renewal of appointment of Mr. Dattatraya R. Puranik, Executive Director & CFO for the period 01st August, 2016 to 31st July, 2019 was approved by the members at the previous Annual General Meeting held on 10th August, 2016. In view of the succession plans of the Company, Mr. Santosh Parab, a Fellow Member of Institute of Chartered Accountants of India was appointed as Senior Vice President – Finance, Accounts and Taxation on 01st December, 2015. Mr. Santosh Parab was promoted and designated as Chief Financial Officer (CFO) of the Company w.e.f. 10th February, 2017 on re-designation of Mr. D. R. Puranik as Executive Director.

On 10th April, 2017, the Company received the letter of resignation from Ms. Leena Dandekar, Executive Director tendering her resignation from the directorship on personal grounds. Mr. D. R. Puranik also resigned on 19th May, 2017

from directorship on personal grounds. The Board took the note of the same and placed on record its appreciation for the services rendered by them during their tenures as 'Executive Directors'.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015), particulars of Directors seeking reappointment at the ensuing Annual General Meeting have been given under Corporate Governance Report.

None of the Directors are disqualified from being appointed as Directors, as specified in Section 164 of the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

The details of familiarisation programmes held for the directors are disclosed on the Company's website and the weblink for the same is <http://www.camlinfs.com/IR.php>.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees.

The board's performance for the current year was assessed on the basis of participation of directors, quality of information provided/available, quality of discussion and contribution etc. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering the aforesaid aspects of the Board's functioning. The overall performance of the Board and Committee's of the Board was found satisfactory.

The overall performance of Chairman, Executive Directors and the Non-executive Directors of the Company was found satisfactory. The review of performance was based on the criteria of performance, knowledge, analysis, quality of decision making etc.

Nomination and Remuneration Policy and Evaluation criteria of Independent Directors

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior

Management and their remuneration and evaluation criteria for performance evaluation of Independent Directors. The Nomination and Remuneration Policy and evaluation criteria of Independent Directors have been provided under Corporate Governance Report.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of statutory auditor and the internal auditor, corrective actions are undertaken in the respective areas and thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Directors' Responsibility Statement

Pursuant to the requirement u/s 134(3)(c) of the Companies Act, 2013 (the "Act") with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2017 and of the profit and loss of the Company for the year ended on that date;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;

- (e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Meeting of Board and Committees of Directors

During the year 5 (five) Board Meetings and 4 (four) Audit Committee Meetings were convened and held. The details of the same along with other Committee's of Board are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Auditors

M/s. B. K. Khare and Co., Chartered Accountants (Firm Registration No. 105102W), retire as Statutory Auditors at the conclusion of the ensuing Annual General Meeting. The Audit Committee and the Board have placed on record their appreciation for the professional services rendered by them and their long association with the Company as its auditors.

Pursuant to Section 139 of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee has proposed to appoint M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166). M/s. Kalyaniwalla & Mistry LLP have informed their willingness and the Company have received a letter confirming to the effect that if appointment as Statutory Auditors is made, would be within the limits prescribed u/s 141 of the Companies Act, 2013.

Members are requested to consider and appoint M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, as the Statutory Auditors of the Company from the ensuing Annual General Meeting till the conclusion of 29th Annual General Meeting.

Auditors' Report

The observations made in the Auditors' Report are self-explanatory and do not call for any further comments u/s 134(3)(f) of the Companies Act, 2013.

Reporting of Frauds

There have been no instances of fraud reported by the statutory auditors under Section 143(12) of the Act and

Rules framed thereunder either to the Company or to the Central Government.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. JHR & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as Annexure B. The findings of the Secretarial Audit were entirely satisfactory.

Cost Audit

As per the Companies (cost records and audit) Rules, 2014, the requirement for cost audit is not applicable to a Company whose revenue from exports, in foreign exchange, exceeds seventy-five per cent of its total revenue.

Since, the Company's revenue from exports, in foreign exchange, exceeds seventy-five per cent of its total revenue, Cost Audit is not applicable to the Company.

Particulars of employees

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Corporate Social Responsibility (CSR)

Company operates CSR Policy in the areas of promoting healthcare, education including special education and employment enhancing vocation skills especially among children, the differently abled, tribal communities and measures for reducing inequalities faced by socially and economically backward classes.

The projects identified and adopted are as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013. The Company endeavors to make

CSR a key business process for sustainable development and welfare of the needy sections of the society.

During the Financial Year 2016-17, the Company has spent entire amount of ₹ 72.15 lakhs towards CSR activities through various trusts and NGO's operating in the said areas.

The Annual Report on CSR activities forming part of this Board's report is annexed herewith as Annexure- C.

Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The objective of the Policy is to explain and encourage the directors and employees to raise any concern about the Company's operations and working environment, including possible breaches of Company's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees.

The Whistle Blower Policy is disclosed on the Company's website and the web link for the same is <http://www.camlinfs.com/IR.php>.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Financial Statements.

Related Party Transactions

All Related Party Transactions that were entered into during the financial year and as disclosed in the Financial Statements were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of related Party Transactions as required under Section 134 (3) (h) of the Companies Act 2013 in form AOC-2 is not applicable to your Company.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and the weblink for the same is <http://www.camlinfs.com/IR.php>.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As required by the Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy,

technology absorption, foreign exchange earnings and outgoings respectively, is given in the Annexure- D to this report.

Risk Management Policy

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing / mitigating the same.

Your Company has institutionalized the process for identifying, minimizing and mitigating risks which is periodically reviewed. Some of the risks identified and been acted upon by your Company are: Securing critical resources; ensuring sustainable plant operations; ensuring cost competitiveness including logistics; completion of CAPEX; maintaining and enhancing customer service standards and resolving environmental and safety related issues.

Significant and Material Orders passed by the Regulators/ Courts, if any

During the year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

However, the Company's manufacturing unit situated at Plot D- 2/3, M.I.D.C., Tarapur, District Palghar was been directed by the Regional Officer Maharashtra Pollution Control Board (M.P.C.B.) vide letter no. M.P.C.B./ROT/CD/617 dated 25th April, 2017 to close down the manufacturing activities of the aforesaid unit for violation of consent conditions (consent granted u/s. 26 of Water (P&CP Act), 1974 and u/s. 21 of Air (P&CP Act), 1981).

The Regional Officer of M.P.C.B. vide letter no. M.P.C.B./ROT/Restart/C-708 dated 16th May, 2017 gave conditional consent to restart the manufacturing activities of the Company's unit situated at Plot D- 2/3, M.I.D.C., Tarapur, District Palghar, Maharashtra and simultaneously, the manufacturing activities in the said unit were restarted. This did not had any material impact on the Company's working.

Sexual Harassment of Women at Workplace:

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. During the year under review, no case of sexual harassment was reported.

Corporate Governance

As required under Regulation 27 of SEBI LODR 2015, a detailed Report on Corporate Governance is given as a part

of Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Certificate of the compliance with Corporate Governance requirements by the Company issued by the Practicing Company Secretaries is attached to the Report on Corporate Governance.

Management Discussion and Analysis

A detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report which forms a part of this report.

Extract of the annual return

Pursuant to section 92(3) of the Companies Act, 2013, the extract of the annual return in Form No. MGT – 9 forms part of this Board's report and is enclosed as Annexure- E.

Acknowledgment

The Board wishes to place on record its appreciation of sincere efforts put in by the employees of the Company, in helping it reach its current growth levels. Your Directors place on record their appreciation for the support and assistance received from the investors, customers, vendors, bankers, financial institutions, business associates, regulatory and governmental authorities.

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 19th May, 2017

ANNEXURE A TO DIRECTORS' REPORT

DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014.

The Company granted options to its eligible employees under "Camlin Fine Sciences Employees Stock Option Scheme, 2014" (ESOS 2014) approved vide Shareholders resolution dated 4th August, 2014. The details of the scheme is given in notes the Financial Statements and other details of the scheme are summarised below:

		ESOS - 2014
a	Options granted	1638000
b	Options outstanding at the beginning of the year	1285500
c	Exercise price	₹ 67/- plus applicable taxes, as may be levied on the Company.
d	Option vested	1638000
e	Options exercised during the year	524240
F	Total number of shares arising as a result of exercise of these options	524240
G	Option lapsed / expired / forfeited	85500
H	Variation in terms of option	--
I	Money realized by exercise of these options	₹ 3,51,24,080
J	Employee-wise details of options granted to	
	1. Key Managerial Personnel / Director / Senior Management	Mr. D. R. Puranik - 40000 Mr. A. S. Dukane - 40000 Mr. M. A. Jose - 40000
	2. Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year.	None
	3. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None
K	Diluted earning per share (EPS) pursuant to the issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'earning per share'.	0.00

The company has adopted intrinsic value method in accounting for employee cost on account of ESOS. The intrinsic value of the shares is based on the latest available closing market price, prior to the date of meeting of the board of directors, in which the options were granted, on the stock exchange in which the shares of the company are listed. The difference between the intrinsic value and the exercise price is being amortised as employee compensation cost over the vesting period.

The total expense charged to the statement of profit and loss in respect of the options granted aggregated ₹ Nil lakh (previous year ₹ 3.69 lakh).

Had the fair value method of accounting for options been followed the net profit for the year would have been lower by ₹ 49.72 lakh (previous year ₹ 233.91 lakh).

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai

Dated : 19th May, 2017

ANNEXURE B TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

The Members,
Camlin Fine Sciences Limited
Plot No. F11/12, WICEL,
Opp. SEEPZ Main gate,
Central Road, Andheri (E)
Mumbai - 400093

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of overseas direct investments including loans and guarantees.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits) Regulation, 2014, notified on 28th October 2014.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit period).

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during audit period)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during audit period) and
 - i. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi. The Law which is specifically applicable to the Company is as Under:

Food Safety and Standards Act, 2006

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the Composition of the Board of Directors during the audit period.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report that during the audit period there were no specific events/ the company has not taken any actions having a major bearing on the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc. requiring disclosure in this report.

For **JHR & Associates**

Company Secretaries

J. H. Ranade

(Partner)

Place: Thane

Date: 18th May, 2017

FCS: 4317, CP: 2520

The Members,
Camlin Fine Sciences Limited
Plot No. F11/12, WICEL,
Opp. SEEPZ Main gate,
Central Road, Andheri (E)
Mumbai - 400093

Our Secretarial Audit Report of even date for the Financial Year 2016-2017 is to be read along with this letter.

Management's Responsibility:

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

Auditor's Responsibility.

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

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

For **JHR & Associates**
Company Secretaries
J. H. Ranade
(Partner)

Place: Thane
Date: 18th May, 2017

FCS: 4317, CP: 2520

ANNEXURE C TO DIRECTORS' REPORT

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Company operates CSR Policy in the areas Education, Health care, Sustainable livelihood and espousing social causes. The projects identified and adopted as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013. The Company endeavors to make CSR a key business process for sustainable development.

During the Financial Year 2016-17, the Company has spent ₹ 72.15 lakhs towards CSR activities through various trusts and NGO's operating in the areas of promoting healthcare, education including special education and employment enhancing vocation skills especially among children, the differently abled, tribal communities and measures for reducing inequalities faced by socially and economically backward classes.

c) Manner in which the amount spent during the financial year is detailed below.

(1) S. No	(2) Project / Activity	(3) Sector	(4) State and district	(5) Amount outlay (budget) (₹ In Lakhs)	(6) Amount spent (₹ In Lakhs)	(7) Cumulative expenditure (₹ In Lakhs)	(8) Amount spent : Direct or through implementing agency
1	Development support to people belonging to tribal backward class	Up-liftment Tribal Backward Class	Jashpur, Chattisgarh	15.00	15.00	-	Akhil Bharatiya Vanvasi Kalyan Ashram, a public trust formed since 1952.
2	promoting education, including special education and health for differently abled	Special education for differently abled	Thane, Maharashtra	10.00	10.00	-	Sangopita -A shelter for care, NGO started in 2003
3	Education, youth empowerment	Education and empowerment of economically backward groups	Mumbai, Maharashtra	25.00	25.00	-	Vivekananda Rock Memorial & Vivekananda Kendra a registered society since 1963.
4	promoting healthcare	Healthcare for poor patients	Mumbai, Maharashtra	15.00	15.00	-	Shushrusha Citizens' Co-operative Hospital Ltd., started in 1966
5	Promoting sports, healthcare and education	promote sports, eradicate poverty, promote healthcare and education	Karnataka, Bengaluru	7.15	7.15	-	GoSports Foundation, trust established in 2008 in Bengaluru
	TOTAL			72.15	72.15	-	

The Corporate Responsibility Policy is disclosed on the Company's website and the weblink for the same is <http://www.camlinfs.com/IR.php>.

2. The Composition of the CSR Committee:

Composition:

Mr. Abeezer E. Faizullahoy - Chairman

Mr. Dilip D. Dandekar - Member

Mr. Ashish S. Dandekar - Member

3. Average net profit of the Company for last three financial years: ₹ 3,607.25 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 72.15 lakhs

Details of CSR spent during the financial year.

a) **Total amount to be spent for the financial year: ₹ 72.15 lakhs**

b) **Amount unspent, if any: Nil**

6. The Company has not failed to spend the two per cent of the average net profit of the last three financial years or any part thereof.
7. CSR Committee states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

Dilip D. Dandekar
Chairman

Abeezar E. Faizullahoy
(Chairman CSR Committee)

Ashish S. Dandekar
Managing Director

ANNEXURE D TO DIRECTORS' REPORT

PARTICULARS PURSUANT TO SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014.

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY

- (i) the steps taken on conservation of energy;

Energy conservation measures taken:

The major steps taken towards energy conservation were the installation of;

- Steam Generation Equipment.
 - Shift from Light Diesel Oil (LDO) to Furnace Oil (FO).
 - Additional accessories to Boiler System
 - Installation of biomass resources for generation of thermal energy.
- (ii) the steps taken by the Company for utilising alternate sources of energy;

Additional investments for installation of biomass resources for generation of thermal energy are envisaged. Steps are also taken to introduce improved operational methods, rationalization and better methods of lighting, aimed to save consumption of power and fuel.

- (iii) the capital investment on energy conservation equipments;
- (iv) impact of the above matters:

As a result of measures taken enumerated above, further economy in conservation of energy coupled with reduction in cost of production shall be possible. Necessary measures are taken to make the change clean and environmental friendly by installation of additional accessories to Boiler System.

Substantial savings in steam generation cost will be felt due to the substitution of furnace oil with biomass resources.

B. TECHNOLOGY ABSORPTION

- (i) the efforts made towards technology absorption;

The Company's R & D Laboratory is recognised by the Department of Scientific & Industrial Research, Government of India, where continuous efforts are made to innovate new products and improve the quality of Fine Chemicals and products manufactured /procured

by the Company and to make the manufacturing process safe, cost effective and environment friendly.

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; Technology, innovations and improvements undertaken at the Laboratory scale have been successfully absorbed at plant level. These efforts shall benefit the Company in increasing sales, reducing cost, and improving quality and scale of the production. The Company is heading towards global leadership in food grade antioxidants.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL
- the details of technology imported;
 - the year of import;
 - whether the technology been fully absorbed;
 - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development.

(₹ in Lakhs)

		2016-2017	2015-2016
4.	Expenditure on R&D		
a)	Capital	3.40	177.53
b)	Recurring	255.59	210.08
c)	Total	258.99	387.61
d)	Total R&D Expenditure as a Percentage of total turnover	0.77%	0.93%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

	2016-2017	2015-2016
Foreign exchange outgo	16,026.40	22,314.65
Foreign exchange earned	23,133.18	32,646.27

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai

Dated : 19th May, 2017

ANNEXURE E TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74100MH1993PLC075361
2.	Registration Date	30/11/1993
3.	Name of the Company	CAMLIN FINE SCIENCES LIMITED
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	Plot No. F/11 & F/12, WICEL, Opp. SEEPZ Main Gate, Central Road, Andheri East, Mumbai - 400 093, Maharashtra Tel: 022-6700 1000 Fax: 022-2832 4404
6.	Whether listed Company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any	M/s. Link Intime India Private Limited, having its registered office at C 101, 247 Park, L. B .S. Marg, Vikhroli (West), Mumbai - 400083 Email: rnt.helpdesk@linkintime.co.in Tel.: 022 - 2594 6970

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the Company)

The Company operates primarily in the segment of Fine Chemicals.

Sr. No.	Name and Description of main Products /services	NIC Code of the Product /service	% to total turnover of the Company
1.	BHA	29093090	19.91
2.	TBHQ	29072990	30.05

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	CFCL Mauritius Pvt. Ltd. Level 2, Max City Building, Remy Ollier street, Port-Louis, Mauritius	N.A.	Subsidiary	100%	2(87)
2.	CFS Europe S.p.A Via Agostino De Pretis 6, 48123 Ravenna, Italy	N.A.	Step Down Subsidiary	100%	2(87)
3.	CFS Do Brasil Industria, Comercio, Importacao E Exportacao De Aditivos Alimenticios Ltda. Rua Esmeralda Martini Paula, 189 Distrito Industrial e Comercial Vitória Martini, Indaiatuba - SP 13347-636, Brazil	N.A.	Subsidiary	100%	2(87)
4.	Solentus North America Inc. 55 York Street Suite 401 Toronto, ON M5J 1R7, Canada	N.A.	Subsidiary	100%	2(87)
5.	CFS North America LLC, Add: 3179 99th Street, Urbandale, Iowa 50322 USA	N.A.	Subsidiary	100%	2(87)
6.	CFS Antioxidantes de Mexico S.A. de C.V. Edgar Allan Poe No. 215, Colonia Polanco, Delegacion Miguel Hidalgo, 11550 Mexico City	N.A.	Subsidiary	100%	2(87)
7.	Dresen Quimica SAPI de C.V., (Dresen) Hidalgo No. 71, Colonia del Carmen, Coyoacán Delegation, Zip Code 04100, in México, City	N.A.	Step Down Subsidiary	65%	2(87)
7(a).	INDUSTRIAS PETROTEC DE MÉXICO, S.A. DE C.V, Guanajuato 49-A Colonia Sta. Ma. Tulpetlac, Ecatepec, Estado de México, C.P. 55418	N.A.	Subsidiary of Dresen	65%	2(87)
7(b).	NUVEL, S.A.C. Calle los Tejedores 109, Urbanización Vulcano, Calle los Tejedores 109, Ate, Lima Peru	N.A.	Subsidiary of Dresen	65%	2(87)
7(c).	BRITEC, S.A., Add: Diagonal 17, 27-50 zona 11 Colonia Mariscal, Guatemala	N.A.	Subsidiary of Dresen	65%	2(87)

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
7(d).	INOVEL, S.A.S., Transversal 93, 53-32 Bodega 40, Parque Ind., El Dorado, Bogota, Colombia	N.A.	Subsidiary of Dresen	65%	2(87)
7(e).	GRINEL, S.A., Fabio Fiallo number 151, New City, Santo Domingo, National District, Dominican Republic	N.A.	Subsidiary of Dresen	65%	2(87)
8.	CFS International Trading (Shanghai) Ltd. Room 1610, 16th Floor, No. 158, Liu He Road. Shanghai, China	N.A.	Subsidiary	100%	2(87)
9.	Fine Lifestyle Brands Ltd. Plot No. F/11 & F/12, WICEL, Opp. SEEPZ Main Gate, Central Road, Andheri East, Mumbai - 93	U51311MH2008PLC186375	Associate	49.04%	2(6)
10.	Chemolutions Chemicals Ltd. Plot No. F/11 & F/12, WICEL, Opp. SEEPZ Main Gate, Central Road, Andheri East, Mumbai - 93 (w.e.f. 22.03.2017)	U24100MH2008PLC180376	Subsidiary	94.08%	2(87)

IV. SHARE HOLDING PATTERN (Equity Capital Breakup as percentage to Total Equity)

Category-wise Share Holding

Category Code	Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change in shareholding during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group²									
(1)	Indian									
(a)	Individuals/H.U.F	31,320,169	-	31,320,169	32.40	31,829,719	-	31,829,719	30.69	(1.71)
(b)	Central/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	6,014,820	-	6,014,820	6.22	9,423,300	-	9,423,300	9.09	2.86
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	37,334,989		37,334,989	38.62	41,253,019		41,253,019	39.78	1.15
(2)	Foreign									
(a)	Non Resident Individuals/ Foreign Nationals	1,172,800	-	1,172,800	1.21	1,172,800	-	1,172,800	1.13	(0.08)

Category Code	Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change in shareholding during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	1,172,800		1,172,800	1.21	1,172,800		1,172,800	1.13	(0.08)
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	38,507,789	-	38,507,789	39.84	42,425,819	-	42,425,819	40.91	1.07
(B)	Public Shareholding³									
(1)	Institutions									
(a)	Mutual Fund/UTI	667,635	-	667,635	0.69	4,746,221	-	4,746,221	4.58	3.89
(b)	Financial Institutions/ Banks	106,180	3,000	109,180	0.11	115,840	3,000	118,840	0.11	0.00
(c)	Central/State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	3,511,707	-	3,511,707	3.63	-	-	-	-	(3.63)
(g)	Foreign portfolio - corp	37,500	-	37,500	0.04	7,837,010	-	7,837,010	7.56	7.52
	Sub-Total (B)(1)	4,323,022	3,000	4,326,022	4.48	12,699,071	3,000	12,702,071	12.25	7.77
(2)	Non Institutions									
(a)	Bodies Corporate	8,331,004	11,150	8,342,154	8.63	8,068,426	-	8,068,426	7.78	(0.85)
(b)	Individuals		-	-	-		-	-	-	
	i) Holding nominal share capital upto ₹ 1 Lac	28,404,636	2,586,560	30,991,196	32.06	22,772,733	2,514,350	25,287,083	24.38	(7.68)
	ii) Holding nominal share capital in excess of ₹ 1 Lac	13,851,670	-	13,851,670	14.33	13,146,713	-	13,146,713	12.68	(1.65)
(c)	Any Other(specify) Individual Non-Resident Individual									
	Foreign National	51,400	-	51,400	0.05	50,700	-	50,700	0.05	(0.00)
	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	Non Resident Individuals (Non-Rep)	181,541	-	181,541	0.19	223,278	-	223,278	0.22	0.03
	Non Resident Individuals (Rep)	412,058	2,000	414,058	0.43	684,308	2,000	686,308	0.66	0.23

Category Code	Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change in shareholding during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Hindu Undivided Family	-	-	-	-	1,119,172	-	1,119,172	1.08	1.08
	Sub-Total (B)(2)	51,232,309	2,599,710	53,832,019	55.69	46,065,330	2,516,350	48,581,680	46.84	(8.84)
	Total Public shareholding (B)=(B)(1)+(B)(2)	55,555,331	2,602,710	58,158,041	60.16	58,764,401	2,519,350	61,283,751	59.09	(1.07)
	TOTAL (A)+(B)	94,063,120	2,602,710	96,665,830	100.00	101,190,220	2,519,350	103,709,570	100.00	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	94,063,120	2,602,710	96,665,830	100.00	101,190,220	2,519,350	103,709,570	100.00	-

B Shareholding of Promoter

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No of Shares held	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No of Shares held	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Abha A. Dandekar	5,573,937	5.77	-	5,573,937	5.37	-	(0.39)
2	Ashish Subhash Dandekar	13,631,000	14.10	-	13,636,550	13.15	-	(0.95)
3	Cafco Consultants Limited	748,800	0.77	-	1,497,600	1.44	-	0.67
4	Camart Industries Ltd	2,659,680	2.75	-	5,319,360	5.13	-	2.38
5	D P Dandekar (HUF)	504,000	0.52	-	1,008,000	0.97	-	0.45
6	Leena Dandekar	3,696,495	3.82	-	3,696,495	3.56	-	(0.26)
7	Rajani Subhash Dandekar	524,800	0.54	-	524,800	0.51	-	(0.04)
8	S D Dandekar (HUF)	968,000	1.00	-	968,000	0.93	-	(0.07)
9	Subhash Digambar Dandekar	848,000	0.88	-	848,000	0.82	-	(0.06)
10	Vibha Agencies Pvt. Ltd.	2,606,340	2.70	-	2,606,340	2.51	-	(0.18)
11	Vivek A. Dandekar	5,573,937	5.77	-	5,573,937	5.37	-	(0.39)
12	Anagha S. Dandekar	1,172,800	1.21	-	1,172,800	1.13	-	(0.08)
	TOTAL	38,507,789	39.84		42,425,819	40.91		1.07

Change in Promoter and Promoter Groups Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Ashish S. Dandekar				
	At the beginning of the year	13,631,000	13.14		
	Add : Purchase in open market	5,550	0.01		
	At the end of the year			13,636,550	13.15

Shareholding Pattern of top ten shareholdings

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	India Capital Fund Ltd.				
	At the beginning of the year	3442027		3442027	3.32
	Purchase of Shares	3145080	3.03	6587107	6.35
	At the end of the year			6587107	6.35
2	Camart Agencies Ltd				
	At the beginning of the year	5319360	5.13	5319360	5.13
	At the end of the year			5319360	5.13
3	ICICI Prudential Multicap Fund				
	At the beginning of the year	0		0	0.00
	Purchase of Shares	1858200	1.79	1858200	1.79
	At the end of the year			1858200	1.79
4	Rahul D. Dandekar				
	At the beginning of the year	1129600	1.09	1129600	1.09
	At the end of the year			1129600	1.09
5	Dilip D. Dandekar				
	At the beginning of the year	1427120	1.38	1427120	1.38
	At the end of the year			1427120	1.38
6	Ketki Amit Sawant				
	At the beginning of the year	1129600	1.09	1129600	1.09
	At the end of the year			1129600	1.09
7	Aditi Dilip Dandekar				
	At the beginning of the year	1129600	1.09	1129600	1.09
	At the end of the year			1129600	1.09
8	ICICI Prudential Value Fund Series 8				
	At the beginning of the year	0		0	0.00
	Purchase of Shares	1089462	1.05	1089462	1.05
	At the end of the year			1089462	1.05
9	DDI Consultants Ltd.				
	At the beginning of the year	960000	0.93	960000	0.93
	At the end of the year			960000	0.93
10	Urjita J Master				
	At the beginning of the year	1014000		1014000	0.98
	Sale of Shares	74000	0.07	940000	0.91
	At the end of the year			940000	0.91

Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Ashish S. Dandekar				
	At the beginning of the year	13631000	13.14	13631000	13.14
	Purchase of Shares	5550	0.01	13636550	13.15
	At the end of the year			13636550	13.15
2	Dilip D. Dandekar				
	At the beginning of the year	1427120	1.38	1427120	1.38
	At the end of the year			1427120	1.38
3	Pramod M. Sapre				
	At the beginning of the year	184990	0.18	184990	0.18
	ESOP	0	0.00	184990	0.18
	At the end of the year			184990	0.18
4	Abeezar E. Faizullahoy				
	At the beginning of the year	163000	0.16	163000	0.16
	ESOP	0	0.00	163000	0.16
	At the end of the year			163000	0.16
5	Sharad M. Kulkarni				
	At the beginning of the year	161400	0.16	161400	0.16
	ESOP	0	0.00	161400	0.16
	At the end of the year			161400	0.16
6	Bhargav A. Patel				
	At the beginning of the year	150000	0.14	150000	0.14
	ESOP	0	0.00	150000	0.14
	At the end of the year			150000	0.14
7	Mr. Dattatraya R. Puranik				
	At the beginning of the year	153223	0.15	153223	0.15
	ESOP	0	0.00	153223	0.15
	Sale of Shares	48000	0.05	105223	0.10
	At the end of the year			105223	0.05
8	Ms. Leena Dandekar				
	At the beginning of the year	3696495	3.56	3696495	3.56
	Sale of Shares	0	0.00	3696495	3.56
	At the end of the year			3696495	3.56

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
9	Mr. Atul R. Pradhan				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year			0	0.00
10	Mr. Nicola A. Paglietti				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year			0	0.00
11	Mr. Nirmal V. Momaya				
	At the beginning of the year	3601520	3.47	3601520	3.47
	At the end of the year			3601520	3.47
12	Mr. Ajit S. Deshmukh				
	At the beginning of the year	40	0.00	40	0.00
	At the end of the year			40	0.00
13	Mr. Santosh L. Parab				
	At the beginning of the year	994	0.00	994	0.00
	At the end of the year			994	0.00
14	MR. Rahul D. Sawale				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year			0	0.00

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakhs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	15,894.95	-	-	15,894.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	48.43	-	-	48.43
Total (i+ii+iii)	15,943.39	-	-	15,943.39
Change in Indebtedness during the financial year				
* Addition	8,813.93	-	-	8,813.93
* Reduction	1,367.07	-	-	1,367.07
Net Change	7,446.86	-	-	7,446.86
Indebtedness at the end of the financial year				
i) Principal Amount	23,319.05	-	-	23,319.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	71.19	-	-	71.19
Total (i+ii+iii)	23,390.24	-	-	23,390.24

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. A. S. Dandekar	Ms. Leena Dandekar#	Mr. D. R. Puranik*	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	106.22	52.80	55.59	214.61
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	61.02	32.20	11.37	104.59
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity	-	-	-	-
4	Commission - as% of profit - others, specify		-	-	-
5	Others, please specify (contribution to PF/Gratuity / Superannuation)	17.85	8.87		26.72
	Total (A)	185.09	93.87	66.96	345.92
	Ceiling as per the Act	-	-	-	-

#Ms. Leena Dandekar resigned w.e.f. 10th April, 2017

*Mr. D. R. Puranik re-designated as Executive Director w.e.f. 10th February, 2017. Resigned w.e.f. 19th May, 2017.

B. Remuneration to other directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		P. M. Sapre	S. M. Kulkarni	A. E. Faizullabhoj	B. A. Patel	N. A. Paglietti	A. R. Pradhan	
1	Independent Directors							
	Fee for attending board/committee meetings	8.60	10.00	8.20	8.25	2.00	5.25	42.30
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	8.60	10.00	8.20	8.25	2.00	5.25	42.30
2	Other Non-Executive Directors	A. S. Deshmukh	N. V. Momaya	D. D. Dandekar				
	Fee for attending board/committee meetings	3.00	5.00	6.55				14.55
	Commission	-	-	-				-
	Others, please specify	-	-	30.60				30.60
	Remuneration							
	Total (2)	3.00	5.00	37.15				45.15
	Total (B)=(1+2)	-	-	-				87.45
	Total Managerial Remuneration	-	-	-				-
	Overall Ceiling as per the Act	-	-	-				-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO*	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	12.44	4.66	17.10
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	4.29	0.20	4.49
	(c) Profits in lieu of salary under Section 17(3) Income - tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as% of profit - others, specify	-	-	-	-
5	Others, please specify (contribution to PF/Gratuity / Superannuation)	-	1.08	0.92	2.00
	Total	-	17.81	5.78	23.59

*Mr. Santosh Parab designated as CFO w.e.f. 10th February, 2017. Refer to VI(A) above

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS:

Camlin Fine Sciences (CFS), with its power of vertical integration has progressed and gained a firm footing in its 3 large business verticals – Shelf Life Solutions, Aroma Ingredients and Performance Chemicals. In FY2016-17, the Company focused on expanding its Shelf Life Solutions business with antioxidant blends for food and have spread across other segments such as pet food, animal nutrition, aquaculture, rendering and biodiesel in different markets. A glimpse of our operations in India and other regions in FY2016-17 are given below:

I. Camlin Fine Sciences, India

A. Shelf Life Solutions (SLS)

CFS Shelf Life Solutions India business has achieved a growth of 33% in volume in FY2016-17 as compared to FY2015-16. The Company's strategy to forward integrate to antioxidant blends for food and feed has taken a progressive path.

A range of SLS solutions (both traditional and Natural blends) are being developed under the brand Xtendra and NaSure. Few of SLS blends have been successfully scaled up to commercial scale. Going forward, CFS will also focus on natural shelf life solutions which are gaining popularity due to increased consumer awareness in the market. The Company has widened its applications for different food industries such as snacks, bakery, spices and seasonings etc. and has also tapped potential for shelf life solutions in animal feed.

Since the commencement of Shelf Life Solutions Testing and Application Laboratory in 2015, CFS' Mumbai Head Office has gained momentum. The laboratory has worked towards many new product development and applications of shelf life solutions for food and feed.

B. Aroma Ingredients

CFS uses an environment friendly and clean method for producing vanillin and ethyl vanillin (sold under the brand name Vanesse and Evanil respectively) from Catechol. The Company makes all key ingredients in-house and has gained acceptance as a quality global vanillin player. FY2016-17 has seen volumes of vanillin and ethyl vanillin and have grown during FY2016-17.

The Company's vertical integrated platform boosted the development of aroma chemicals for fragrance applications such as oriental perfumes, specialty soaps, cosmetics, deodorants and house cleaning solutions. It can also partly replace some of the most expensive inputs in fragrance applications. New R&D projects are under development for specialty chemical products for flavors, fragrances, pharmaceuticals & allied industries.

CFS has entered into a Share Purchase Agreement to acquire 51% stake in Ningbo Wanglong Flavors and Fragrances Company Limited (Wanglong). Wanglong, a leading vanillin manufacturer produces vanillin through a patented process in its 3500 sq.m dedicated facility in the coastal city of Yuyao, Zhejiang province. With our manufacturing facilities spread across 4 continents, China will further strengthen CFS' access into Asia market and rest of the world.

C. PERFORMANCE CHEMICALS

During FY2016-17, the Performance Chemicals Division focused on deeper market penetration, by adding distribution channels in newer geographies. The Company has a distribution hub in China and has started catering to customers from this hub. Next focus is the entry into other key markets like US and Latin America for which setting-up of distribution hubs are in progress.

For Tertiary Butyl Catechol (TBC), newer markets like Japan have been added with arrangements for a local facility for making solutions. In addition, there is an increased demand from customers in China. New customers have been added in Iran, Malaysia, Korea and some other key markets.

Product approvals for Hydroquinone Monomethyl Ether have been received from customers in China, US and Europe. Supplies have started to customers in these geographies.

ODEB has been approved by two major customers in India and commercial supplies have started. The Company has tapped market in other geographies where approvals processes are at advanced stage.

New customers for Guaiacol have also been added in the Indian market.

II. GLOBAL OPERATIONS

With consumers getting more and more conscious about what they are eating, food has become a focal point. More and more people want to embrace good food, and need to trust in the quality of what's going within it. The Company is focusing highly on quality traditional and natural shelf life solutions and its evaluation and applications for global food market. Also, we aim to gain leadership position with superior products and services.

CFS DO BRASIL INDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA. (CFS do Brasil)

With its fully functional blend manufacturing facility, CFS do Brasil has been able to formulate and market antioxidant blends to establish its shelf life solutions business in South America. It has seen a significant jump of 390% in blend sales in FY2016-17. CFS is a known player in the global antioxidant market. Its extensive research and customer technical support meets the growing demand for antioxidants in South America.

The demand for high-end, premium pet foods with natural or ethically sourced materials are also on the rise and is proving to be a major opportunity for companies such as us. CFS do Brasil has proven natural shelf life solutions to overcome challenges faced within the petfood industry. It has developed a program to ensure technologies and solutions have total traceability along with FSSC 22000 certified state-of-art plant, where pet food products are manufactured.

Argentina is a major world exporter for biodiesel and Brazil is one of the largest producers of biodiesel in the world. The goal is to expand our blends to cater to these biodiesel market. CFS do Brasil holds an AGQM certification for its current blends and enhanced formulations sold to the biodiesel industries.

It's focus will be to add differentiation through quality products and by providing service and distribution at a level that consistently exceeds customer expectations for food and feed.

CFS North America, LLC

CFS North America, LLC is 100% wholly owned subsidiary of CFS which is headquartered in Urbandale, Iowa. FY2016-17 was a year of building as it was the first full year of existence. It created functional structure to launch the team for future success and serve customer base directly.

In May 2016, CFS North America completed its Customer Application Testing Laboratory set-up. This full service lab provides customer support to the region with regards to shelf life. In addition to providing technical and analytical support to the customers, the lab also performs the Quality Control parameters for the antioxidant blends that are produced in the U.S

The largest opportunity for shelf life solutions comes from Fats & Oils market. As the world's leading vertically integrated producer of TBHQ and BHA, the Company is well positioned to provide the shelf life products to these areas of the food industry. Additionally, FY2018 will enhance capabilities to provide novel natural antioxidant solutions for the Meat & Poultry market. CFS North America's participation in one of the largest food show, IFT (July 2017) would help showcase its product line to global food industry. To show its preparedness for commitment. CFS participated in Petfood Forum in April 2017, one of the key exhibitions where the global petfood industry meets.

CFS North America has positioned itself to provide the same or better level of service and product quality to the petfood and feed market with a more affordable price structure.

In January 2017, CFS North America kicked off its new biodiesel antioxidant business for FY2017-18, this segment would account to its growth.

Performance Chemicals would be a new segment for US to work on. In FY2017-18, CFS North America has plans to partner with Distributors in the U.S. who can warehouse some of our key performance chemicals and expand into this market, in particular the Petrochemicals related products from a regional level.

Dresen Quimica S.A.P.I. de C.V. (CFS Dresen)

The Company acquired 65% majority stake in Dresen Quimica S.A.P.I. de C.V in May 2016. This partnership

boosted the Company's presence in Central America, Caribbean islands and Andean region. CFS Dresen is the leading supplier of blends for the food industry in the region with more than 85% market share. It is working on consolidating its presence in Panama, Nicaragua and Costa Rica through technical services and conferences. It has also launched unique services and programs to help its clients in this region to improve their business.

Because of the rise in the trend of "pet-humanization", owners are becoming increasingly aware regarding pet health, nutrient uptake, and overall wellness. CFS Dresen is increasing its presence in this market, through technical service and solutions that meets customer needs. The focus is to double the business in next 4 years, with greater thrust on key sizeable accounts (businesses), firming and building volumes with its star products, strengthening its service and simultaneously developing a strong new product pipeline.

CFS Dresen recently received ISO 9001:2015 certification of Quality assurance, with the introduction of adopting risk-based approach in Quality Management Systems.

CFS Europe SpA

CFS Europe SpA is poised and prepared to unlock new possibilities as the Company straddles the entire value chain from manufacturing-to-marketing. With the focus to strengthen this approach, CFS Europe SpA shifted its office from its original plant site. The new office is located closer to the diphenol manufacturing plant in Ravenna city, Italy. It is in process of setting-up blend manufacturing unit and warehousing facility to cater to the European customers and its expected to be operational in FY2017-18.

CFS International Trading (Shanghai) Ltd.

On 15th April, 2016, a 100% wholly owned subsidiary CFS International Trading (Shanghai) Ltd. was incorporated in China (Shanghai) pilot free trade zone to manufacture and deal in specialty chemicals.

Proposed Acquisition / Joint Venture

During the year under review, the Company has entered into a Share Purchase Agreement to acquire (either through itself or its subsidiaries/group companies) 51% stake in an entity in China namely Ningbo Wanglong Flavors and Fragrances Company Limited, which shall be subject to certain conditions being fulfilled prior

to the said acquisition and regulatory approvals. The acquisition process is expected to be completed in FY2017-18.

New Project at Dahej SEZ, Gujarat for Hydroquinone and Catechol manufacturing within the SEZ set up

The main driver for Dahej expansion project is to become a leading Diphenol supplier in the world, with product portfolio having a growing demand globally for HQ, Catechol and Vanillin as well as its derivative/down-stream products for expanding its Performance Chemicals portfolio.

With regards to its progress, the Company has received environment clearance on the project. It has appointed the Project management Consultant of international repute and the project is expected to be in commercial production from FY2018-19 and is progressing as per schedule.

RISKS AND CONCERNS:

In international markets, there are always associated risks, however at the same time, there are more potential gains one can receive.

CFS maintains a strategic approach to risk management. Regardless of the Company's stage of growth, CFS has the ability to identify and manage risk that stands out as a vital element of success. The Company approaches it intelligently to reap its rewards and accelerate growth. The Company's expansion strategy includes expansion into various countries around the world. While the Company's effort is to limit its exposure by entering only countries where the political, social and economic environments are conducive to doing business, there can be no assurances that the respective business environments will remain favorable. The Company is constantly reviewing the risk aspects that may impact adversely. It is the de-risking ability of the Company which makes the difference.

The availability of key raw materials from international sources at the right quantity and at right price is also a risk factor associated with the business of the Company. However, the Company has mitigated this risk with CFS Europe S.p.A., which facilitates backward integration. The main raw material supplies are thus available at the right quantity and at right price through proper planning and with due diligence for the compliance of all aspect of transfer pricing, currency impacts within transfer pricing

and its monitoring on regular basis. Besides, the risk of over dependence on few overseas suppliers for key raw material and its price sensitivity has been taken care with this facility.

Further, on the international currencies front, volatility of exchange rate is a matter of concern for a Company because major sales are in the form of exports worldwide besides corresponding imports in foreign currency for key raw materials. However, the risk associated with currency fluctuation has been mitigated by effective forex management policy along with judicious use of natural hedge provided by exports against its imports in view of the Company being the net exporter on the currency front. The Company still believes in adopting a very conservative and cautious forex policy to avoid any unwarranted effects of currency volatility.

As regards inflationary pressures and its impacts on the cost of manufacturing, the Company has taken suitable cost control steps at various levels of operations. The costs are being monitored regularly to ensure that they would not affect the operating margins of the Company. Correspondingly, the steps taken by the Company for process re-engineering, process improvements, yield improvements, technological up-gradation and other cost saving measures have resulted in cost optimisation. Overall, these measures have been fructified in improving the margins not only for existing core products but also for newly developed downstream products.

Lack of clarity on future Government policies continues to be an area of major concern for the industry. The exact impact of this cannot be assessed until the proposed changes are actually introduced and implemented.

INFORMATION & TECHNOLOGY:

In line with the overall growth objective and strengthening of infrastructure base, the Company had invested in Information Technology (IT) viz. SAP Enterprising Resource Planning system for leveraging its business values. Through implementation of SAP the Company has improved its operational efficiencies, inventory minimization and cost optimization not only for its Indian operations but also in its overseas manufacturing operations at Italy & Brazil.

The Company views SAP as a strategic tool to enhance its operational efficiencies, through various functional integration.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control procedures commensurate with its size and nature of business in India and also at its subsidiaries abroad. The Company has clearly laid down policies, guidelines and procedures that form a part of the internal control systems. The adequacy of Internal Control Systems, which encompasses the Company's business processes and financial reporting systems, is examined by the management as well as by its internal auditors at regular intervals. The internal auditors carry out audits at regular intervals in order to identify weaknesses and suggest improvements for better functioning. The observations and recommendations of the Internal Auditors are discussed by the Audit Committee, to ensure effective corrective action.

FINANCIAL PERFORMANCE REVIEW:

The major items of the financial statement on standalone basis is shown below:

Standalone Financial Results

(₹ In Lakhs)

	2016 - 2017	2015-2016
Net Sales & Other Income	33,772.35	41,588.78
Profit before Interest & Depreciation	3,854.79	7,123.62
Interest	2,583.32	2,182.93
Depreciation	1,158.97	1,014.86
Profit/(Loss) before exceptional item and tax	112.50	3,925.83
Less : Exceptional Item	-	454.73 [#]
Less: Provision for Tax (Net)	108.80	895.91
Profit After Tax	3.70	2,575.19
Balance available for Appropriation	7,453.32	8,105.01
Appropriations:		
Proposed Dividend	29.30	436.35*
Corporate Dividend Tax	5.46	89.03
General Reserve	-	130.00
Balance Carried Forward	7,418.56	7,449.62

Loss on final settlement of insurance claim

* Includes short provision of ₹ 1.36 lakhs pertaining to the earlier periods.

Our results of operations on consolidated basis is as follows:

The revenue from operations (net) on consolidated basis was ₹ 53,393.05 lakhs as against ₹ 48,934.22 lakhs in the previous year thereby registering a growth of 9.11% on year on year basis. The revenues were higher mainly due to addition of Dresen Quimica SAPI de CV, Mexico revenues of ₹ 120.97 Crores. Consolidated loss before tax was ₹ 428.49 lakhs as against profit before tax of ₹ 5,001.84 lakhs in previous year. Margins were impacted due to gestation losses in CFS North America LLC of ₹ 12.67 Crores and CFS do Brasil Indústria, Comércio, Importação E Exportação De Aditivos Alimentícios Ltda of ₹ 3.67 Crores. CFS Europe SpA results were also subdued due to volatile input prices.

Consolidated Loss after tax was ₹ 753.73 lakhs as against profit after tax of ₹ 3,582.00 lakhs in previous year.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

During the Financial Year 2016-17, the Company has spent ₹ 72.15 lakhs towards CSR activities through various trusts and NGO's operating in the areas of promoting education, including special education and employment enhancing vocation skills especially among children, women, healthcare, the differently abled, promoting gender equality, empowering women and measures for reducing inequalities

faced by socially and economically backward classes. Further, the Company understands the importance of CSR initiatives and has donated funds to spread educational awareness amongst children from tribal area school through contributions towards these activities.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

CFS believes in creating strong leadership and an inclusive environment for diverse cultures where differences in views, perspectives are valued so that CFS team members can innovate to drive the business forward. It invests in its employees, nurturing their talent and helping them develop skills to match the demands of the business during each different growth phase. It continuously seeks to inculcate within its employees, a strong sense of business ethics and social responsibility.

Relations with the employees at all levels remained cordial during the year. The Company has 453 permanent employees as on 31st March 2017.

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

REPORT ON CORPORATE GOVERNANCE

Your Directors present the Company's Report on Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2017.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company's philosophy of corporate governance is to conduct its business on the basis of ethical business value and maximise its value to all its stakeholders. The Company has inculcated a culture of transparency, accountability and integrity. The Company has already put in place systems and procedures and has complied with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS:

Composition

The Company has a Non-Executive Chairman and the number of Independent Directors was half of the total strength of the Board. The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015) in respect of the Composition of the Board.

None of the Independent Directors have any material pecuniary relationship or transactions with the Company.

Necessary disclosures regarding composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting, number of other Directorship and other Committee Memberships (Audit/Stakeholder Relationship Committee) are given below:-

Name & Designation of Directors	Category	No. of Board Meetings attended	No. of Directorships held in other Companies	Attendance at last AGM	No. of Committee positions held in other Companies	
					Chairman of Committee	Member of Committee
Mr. Dilip D. Dandekar <i>Chairman</i>	NED	5	12	Yes	Nil	Nil
Mr. Ashish S. Dandekar <i>Managing Director</i>	ED/Promoter	5	7	Yes	Nil	Nil
Mr. Pramod M. Sapre	NED (I)	4	1	Yes	Nil	Nil
Mr. Sharad M. Kulkarni	NED (I)	5	6	Yes	2	4
Mr. Abeezer E. Faizullahoy	NED (I)	4	2	Yes	Nil	Nil
Mr. Bhargav A. Patel	NED (I)	4	7	Yes	Nil	1
Mr. Dattatraya R. Puranik [#]	ED	5	2	Yes	Nil	Nil
Ms. Leena Dandekar*	ED/Promoter Group	5	-	Yes	Nil	Nil
Mr. Nirmal V. Momaya	NED	5	13	Yes	Nil	Nil
Mr. Atul R. Pradhan	NED (I)	5	3	Yes	Nil	Nil
Mr. Nicola A. Paglietti	NED (I)	2	-	Yes	Nil	Nil
Mr. Ajit S. Deshmukh	NED	3	5	Yes	Nil	Nil

[#] Resigned w.e.f. 19th May, 2017.

*Resignation effective from 10th April, 2017.

ED – Executive Director/ NED – Non-Executive Director / NED (I) – Non-Executive Director (Independent)

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 Committees as specified in SEBI LODR 2015 across all the Companies in which he/she is a Director.

Mr. Dilip D. Dandekar is the paternal uncle of Mr. Ashish S. Dandekar. None of the other Directors on the Board are related to each other.

Web link of Familiarisation Programmes imparted to NED(I) is <http://www.camlinfs.com/IR.php>.

Number of Board Meetings:-

During the financial year 2016-2017, 5 (five) Board Meetings were held on the following dates:

Sr. No.	Date	Board Strength	No. of Directors Present
1	23rd May, 2016	12	9
2	3rd June, 2016	12	10
3	10th August, 2016	12	11
4	10th November, 2016	12	12
5	10th February, 2017	12	10

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board members and Senior Managerial Personnel of the Company. The Code of conduct is available on web site of the Company at <http://www.camlinfs.com/IR.php>.

All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct.

PROFILE OF THE MEMBERS OF THE BOARD OF DIRECTORS BEING RE-APPOINTED:

(A) Mr. Ajit Shamrao Deshmukh

Mr. Ajit Shamrao Deshmukh possesses over 21 years experience in management and leadership of IT and Investment Banking Industry.

Mr. Deshmukh aged 48 years is BE in Electronics and Post Graduate from NCST.

Mr. Deshmukh has successfully handled technology leadership positions at Citigroup and US Department of Defense. He has 17 Years of experience as a successful entrepreneur in IT and financial services.

He is director in the following Companies/LLP:

Sr. No.	Names of the Companies
1	Wizarth Advisors Private Limited
2	Aarav Fragrances and Flavors Private Limited
3	Indian Magic Eye Private Limited
4	Igrenenergi Services Private Limited
5	Equirus Finance Private Limited
6	Yashwant Developers LLP

(B) Mr. Dilip Digambar Dandekar

Mr. Dilip D. Dandekar, aged 66 years is Director of the Company since June 2006. Mr. Dilip D. Dandekar, G.C.D., has long and vast experience in the field of Marketing, Administration and overall Management.

He is director in the following Companies/LLP:

Sr. No.	Names of the Companies /bodies corporate/ firms/ association of individuals
1	Kokuyo Camlin Limited
2	Alphakids Learning and Activity Centre Limited
3	Triveni Pencils Limited
4	Nilmac Packaging Industries Limited
5	Camart Finance Limited
6	Camlin International Limited
7	CAFCO Consultants Limited
8	DDI finance Private Limited
9	Colart Camlin Canvas Private Limited
10	Indian Merchant Chambers
11	Datamatics Global Services Limited
12	Lumina Datamatics Limited

3. COMMITTEES OF THE BOARD:

As required under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and ESOP Guidelines, the Board of Directors has inter-alia in place five (5) Committees: Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Compensation Committee. The role and responsibilities assigned to these Committees are covered under the terms of reference approved by the Board and are subject to review by the Board from time to time. The minutes of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Compensation Committee are placed before the Board periodically for its information and noting. The details as to the composition, terms of reference, number of meeting and the related attendance etc., of these Committees are given below:

a) AUDIT COMMITTEE:**Composition, meetings and the attendance during the year:**

The Audit Committee was constituted on 27th November, 2006. The Company has complied with all the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR 2015) relating to the composition of the Audit Committee.

During the financial year 2016-2017, four (4) meetings of the Audit Committee were held on the 23rd May, 2016, 10th August, 2016, 10th November, 2016 and 10th February, 2017.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Mr. Sharad M. Kulkarni	Chairman	NED (I)	4
Mr. Pramod M. Sapre	Member	NED (I)	3
Mr. Abeezar E. Faizullahoy	Member	NED (I)	3
Mr. Bhargav A. Patel	Member	NED (I)	3

The Audit Committee meetings were attended by the Non-Executive Chairman, Independent Directors, the Managing Director, the Executive Director and Chief Financial Officer. The representatives of the Internal Auditors, Statutory Auditors were also invited to the meeting. The Company Secretary acted as the Secretary to the Committee.

Terms of reference:

The terms of reference of the Committee, inter alia covers the matters specified under Regulation 18 of SEBI LODR 2015 as amended from time to time as well as specified in Section 177 of the Companies Act, 2013 read along with rules made thereunder. Besides, in addition to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

b) NOMINATION AND REMUNERATION COMMITTEE:

Composition, meetings and the attendance during the year:

The Nomination and Remuneration Committee was constituted on 12th May, 2014 in place of earlier Remuneration Committee.

During the financial year 2016-2017, Two (2) meetings of the Committee were held on the 23rd May, 2016 and 10th February, 2017.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Mr. Pramod M. Sapre	Chairman	NED (I)	1
Mr. Sharad M. Kulkarni	Member	NED (I)	2
Mr. Abeezar E. Faizullahoy	Member	NED (I)	1
Mr. Bhargav A. Patel	Member	NED (I)	2

Terms of reference:

The role, broad terms and reference of the committee includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management

in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Remuneration Policy and Performance evaluation criteria for Independent Directors

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and evaluation criteria for performance evaluation of Independent Directors. The Nomination and Remuneration Policy and evaluation criteria of Independent Directors have been appended herewith as Annexure- A & B.

The aforesaid Policy and evaluation criteria is disclosed on the Company's website and the weblink for the same is <http://www.camlinfs.com/IR.php>.

Remuneration to Directors:

(A) MANAGING DIRECTOR

Following is the Remuneration details of the Managing Director for the financial year ended 31st March, 2017.

(₹ In Lakhs)

Name	Salary	Perquisites #	Commission	Contribution to P.F. and Other Funds	Total
Mr. Ashish S. Dandekar	106.22	61.02	-	17.85	185.09

#Perquisites interalia, include reimbursement of expenses/allowances for utilities such as rent, gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession, club fees, provision of car with driver, telephone/fax facilities, benefit of personal accident insurance scheme etc.,

The Managing Director is also entitled to Company's contribution to provident fund, superannuation, gratuity and encashment of leave at the end of tenure as per the rules of the Company & Commission on net profit of the Company.

Agreement for appointment for a period of three (3) years w.e.f. 1st August, 2015 has been entered into with the Managing Director.

(B) EXECUTIVE DIRECTOR

Following is the Remuneration details of the Executive Director for the financial year ended 31st March, 2017.

(₹ In Lakhs)

Name	Salary	Perquisites #	Contribution to P.F. and Other Funds	Total
Ms. Leena Dandekar	52.80	32.20	8.87	93.87

#Perquisites interalia, include reimbursement of expenses/allowances for utilities such as gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession, club fees, provision of car with driver, telephone/fax facilities, benefit of personal accident insurance scheme etc.,

Agreement for a period of three (3) years w.e.f. 1st July, 2014 was entered into with the Executive Director. On 10th April, 2017, resignation letter was received by Company of Ms. Leena Dandekar, Executive Director tendering her resignation from the directorship on personal grounds. The Board took the note of the same and placed on record its appreciation for the services rendered during her tenure as 'Executive Director'.

(C) EXECUTIVE DIRECTOR

Following is the Remuneration details of the Executive Director for the financial year ended 31st March, 2017.

(₹ In Lakhs)

Name	Salary	Commission	Perquisites #	Total
Mr. Dattatraya R. Puranik	55.59	-	11.37	66.96

#Perquisites interalia, include reimbursement of expenses/allowances for utilities such as gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession, club fees, provision of car with driver, telephone/fax facilities, benefit of personal accident insurance scheme & commission on net profit etc.,

Agreement for a period of three (3) years w.e.f. 1st August, 2016 has been entered into with the Executive Director. In view of the succession plans of the Company, Mr. Santosh Parab, a Fellow Member of Institute of Chartered Accountants of India was appointed as Senior Vice President – Finance, Accounts and Taxation on 01st December, 2015. Mr. Santosh Parab was promoted and designated as Chief Financial Officer (CFO) of the Company w.e.f. 10th February, 2017 on re-designation of Mr. D. R. Puranik as Executive Director. Mr. Puranik tendered his resignation on personal grounds w.e.f. 19th May, 2017. The Board took the note of the same and placed on record its appreciation for the services rendered during his tenure as 'Executive Director'.

(D) NON-EXECUTIVE DIRECTORS / INDEPENDENT DIRECTORS

During the financial year 2016-2017, the Company has paid remuneration (excluding sitting fees) to Mr. Dilip D. Dandekar. The detail of payment is given below:

(₹ In Lakhs)

Name	Category	Amount Paid
Mr. Dilip D. Dandekar	NED	30.60

Besides the above payment of remuneration, the Company pays sitting fees to Non-Executive Directors / Independent Directors for attending the meetings of the Board / Committees of the Board and reimbursement of conveyance for attending such meetings.

Additionally, we pay commission to Non-Executive Directors / Independent Directors except Mr. Dilip D. Dandekar, subject to profitability. However, no commission was recommended for the financial year 2016-17. The details of remuneration (including sitting fees, salaries, arrears, commission and perquisites) of the existing Non-Executive Directors during the year 2016-2017 are given below:

(₹ In lakhs)

Name	Category	Commission / Remuneration	Sitting Fees	Total
Mr. Dilip D. Dandekar	NED (Chairman)	30.60	6.55	37.15
Mr. Sharad M. Kulkarni	NED (I)	-	10.00	10.00
Mr. Pramod M. Sapre	NED (I)	-	8.60	8.60
Mr. Abeezar E. Faizullahoy	NED (I)	-	8.20	8.20
Mr. Bhargav A. Patel	NED (I)	-	8.25	8.25
Mr. Nirmal V. Momaya	NED	-	5.00	5.00
Mr. Atul R. Pradhan	NED (I)	-	5.25	5.25
Mr. Nicola A. Paglietti	NED (I)	-	2.00	2.00
Mr. Ajit S. Deshmukh	NED	-	3.00	3.00

NED – Non-Executive Director / NED (I) – Non-Executive Director (Independent)

Details of stock options granted / vested during the year

The Company has introduced the ESOP Scheme viz. "CAMLIN FINE SCIENCES EMPLOYEES STOCK OPTION SCHEME 2014" to its permanent Employees in the financial year 2014-15. The details of ESOP's granted under the aforesaid schemes to its directors are enclosed to the Directors Report.

Details of Shareholding of Present Non-Executive Director/Independent Directors as on 31st March, 2017.

Present Directors Name	Shares held
Mr. Dilip D. Dandekar	14,27,120
Mr. Pramod M. Sapre	1,84,990
Mr. Sharad M. Kulkarni	1,61,400
Mr. Abeezer E. Faizullahoy	1,63,000
Mr. Bhargav A. Patel	1,50,000
Mr. Atul R. Pradhan	-
Mr. Nicola Paglietti	-
Mr. Nirmal V. Momaya	36,01,520
Mr. Ajit S. Deshmukh	40

c) STAKEHOLDERS RELATIONSHIP COMMITTEE:**Composition, meetings and the attendance during the year.**

The Stakeholders Relations Committee was constituted on 29th May, 2014 in place of Shareholders/Investors Grievance Committee to look into the redressing of Shareholders and Investors complaints concerning transfer of shares, non receipt of Annual Reports, and non receipt of Dividend etc.

During the financial year 2016-2017 one (1) meeting was held on 10th February, 2017.

The Details of composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings attended
Mr. Abeezer E. Faizullahoy	Chairman	NED (I)	1
Mr. Dilip D. Dandekar	Member	NED	1
Mr. Ashish S. Dandekar	Member	ED	1

The Board has designated Mr. Rahul Sawale, Group Company Secretary as the Compliance Officer.

Complaints received and redressed by the Company during the financial year.

During the year, two complaints were received from the shareholders on the SEBI website www.scores.gov.in/ Admin out of which one complaint was pending and not solved to the satisfaction of the shareholder.

4. COMPENSATION COMMITTEE:**Composition, meeting and the attendance during the year**

The Compensation Committee was constituted on 29th April, 2008.

During the financial year 2016-2017 one (1) meeting was held on 3rd June, 2016.

Details of Composition of the Committee and attendance of the members at the meeting are given below:

Name	Designation	Category	No. of Meetings attended
Mr. Abeezer E. Faizullabhoy	Chairman	NED (I)	1
Mr. Dilip D. Dandekar	Member	NED	1
Mr. Ashish S. Dandekar	Member	ED	1
Mr. Pramod M. Sapre	Member	NED (I)	1
Mr. Sharad M. Kulkarni	Member	NED (I)	1
Mr. Bhargav A. Patel	Member	NED (I)	1

Terms of reference

- To formulate Employees Stock Option Scheme (ESOP) and its implementation.
- To administer and supervise the compliance of the detailed terms and conditions in accordance with SEBI Guidelines.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Composition, meeting and the attendance during the year

The Corporate Social Responsibility Committee was constituted on 29th May, 2014.

During the financial year 2016-2017 one (1) meeting was held on 10th November, 2016.

Details of Composition of the Committee and attendance of the members at the meeting are given below:

Name	Designation	Category	No. of Meetings attended
Mr. Abeezer E. Faizullabhoy	Chairman	NED (I)	1
Mr. Dilip D. Dandekar	Member	NED	1
Mr. Ashish S. Dandekar	Member	ED	1

The role, broad terms and reference of the committee shall include the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy;
- Recommend the amount of expenditure to be incurred on the CSR activities to the Board;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

6. INDEPENDENT DIRECTORS' MEETING:

As required under Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI LODR 2015, the Independent Directors have to hold at least one meeting in a year, without the attendance of non-independent directors and members of the management.

During the financial year 2016-2017 one (1) meeting was held on 10th February, 2017.

The role, broad terms and reference of the committee shall include the following:

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

- c. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

7. GENERAL BODY MEETINGS:

Details of location, date and time of Annual General Meetings held during the last three years:

Financial Year (FY)	Venue	Date and Time
2015-2016	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400020.	10th August, 2016 at 3.30 p.m.
2014-2015	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400020.	5th August, 2015 at 3.00 p.m.
2013-2014	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, 12, K. Dubhash Marg, Near Kala Ghoda, Fort, Mumbai - 400 001	4th August, 2014 at 3.00 p.m.

2 (two) Special Resolutions were passed at the 21st Annual General meeting for FY 2013-14, 2 (Two) Special Resolutions were passed at the 22nd Annual General Meeting FY 2014-15, 4 (four) Special Resolutions were passed at the 23rd Annual General Meeting for FY 2015-16.

8. DISCLOSURES

Related Party Transactions

The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed in the notes to the Financial Statements in the Annual Report.

Web link where policy for determining 'material' subsidiaries is disclosed; <http://www.camlinfs.com/IR.php>.

Web link where policy on dealing with related party transactions; <http://www.camlinfs.com/IR.php>.

Compliance with Regulations

The Company has complied with all the requirements of the SEBI LODR 2015 with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or any other statutory authority in any matter relating to capital markets after the listing of Shares on the BSE Ltd. and National Stock Exchange of India Ltd.

Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The objective of the Policy is to explain and encourage the directors and employees to raise any concern about the Company's operations and working environment, including possible breaches of Company's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees. It is hereby affirmed that in relation to the same, no personnel have been denied access to the Audit Committee.

CEO / CFO Certification

Managing Director and the Executive Director & Chief Financial Officer of the Company have furnished the requisite Compliance Certificates to the Board of Directors under Regulation 17 of the SEBI LODR 2015.

Compliance with Corporate Governance requirements

The Company has complied with the mandatory corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR 2015.

Mandatory and non-mandatory requirements

The Company has complied with the mandatory requirements of SEBI LODR 2015 which are detailed in the annual report and also have adopted some of the non-mandatory requirements of SEBI LODR 2015 viz. Non-executive Chairman to the Board, reporting of internal auditor to the Audit Committee and separate posts for Chairman and Managing Director.

9. MEANS OF COMMUNICATION:

- The quarterly and half-yearly results are published in widely circulating national and local dailies such as Economic Times, and Maharashtra Times.
- Official news releases and presentations made to investors are disclosed to the Stock Exchange(s) and are also provided on the Company's web-site i.e. www.camlinfs.com within the time frame prescribed in this regard.
- As per requirements of the Listing Agreement, all data relating to the quarterly financial results, shareholding pattern etc., is provided on the Company's web-site i.e. www.camlinfs.com within the time frame prescribed in this regard.

10. GENERAL SHAREHOLDER INFORMATION:

As indicated in the Notice to our Shareholders, the 24th Annual General Meeting of the Company will be held on Friday 21st July, 2017 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020.

i. Financial Calendar

Financial Year

Unaudited Results for the quarter ending 30th June, 2017.

Unaudited Results for the quarter ending 30th September, 2017.

Unaudited Results for the quarter ending 31st December, 2017.

Audited Results for the year ending 31st March, 2018.

ii. Date of Book Closure

iii. Date of Dividend Payment

iv. Listing of Equity Shares on Stock Exchanges

v. Demat ISIN in CDSL/NSDL

Financial Reporting by

: April – March

: Mid of September, 2017

: Mid of November, 2017

: Mid of February, 2017

: end of May, 2018

: From 15th July, 2017 to 21st July, 2017 (both days inclusive)

: Not applicable

: The Equity Shares of the Company are listed at BSE Limited (Stock Code 532834) & The National Stock Exchange of India Limited (CAMLINFINE). The Company has duly paid the annual listing fees to the respective stock exchange(s)

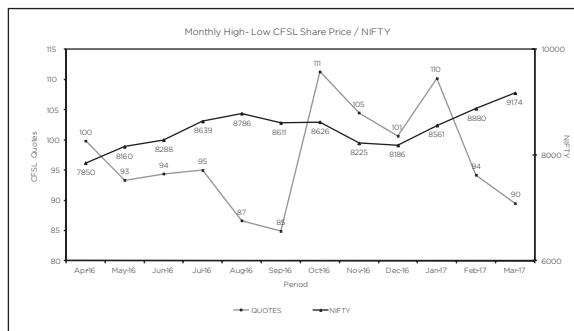
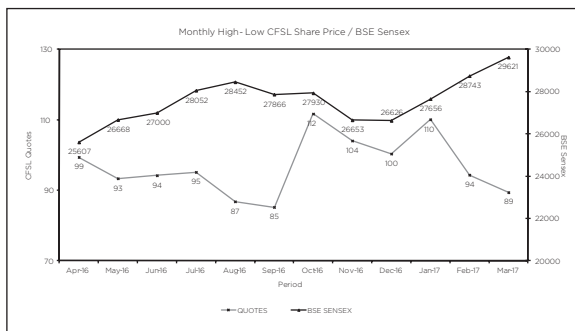
: INE052I01032

vi. Share Price (High & Low) for the year 2016-2017 at BSE and NSE:-

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2016	107.40	87.60	107.40	87.30
May, 2016	103.00	89.15	103.30	89.10
June, 2016	99.75	85.00	99.90	84.50
July, 2016	97.80	90.95	97.80	91.10
August, 2016	96.00	84.00	96.05	83.80
September, 2016	94.80	82.65	94.75	82.00
October, 2016	119.60	84.15	119.70	84.10
November, 2016	116.00	91.00	115.95	90.15
December, 2016	108.95	95.00	108.80	97.05
January, 2017	118.90	100.40	118.90	100.00
February, 2017	114.05	94.05	114.90	93.00
March, 2017	96.95	89.00	96.75	89.00

Stock Performance:

The performance of the Company's share in comparison to BSE and NSE Sensex is given in the Chart below:



vii. Registrars and Share Transfer Agents for Shares:

M/s. Link Intime India Private Limited, C 101, 247 Park, L. B .S. Marg, Vikhroli (West), Mumbai – 400083, Toll free number : 1800 2208 78 Email id: rnt.helpdesk@linkintime.co.in

viii. Share Transfer System:

Presently, the Share Transfers which are received in physical form are processed by the Registrars and Share Transfer Agent and approved by the Committee of Directors in their meeting which normally meets twice in a month and the share certificates are returned within a period of 20 to 25 days from the date of lodgment, subject to the transfer instrument being valid and complete in all respects.

ix. Distribution of Shareholding as on 31st March, 2017.

No. of Equity Shares Held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
Up to 500	21306	72.93	3086046	2.97
501 - 1000	3241	11.09	2837523	2.74
1001 - 2000	2327	7.97	4033767	3.89
2001 - 3000	644	2.20	1627703	1.57
3001 - 4000	480	1.64	1785463	1.72
4001 - 5000	366	1.25	1686913	1.63
5001 - 10000	412	1.41	3041108	2.93
10001 and above	440	1.51	85611047	82.55
TOTAL	29216	100.00	103709570	100.00

x. Dematerialisation of Shares:

The Company's Equity Shares are held in dematerialised form by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) under ISIN No. INE052I01032. As on 31st March, 2017, 97.31% of the totals shares of the Company have been dematerialised.

xi. Outstanding: GDR/ADR/Warrants/Options

As of date, the Company has not issued GDRs/ADRs/Options.

The Company has issued 5,24,240 Equity Shares of ₹ 1/- each to its employees under the ESOP Schemes of 2014 at a price of ₹ 67/- per Share respectively on 19th September, 2016 and 15th February, 2017.

xii. Subsidiary Company

The Company does not have any materially unlisted Indian Subsidiary Company and hence is not required to have an Independent Director of the Company on the Board of such Subsidiary.

xiii. Plant Location : D-2/3 M.I.D.C. Boisar, Tarapur, Dist. Thane 401 506.
N/165 M.I.D.C. Boisar, Tarapur, Dist. Thane 401 506.

xv. Address for correspondence:

Registered Office : Plot No. F/11 & F/12, WICEL, Opp. SEEPZ Main Gate,
Central Road, Andheri East, Mumbai 400 093.

Tel No. : 022-6700 1000

Fax No. : 022-28324404

E-mail : secretarial@camlinfs.com

xvi. Secretarial Department:

The Company's Secretarial Department, headed by the Company Secretary, is situated at the Registered Office mentioned above. Shareholders/Investors may contact the Company Secretary for any assistance they may need.

12. NON MANDATORY REQUIREMENTS:

Non Executive Chairman's Office:

The Chairman of the Company is a Non Executive Chairman

Shareholders rights:

The Quarterly, Half Yearly and Annual Financial Results of the Company are published in the Newspaper and also posted on the Company's website. The complete Annual Report is sent to each and every Shareholder of the Company.

Audit Qualifications:

There are no Audit qualifications in the Company's financial statement for the year under reference.

Separate post for chairman & CEO

The Company has appointed separate persons to the post of Chairman and Managing Director.

Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 19th May, 2017

Declaration by the Managing Director as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby declare that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2017.

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 19th May, 2017

**Certificate from Practicing Company Secretaries Regarding Compliance of
Conditions of Corporate Governance**

The Members of Camlin Fine Sciences Limited

We have examined the compliance of conditions of Corporate Governance by Camlin Fine Sciences Ltd for the year ended on 31st March, 2017 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreements of the said Company with Stock Exchanges ('the Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on 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 specified in the Regulations referred above.

We have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Registrars and Transfer Agents and reviewed by the Stakeholders Relationship Committee.

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

For JHR & Associates
Company Secretaries

Place : Thane
Dated : 18th May, 2017

J. H. Ranade
(Partner)
(FCS: 4317, CP: 2520)

ANNEXURE A TO CORPORATE GOVERNANCE REPORT

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the stock exchanges (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee ("the Committee") and approved by the Board of Directors of the Company. The Committee plays a dual role of,

- Identifying potential candidates for becoming members of the Board and determining the composition of the Board based on the need and requirement of the Company from time to time and also identify persons to be recruited in the senior management of the Company; and
- To ensure the Companies compensation packages and other human resource practices are effective in maintaining a competent workforce and to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

OBJECTIVES

This Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The key objectives of the Committee are as follows:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on remuneration payable to the Directors and Key Managerial Personnel.
- d) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- e) To provide to Directors, Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- f) To retain, motivate and promote talent and to ensure long term sustainability of talented persons and create competitive advantage.

APPLICABILITY

The Policy is applicable to:

- 1) Directors (Executive, Non-Executive and Independent)
- 2) Key Managerial Personnel
- 3) Senior Management Personnel

DEFINITIONS

- “Act” means the Companies Act, 2013 and Rules framed there under, including notifications, clarifications and guidelines issued by Ministry of Corporate Affairs from time to time.
- “Board” means Board of Directors of the Company.
- “Company” means Camlin Fine Sciences Limited.
- “Directors” mean Directors of the Company.
- “Key Managerial Personnel” means
 - i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
 - ii. Chief Financial Officer;
 - iii. Company Secretary; and
 - iv. Such other officer as may be prescribed.
- “Senior Management” means Senior Management means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors including the Functional heads.
- “Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- “Policy or This Policy” means, “Nomination and Remuneration Policy.”
- “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

GUIDING PRINCIPLES

The Policy ensures that:

- ❖ Potential candidates are identified for becoming members of the Board and also to identify persons to be recruited in the senior management of the Company including KMP’s;
- ❖ Determining the composition of the Board based on the need and requirement of the Company from time to time;
- ❖ To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance;
- ❖ To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- ❖ The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ❖ Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- ❖ Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

ROLE AND DUTIES OF THE COMMITTEE IN RELATION TO NOMINATION AND REMUNERATION MATTERS

A. ROLE OF THE COMMITTEE:

The Role of the Committee inter alia will be the following:

- a) To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance;
- b) To formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- c) To recommend to the Board the appointment and removal of Key Managerial Personnel and Senior Management;
- d) To recommend to the Board on (i) Remuneration for Directors and Key Managerial Personnel and (ii) Executive Directors remuneration and incentive;
- e) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- g) To devise a policy on Board diversity;
- h) To develop a succession plan for the Board and to regularly review the plan.

B. DUTIES OF THE COMMITTEE IN RELATION TO NOMINATION MATTERS:

The duties of the Committee in relation to nomination matters include:

1. Ensuring that there is an appropriate induction in place for new Directors, Key Managerial Personnel and members of Senior Management and reviewing its effectiveness;
2. Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
3. Determining the appropriate size, diversity and composition of the Board;
4. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
5. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
6. Recommend any necessary changes to the Board; and
7. Considering any other matters, as may be requested by the Board.

C. DUTIES OF THE COMMITTEE IN RELATION TO REMUNERATION MATTERS:

The duties of the Committee in relation to remuneration matters include:

1. Based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
2. Approving the remuneration of the Directors and key managerial personnel of the Company for maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

3. Delegating any of its powers to one or more of its members of the Committee.
4. Considering any other matters as may be requested by the Board.

COMMITTEE MEMEBERS INTEREST AND VOTING

A. COMMITTEE MEMEBERS INTEREST

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

B. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

PROVISIONS RELATING TO APPOINTMENT, REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

A. APPOINTMENT CRITERIA AND QUALIFICATIONS

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

B. TERM/TENURE

1. MANAGING DIRECTOR/ WHOLETIME DIRECTOR:

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

2. INDEPENDENT DIRECTOR:

1. An Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
2. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

3. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.

C. EVALUTION:

The evaluation of performance of every Director and KMP shall be carried as and when may be decided by the Committee.

D. REMOVAL/VACANCY:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and KMP subject to the provisions and compliance of the said Act, rules and regulations. Vacancy may also arise due to retirement, resignation, death etc or vacancy arisen out of annual Board performance evaluation or any change required by Board on account of diversity or as required by law.

E. RETIREMENT:

The Executive Director including Managing Director, Whole-time Director and KMP shall retire as per the applicable provisions of the Companies Act, 2013, listing regulations and as per the prevailing policy of the Company. The Board will have the discretion to retain the Executive Director including Managing Director, Whole-time Director and KMP in the same position / remuneration or otherwise even after attaining the retirement age, for the benefits of the Company as per the applicable laws, regulations and as per the prevailing policy of the Company.

PROVISIONS RELATING TO REMUNERATION OF MANAGING DIRECTOR, KMP AND SENIOR MANAGEMENT

1. REMUNERATION:

The Executive Director including Managing Director and Whole-time Director shall be eligible for a monthly remuneration / commission as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration. The Company may also assign any policy including key man insurance policy to its directors as may be decided by the Committee and Board subject to applicable laws and regulations.

Managing Director, Whole-time Director, KMP or Senior Management Personnel may be given loan but the same shall be part of the conditions of service extended by Company to all its employees and subject to applicable Act, laws and regulations.

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the Committee and/or the Board of Directors then such approval will be accordingly procured.

2. MINIMUM REMUNERATION:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Director including Managing Director and/or Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government, wherever required.

3. PROVISIONS FOR REMUNERATION:

If any Executive Director including Managing Director and/or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

PROVISIONS RELATING TO REMUNERATION TO NON-EXECUTIVE/ INDEPENDENT DIRECTOR

1. REMUNERATION/ COMMISSION:

The remuneration / commission shall be fixed as per the conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder with the previous approval of the Shareholders and /or Central Government, wherever required.

2. SITTING FEES:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. STOCK OPTIONS:

An Independent Director shall not be entitled to any stock option of the Company. However, Independent Directors shall be eligible to take the stock options granted to them prior to 01st April, 2014 and which were not vested to them.

4. PROVISIONS FOR REMUNERATION:

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

REVIEW, AMENDMENT AND DEVIATIONS FROM POLICY

- a) The Committee or the Board may review the Policy as and when it deems necessary.
- b) The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- c) This Policy may be amended or substituted by the Committee or by the Board as and when required and where there is any statutory changes necessitating the change in the policy.
- d) Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and/or officers of the Company, as deemed necessary for proper and expeditious execution.

DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company and web link thereto shall be provided in the annual report of the Company.

ANNEXURE B TO CORPORATE GOVERNANCE REPORT

EVALUATION CRITERIA OF INDEPENDENT DIRECTORS

Background

In accordance with the provisions of the Companies Act, 2013 and Listing Agreement as amended from time to time, the Nomination and Remuneration Committee (NRC) shall lay down evaluation criteria for performance evaluation of Independent Directors.

Evaluation Mechanism

As per Para VIII of Code for Independent Directors in Schedule IV of the Companies Act, 2013, the performance evaluation of Independent Directors shall be done by entire Board of Directors, excluding the Director being evaluated.

Evaluation Process

The statement as per Annexure-1 is required to be completed by the entire Board of Directors, excluding the Directors being evaluated. The duly completed statement is required to be submitted to the Company Secretary or any other officer as may be determined by the Board of Directors. Company Secretary or the authorized officer shall prepare the summary of report based on the statement given and shall submit the same to the Chairman of the NRC.

On the basis of the report of the performance evaluation, the NRC shall decide to extend or continue the terms of appointment of the independent director.

ANNEXURE -I

Template for Performance Evaluation of the Independent Directors

Name and signature of the Director giving the feedback:

Parameters	Remark#
Name of the Independent Director:	
01 Engagement (commitment and discipline)	
(maintains satisfactory attendance)	
(diligently prepares and remains well-informed)	
02 Leadership (knowledge and inspiration)	
(contributes by displaying good functional* and business* leadership)	
(contributes by displaying good people** leadership)	
03 Analysis (depth in thinking)	
(reviews internal financial controls and performance with rigour)	
(deliberates in detail and seeks clarifications on or amplification of information as required)	
04 Quality of decision-making (participation)	
(probes effectively and constructively to test the assumptions and validate the information for quality decision-making)	
(actively supports worthwhile ideas and proposals)	
05 Interaction (communication)	
(communicates meaningfully in an open, constructive manner)	
(gives a fair chance to others for expressing their views)	
06 Governance (ethics)	
(exercises independent judgment)	
(helps in implementing and sustaining good governance practices and focuses on compliance)	
07 Stakeholders (responsibility)	
(helps take informed and balanced decisions particularly in case of conflicting interests)	
(protects interest of the minority shareholders)	
* Functional knowledge (such as finance, legal, marketing, etc)	
Business knowledge (related to vision, strategy, investments, risks, execution and review)	
** Exemplary personal qualities such as integrity, humility, farsightedness, eye for detail, positivity, etc)	
Appointment of Directors and development of and succession plan for Key Management Personnel	

#Remark

Unsatisfactory Satisfactory Good

Managing Director and Chief Financial Officer Certificate

The Board of Directors
Camlin Fine Sciences Limited.
Mumbai

Dear Members of the Board,

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that there are no:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year; and
 - (3) instances of significant fraud of which we have become aware.

Ashish S. Dandekar
Managing Director

Santosh Parab
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Camlin Fine Sciences Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Camlin Fine Sciences Limited ("the Company"), which comprise the balance sheet as at March 31, 2017, the statements of profit and loss and the cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing 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 error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, and its profit and cash flows for the year ended on that date.

Emphasis of Matters

9. We draw attention to Note No. 11 of the standalone financial statements in respect of the Company's investment of ₹ 56.01 lakhs in and loans of ₹ 199.66 lakhs given to its subsidiary company recoverability of which is based on successful implementation of management's future plans in respect of the subsidiary.

Our opinion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.
11. As required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended) in our opinion and to our best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 34, to the standalone financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts on which provision for material foreseeable losses was required under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note 38 to the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced by to us by the management.

For **B. K. Khare and Co.**

Chartered Accountants

Firm's Registration No. : 105102W

Himanshu Chapsey

Partner

Membership No. : 105731

Mumbai, May 19, 2017

ANNEXURE A TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 10 OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MEMBERS OF CAMLIN FINE SCIENCES LIMITED FOR THE YEAR ENDED MARCH 31, 2017

- 1) i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- ii. According to the information and explanations given to us the fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- iii. The title deeds of immovable property of the Company are held in the name of the Company.
- 2) Management has conducted physical verification of inventory during the year. Confirmations have been received in respect of inventories lying with third parties. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the books of account.
- 3) The Company has granted unsecured loans to 8 companies covered in the register maintained under Section 189 of the Act which aggregated Rs 3,661.35 lakhs at March 31, 2017.
 - i. The aforesaid loans have been made to its subsidiaries. According to the information and explanations given to us, and having regard to management's representation that the loans given to subsidiaries of the Company are in the interest of the Company's business, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
 - ii. According to the information and explanations given to us, and to the best of our knowledge no schedule of repayment of principal and interest has been stipulated in respect of the loans aggregating ₹ 936.09 lakhs. In respect of the other loans, the same are repayable over a period of 2 to 3 years (includes one loan whose terms has been extended to 2 to 3 years) from the date on which these have been granted without any specific stipulation as to payment of interest and principal.
- iii. In respect of the loans referred to in this clause in view of no specific stipulation as to payment of interest and principal, we are unable to comment on the overdue amount, if any, on such loans.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with all provisions of Section 185 and 186 of the Companies Act 2013, and the Rules framed thereunder in respect of loans, investments, guarantees and other security given by the Company.
- 5) As indicated in Note 8 to the standalone financial statements, the Company has, in respect of the deposits accepted by it, complied with the provisions of Section 73-76 of the Act read with the Rules framed thereunder. According to the information and explanations given to us, the Company has not accepted deposits during the year ended March 31, 2017. According to information and explanations given to us and to the best of our knowledge and belief, no order has been passed by the Company Law Board or the Reserve Bank of India or any court or other tribunal which is to be complied with by the Company.
- 6) We have broadly reviewed the books of account maintained by the Company in respect of the products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) i. According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Excise Duty, Customs Duty, Sales Tax, Service Tax, Customs Duty, Value Added Tax, and other statutory dues applicable to it.
- ii. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Excise Duty, Service Tax, Customs Duty and Value Added Tax that were outstanding, at the year-end for a period of more than six months from the date they became payable.

- iii. According to the information and explanations given to us and records of the Company examined by us, except sales tax and value added tax, there are no dues of Income Tax, Sales Tax, Value Added Tax, Service Tax, Excise Duty and Custom Duty which have not been deposited on account of any dispute except as indicated below:

Name of the Statute	Nature of Dues	₹ In lakhs	Period to which the amount relates	Forum
Maharashtra Value Added Tax Act, 2002	Value Added Tax	72.16	2010-2011	Joint Commissioner Appeals
Central Sales Tax, 1956	Sales Tax	630.35	2010-2011	Joint Commissioner Appeals

- 8) Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government during the year. The Company has not issued any debentures.
- 9) In our opinion and according to the information and explanations given to us, the term loans availed by the Company have been applied by the Company for the purposes for which they were obtained. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- 10) During the course of our audit, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) Based on the records examined by us and according to the information and explanations given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals

mandated by the provisions of Section 197 read with Schedule V to the Act.

- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) Based on the records examined by us and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanation given to us and to the best of our knowledge and belief the placement of equity shares of the Company to Qualified Institutional Buyers during the year is in compliance with the requirements of Section 42 of the Act. The amount raised have been used for the purpose for which these have been raised and pending such utilization have been invested in money market mutual funds as permissible under the Placement Document issued by the Company at the time of the issue. The Company has not issued any preferential allotment or private placement of fully or partly convertible debentures.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them. Hence provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence provisions of para 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare and Co.**

Chartered Accountants

Firm's Registration No. : 105102W

Himanshu Chapsey

Partner

Membership No. : 105731

Mumbai, May 19, 2017

Annexure B to the Independent Auditor's Report of even date on the standalone financial statements of Camlin Fine Sciences Limited

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

We have audited the internal financial controls over financial reporting of Camlin Fine Sciences Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements..

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare and Co.**

Chartered Accountants

Firm's Registration No. : 105102W

Himanshu Chapsey

Partner

Membership No. : 105731

Mumbai, May 19, 2017

STANDALONE BALANCE SHEET

as at 31 March, 2017

(Unless otherwise stated all amounts are in Indian Rupees Lakhs)

	Note	2017	2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,037.10	966.66
Reserves and surplus	3	16,786.60	11,128.36
		17,823.70	12,095.02
Non-current liabilities			
Long term borrowings	4	1,105.25	2,000.38
Deferred tax liabilities (net)	5	394.97	324.51
Long-term provision	6	214.43	185.26
		1,714.65	2,510.15
Current liabilities			
Short-term borrowings	7	21,363.13	12,575.93
Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	39	49.67	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,604.74	7,969.15
Other current liabilities	8	2,102.47	2,528.57
Short-term provisions	9	32.34	549.00
		27,152.35	23,622.65
TOTAL		46,690.70	38,227.82
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	7,767.31	8,639.81
Intangible assets	10	87.53	284.47
Capital work-in-progress		499.82	114.88
Intangible assets under development		886.50	-
		9,241.16	9,039.16
Non-current investments	11	3,062.80	671.30
Long- term loans and advances	12	2,866.30	1,179.92
Current assets			
Current investments	13	1,115.25	-
Inventories	14	11,646.09	11,805.56
Trade receivables	15	12,718.46	9,833.14
Cash and bank balances	16	1,303.28	1,328.71
Short-term loans and advances	17	1,958.36	1,633.74
Other current assets	18	2,779.00	2,736.29
		31,520.44	27,337.44
TOTAL		46,690.70	38,227.82
Significant Accounting Policies	1		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No : 105102W

Himanshu Chapsey
Partner
Membership No : 105731

Mumbai
Dated : 19 May 2017

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited

D. D. Dandekar
Chairman

Santosh Parab
Chief Financial Officer

Mumbai
Dated : 19 May 2017

A.S.Dandekar
Managing Director

R.D.Sawale
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2017

(Unless otherwise stated all amounts are in Indian Rupees Lakhs)

	Note	2017	2016
INCOME			
Revenue from operations (Gross)		33,757.90	42,266.38
Less: Excise Duty		(1,293.48)	(1,047.85)
Revenue from operations (Net)	19	32,464.42	41,218.53
Other Income	20	1,307.93	370.25
Total Revenue		33,772.35	41,588.78
EXPENDITURE			
Cost of materials consumed	21	20,247.87	25,640.12
Purchase of stock in trade	22	2,236.11	1,364.06
Changes in inventories of finished goods/WIP/stock in trade	23	(2,122.44)	(2,572.20)
Employee benefits expenses	24	2,010.53	1,947.33
Finance costs	25	2,583.32	2,182.93
Depreciation and amortisation expense	10	1,158.97	1,014.86
Research and development expenses	26	255.59	210.08
Other expenses	27	7,289.90	7,875.77
		33,659.85	37,662.95
Profit before exceptional items and tax		112.50	3,925.83
Exceptional item	28	-	454.73
Profit before tax		112.50	3,471.10
Less : Tax expense			
- Current Tax		16.19	776.54
- Prior period Tax Adjustment		36.20	24.71
- MAT credit utilised/(entitlement)		(14.04)	144.49
- Deferred tax charge/(credit)		70.45	(49.83)
Profit for the year		3.70	2,575.19
Earnings per equity share of face value of Re 1/- each	29		
Basic		0.00	2.68
Diluted		0.00	2.67
Significant accounting policies	1		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No : 105102W

Himanshu Chapsey
Partner
Membership No : 105731
Mumbai
Dated : 19 May 2017

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited
D. D. Dandekar
Chairman

Santosh Parab
Chief Financial Officer
Mumbai
Dated : 19 May 2017

A.S.Dandekar
Managing Director

R.D.Sawale
Company Secretary

STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2017

(Unless otherwise stated all amounts are in Indian Rupees Lakhs)

		2017	2016
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before taxation	112.50	3,471.10
	Adjustments for:		
	Recovery of Bad Debts	(867.80)	-
	Depreciation and amortisation on Fixed Assets	1,158.97	1,014.86
	Deferred employee compensation expenses amortised	-	(8.52)
	Foreign Exchange loss/(gain) (Unrealised)	458.46	112.89
	(Profit)/Loss on Sale of Fixed Assets	6.65	29.48
	Provision for Doubtful Advances written back	(160.00)	-
	Provision for Doubtful Advances	46.00	-
	Provision for Doubtful Debts (Net)	59.98	94.75
	Provision for leave encashment	36.57	37.08
	Finance costs	2,583.32	2,182.93
	Interest Received/Dividend Received	(297.46)	(151.90)
	Operating Profit before Working Capital changes	3,137.19	6,782.67
	Adjustments for:		
	(Increase) / Decrease in inventories	159.47	(2,796.26)
	(Increase) / Decrease in trade receivables	(3,292.60)	2,492.23
	(Increase) / Decrease in long term loans and advances	(12.94)	35.45
	(Increase) / Decrease in other current assets	(88.71)	546.71
	Increase / (Decrease) in trade payable	(4,425.89)	(1,479.18)
	Increase / (Decrease) in other payable	(283.05)	69.34
	Cash generated from / (used in) operating activities	(4,806.53)	5,650.96
	Direct taxes paid	(710.52)	(560.09)
	Net cash generated from / (used in) operating activities	(5,517.05)	5,090.87
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(996.80)	(3,691.34)
	Sale of Fixed Assets	5.77	0.12
	(Purchase)/Sale of Non current investments	(2,391.50)	(213.53)
	(Purchase)/Sale of current investments	(1,115.25)	-
	Receipt/(Payment) of Loans and advances	(376.38)	(1,194.94)
	Interest received	297.42	151.90
	Dividend received	0.04	-
	Net cash generated from / (used in) investing activities	(4,576.70)	(4,947.79)

STANDALONE CASH FLOW STATEMENT (Contd.)

for the year ended 31 March 2017

(Unless otherwise stated all amounts are in Indian Rupees Lakhs)

		2017	2016
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from borrowings (Net of repayments)	8,787.20	2,815.78
	Receipt of term loan	24.95	521.00
	Repayment of term loan	(1,388.05)	(964.40)
	Proceeds from issue of share capital	5,759.74	270.77
	Maturity of/(Investment in) Margin Fixed Deposit	33.19	(72.82)
	Interest Paid	(2,560.56)	(2,164.22)
	Dividend Paid	(464.29)	(432.69)
	Tax on Dividend	(94.53)	(88.10)
	Net cash generated from / (used in) financing activities	10,097.65	(114.68)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3.90	28.40
	Opening Cash and Cash Equivalents	242.08	213.68
	Closing Cash and Cash Equivalents	245.97	242.08
	Significant accounting policies 1		
	Notes:		
	(i) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 Cash Flow Statements.		
	(ii) Previous year's figures have been regrouped to confirm with those of the current year.		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No : 105102W

Himanshu Chapsey
Partner
Membership No : 105731
Mumbai
Dated : 19 May 2017

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited

D. D. Dandekar
Chairman

Santosh Parab
Chief Financial Officer

Mumbai
Dated : 19 May 2017

A.S.Dandekar
Managing Director

R.D.Sawale
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

(Unless otherwise stated all amounts are in Indian Rupees Lakhs)

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance generally acceptable accounting principles in India. These financial statements have been prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act. ("Indian GAAP").

b. Use of Estimates

The preparation of financial statements in accordance with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements, which in management's opinion are prudent and reasonable. Actual results may differ from these estimates. Any revision to accounting is recognized prospectively in current and future periods.

c. Presentation and Disclosure of Financial Statements

The financial statements are prepared and presented in the form set out in Schedule III of the Act, so far as they are applicable thereto. All assets and liabilities have been classified as current/noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

d. Summary of significant accounting policies

i. Fixed Assets:

Tangible fixed assets

Fixed assets are recorded at cost of acquisition or construction and they are stated at historical cost (net of CENVAT and VAT). All direct expenses attributable to acquisition of fixed assets are capitalised.

Cost includes all incidental expenses related to acquisition and installation. Borrowing costs relating to acquisition of fixed assets, which take a substantial period of time to get ready for their intended use are also included to the extent they relate to the period till such assets are ready to be put to use. When an asset is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any is reflected in the Statement of Profit and Loss.

Intangible Assets

Intangible assets are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.

Capitalised software costs of Enterprise Resource Planning (ERP) system includes design software cost, which provides significant future economic benefits over an extended period. The cost comprises licence fee, cost of system integration and initial customisation. The costs are capitalised in the year in which the relevant system is ready for the intended use. The upgradation/enhancements are also capitalised and assimilated with the initial capitalisation cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

Research and development cost

Research cost are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when all of the following criteria are met:

- i. It is technically feasible to complete the intangible asset so that it will be available for use or sale.
- ii. There is an intention to complete the asset.
- iii. There is an ability to use or sale the asset.
- iv. The asset will generate future economic benefits.
- v. Adequate resources are available to complete the development and to use or sale the asset.
- vi. The expenditure attributable to the intangible asset during development can be measured reliably.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of the asset begins when development is complete and the asset is available for use and it is amortised on straight line basis over the estimated useful life. During the period of development the asset is tested for impairment annually.

ii. Impairment of assets

The carrying amount of cash generating units/assets is reviewed at Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated at the higher of net selling price and value in use. Impairment loss is recognised wherever carrying amount exceeds the recoverable amount.

iii. Depreciation

Depreciation is provided as per straight-line method over the estimated useful lives of the assets prescribed under schedule II to the Companies Act 2013, in order to reflect the actual usages of the assets.

Leasehold land is depreciated over its period of lease.

Capitalised ERP hardware/software, technical knowhow and development expenditure of projects/products incurred is amortised over the estimated period of benefits, not exceeding five years.

iv. Investments

Long-term investments are stated at cost. Provision, if any, is made for diminution other than temporary in the value of investments.

Current investments are stated at cost or fair value whichever is lower.

v. Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and packing materials are valued at cost or net realizable value whichever is lower. Cost is determined on the basis of weighted average method.

Finished goods produced and purchased for sale and work-in-progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory.

Stores and spares are carried at cost.

vi. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

In respect of forward exchange contracts the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the period of the contract.

Gains or losses on cancellation / settlement of forward exchange contracts are recognised as income or expense.

vii. Research and Development

Revenue expenditure on Research and Development (R&D) is included under the natural heads of expenditure.

Capital expenditure on R&D is capitalised as fixed assets. Development cost including legal expenses and/or in relation to patent/trade marks relating to the new and improved product and/or process development is recognised as an intangible asset to the extent that it is expected that such asset will generate future economic benefits.

viii. Employee stock option scheme

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

ix. Employee Retirement Benefits

Short-term Employee benefits

All short-term employee benefits such as salaries, wages, bonus, special awards and medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the statement of profit and loss.

Defined Contribution Plan

The company has a statutory scheme of Provident Fund a defined contribution scheme and contribution of the Company is charged to the Statement of Profit and Loss as incurred. The Company has a scheme of superannuation with the LIC of India and company's contribution is charged to the statement of profit and loss as incurred.

Defined Benefit Plan

The Company's liability towards gratuity to its employees is provided on the basis of an actuarial valuation using the projected unit credit method. Actuarial gains and losses are recognised in full in the statement of profit and loss in the year in which they occur.

Compensated Absences

The accumulated balance of leave encashment (unfunded) is provided on actuarial basis using projected unit credit method.

x. Revenue / Expense Recognition

Revenue from the sale of products is recognised when the title and the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding collectability of the amount due, associated costs or the possible return of goods.

Revenue in respect of overdue interest, insurance claim, export benefits, etc is recognised to the extent the company is reasonably certain of its ultimate realisation.

xi. Expense

Expenses are accounted for on accrual basis.

xii. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when a present legal or constructive obligation exists and the payment is probable and can be reliably estimated.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

A Contingent liability is a possible obligation that arises from past events or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liabilities are disclosed by way of notes to the financial statements after evaluation by the management of the facts and legal aspects of each matter involved.

Contingent Assets are neither recognized nor disclosed in financial statements.

xiii. Income Tax

Tax expense comprises current and deferred tax.

Current tax is measured at the amount computed under the Income Tax Act, 1961. MAT credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Company will pay normal income tax during the specified period and the said is created by way of credit to the statement of profit and loss as shown as MAT credit entitlement.

The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted, at the reporting date.

xiv. Earnings Per Share

Basic earnings per equity share is computed by dividing net profit by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share is computed by dividing net income by the weighted average number of equity shares outstanding adjusted for the effects of all dilutive potential equity shares.

xv. Borrowing Costs

Borrowing cost include exchange differences arising from foreign exchange borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

xvi. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprised cash at bank and in hand and short term investment with a original maturity of three months or less.

xvii. Lease

Finance leases, where substantially all the risks and benefits incidental to ownership of the leased item, are transferred to the company, are accounted for as finance leases. Assets acquired under finance leases are capitalised at lower of fair value and present value of minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the company will obtain the ownership by the end of the lease item, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
2	Share capital		
	Authorised Share Capital		
	15,00,00,000 equity shares of ₹ 1/- each (Previous Year 15,00,00,000 equity shares of ₹ 1/- each)	1,500.00	1,500.00
	Issued, subscribed and fully paid up share capital		
	10,37,09,570 Equity Shares of ₹ 1/- each (Previous Year 9,66,65,830 equity shares of ₹ 1/-each)	1,037.10	966.66
		1,037.10	966.66
	a. Terms/rights attached to equity shares		
	The Company has only one class of shares having par value of ₹ 1/-. Each holder of equity shares is entitled to one vote per share.		
	The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.		
	In the event of liquidation of the Company, the holders of equity shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding. However, no such preferential amounts exist currently.		

b. Reconciliation of the number of shares

	2017		2016	
	No. of Shares	Amount	No. of Shares	Amount
Balance, beginning of the year	96,665,830	966.66	95,888,130	958.88
Add:				
Issued pursuant to Qualified Institutions Placement (QIP) (See note below)	6,519,500	65.20	-	-
Stock options exercised (See note 24(i))	524,240	5.24	777,700	7.78
Balance, end of the year	103,709,570	1,037.10	96,665,830	966.66

c. Utilisation of proceeds of Qualified Institutions Placement (QIP)

On July 5, 2016, Company has allotted 6,519,500 equity shares of ₹ 1 each at a premium of ₹ 84.40 per share amounting to share proceeds of ₹ 5,567.65 lakh on July 5, 2016 pursuant to a Qualified Institutions Placement (QIP) under Securities Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

The Company has utilized the proceeds as per the object of the issue as follows:

Particulars	2017	2016
Share issue Expense (adjusted against the Securities Premium Account in terms of Section 52 of the Companies Act, 2013.)	159.16	-
Capital expenditure including capital advances	139.06	-
Investments in subsidiaries	1,451.45	-
Loans to subsidiaries (including advances of ₹ 702.40 lakh)	1,969.13	-
Foreign consultant fees	314.22	-
Initial Contribution towards acquisition of Ningbo Wanglong Flavors and Fragrances Company Limited	419.38	-
Amount kept with mutual funds	1,115.25	-
Total funds raised from QIP	5,567.65	-

d. Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	2017		2016	
	Number	%	Number	%
Ashish S. Dandekar	13,636,550	13.15	13,631,000	14.10
India Capital Fund Ltd.	6,587,107	6.35	3,442,027	3.56
Abha A. Dandekar	5,573,937	5.37	5,573,937	5.77
Vivek A. Dandekar	5,573,937	5.37	5,573,937	5.77
Camart Agencies Ltd.	5,319,360	5.13	5,319,360	5.50
	36,690,891	35.38	33,540,261	34.70

	2017	2016
3 Reserves and surplus		
Capital Reserve		
Balance, beginning and end of the year	80.60	80.60
Securities Premium		
Balance, beginning of the year	1,066.10	803.10
Received on exercise of QIP [See Note 2(c) above]	5,502.46	-
Received on exercise of stock options (See Note b below)	346.00	263.00
Less: Issue Expenses of QIP [See Note 2(c) above]	(159.16)	-
Balance, end of the year	6,755.40	1,066.10

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

	2017	2016
Employee Stock Options Outstanding (See Note 24(i))		
a) Employee Stock Option Outstanding-		
Balance, beginning of the year	-	12.36
Less:		
Transferred to security premium on account of exercise of option.	-	(12.36)
Balance, end of the year a	-	-
Less:		
b) Deferred employee compensation expense		
Balance, beginning of the year	-	3.84
Add: Fresh grant of options	-	-
Less: Employee compensation/option lapsed net-to statement of profit and loss	-	(3.84)
Balance, end of the year b	-	-
(a-b)	-	-
General Reserve		
Balance, beginning of the year	2,532.04	2,402.04
Transfer from balance in Profit and Loss	-	130.00
Balance, end of the year	2,532.04	2,532.04
Balance in Statement of Profit and Loss		
Balance, beginning of the year	7,449.62	5,529.82
Profit for the year	3.70	2,575.19
	7,453.32	8,105.01
Appropriations		
Proposed dividend	-	(436.35)
Dividend paid (See note a below)	(29.30)	-
Tax on proposed dividend	-	(89.03)
Tax on dividend paid (See note a below)	(5.46)	-
Transfer to General Reserve	-	(130.00)
	(34.76)	(655.38)
Balance, end of the year	7,418.56	7,449.62
	16,786.60	11,128.36

- a) Dividend paid includes ₹ 29.30 lakh pertaining to payment of dividend with respect to financial year 2015-16 for equity shares allotted pursuant to QIP issue on July 5, 2016. Correspondingly tax on proposed dividend includes ₹ 5.97 lakh related to aforesaid payment of dividend. Tax on proposed dividend also includes reversal of excess provision in earlier year of ₹ 0.51 lakh.
- b) During the year, Company has allotted 5,24,240 equity shares of ₹ 1/- each at a premium of ₹ 66 per share ((Previous Year 7,77,700 equity shares of ₹ 1/- each at a premium of ₹ 66 per share) under the ESOS Scheme, resulting in an increase in securities premium by ₹ 346 lakh (Previous Year ₹ 263 lakh).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		Non current		Current	
		2017	2016	2017	2016
4	Long term borrowings				
	Secured				
	Term loan from banks				
	In foreign currency (See note a below)	-	147.67	-	500.23
	In Rupees (See note b below)	1,105.25	1,852.71	850.67	818.41
		1,105.25	2,000.38	850.67	1,318.64
		1,105.25	2,000.38	850.67	1,318.64

a Foreign currency term loans

Foreign currency term loans as at 31 March 2016 comprised of two term loans, which were repayable in 21 substantially equal quarterly installments commencing after a moratorium of 24 months from the date of 1st disbursement i.e. March 3, 2011 and March 28, 2014 respectively. The loans were secured by

- First pari passu mortgage and charge on mortgage and charge on the entire immoveable properties and moveable fixed assets of the Company, both present and future.
- Pledge of 100% of the equity shares of CFSL Mauritius Pvt. Ltd ("CFCL Mauritius").
- Pledge of 100% equity stake of the CFS EUROPE S.p.A .Italy held by the CFCL Mauritius .

Collateral Security: 2nd pari passu charge on the entire current assets of the Company.

These loans carried an interest rate 4.50% and 4.50% above LIBOR, respectively. The then current interest rate on these ranged from 4.89% to 4.95%.

b Rupee term loans

Rupee term loan from banks comprise term loans from EXIM Bank , State Bank of Patiala and Vehicle loans from HDFC Bank

Term loan from EXIM Bank is repayable in 28 & 21 equal quarterly installments commencing after a moratorium period of one year and two year from the date of first disbursement from 13 May, 2010 and 28 March 2014. The loan is secured by a first pari passu charge on all the fixed assets of the Company, both present and future. Collateral Securities: 2nd pari passu Charge on the entire Current assets of the Company. In addition to the above the loan disbursed on 28 March 2014 is also secured by way of 1)Pledge of 100% Shares of CFCL Mauritius Pvt. Ltd. held by the Company. (2) Pledge of 100% shares of CFS Europe S.P.A .Italy held by CFCL Mauritius Pvt. Ltd. The current interest rate on these ranges from 11.00 % to 11.50%

Term loan from State Bank of Patiala is repayable in 26 equal quarterly installments commencing from 31 December 2013. The loan is secured by first pari passu charge on all the fixed assets of the Company, both present and future. Collateral Security: 2nd pari passu Charge on the entire Current assets of the Company. The current interest rate is 11.65%.

Term loan from HDFC Bank is repayable in maximum tenure five to seven years. The loan is secured by hypothecation of vehicles. The current interest rate ranges from 11.50% to 12.50%.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
5	Deferred tax liabilities (net)		
	The components of the deferred tax liabilities (net) are as follows		
	Liabilities		
	Depreciation	625.20	548.42
	Gratuity (Prepaid)	28.11	15.78
		653.31	564.20
	Assets		
	Provision for doubtful debts and advances	128.57	157.86
	Leave encashment	85.40	72.74
	Carried forward business losses	39.00	-
	Other disallowances under the Income-Tax Act	5.37	9.09
		258.34	239.69
		394.97	324.51

6 Long term provision

The long term provision comprises entirely of provision for leave encashment. [See note 24(iii)].

		2017	2016
7	Short term borrowings		
	Loans repayable on demand		
	From Banks		
	Secured		
	Working Capital Loans	19,259.89	10,968.47
	Other		
	From Banks		
	Secured		
	Foreign Currency Loans (Buyers Credit)	2,103.24	1,607.46
		21,363.13	12,575.93

The facilities are secured by primary charge over Company's current assets both present and future Collateral: Second pari passu charge on all movable and immovable fixed assets of the Company both present and future.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
8	Other current liabilities		
	Current maturities of long-term debt and foreign currency debt	850.67	1,318.64
	Interest accrued but not due on borrowings	71.19	48.43
	Unpaid dividends (See note a below)	26.77	22.90
	Unclaimed Interest on public deposit	2.68	2.68
	Unclaimed public deposit (See note b below)	5.35	5.35
	Provision for taxation	-	440.24
	Share Application money received for allotment of securities and due for refund	0.38	0.38
	Deposits	7.58	7.88
	TDS Payable	93.67	77.71
	Other statutory dues	9.93	33.21
	Commission to Director	-	92.40
	Commission on Sales	19.22	120.52
	Payable on purchase of fixed assets	780.21	41.68
	Other outstanding liabilities	234.82	316.55
		2,102.47	2,528.57

- a Does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.
- b The unclaimed fixed deposits of ₹ 5.35 lakh outstanding at March 31, 2017 represent deposits taken under the Companies Act, 1956.

The Company has been unable to repay these deposits as certain cheques issued for repayment of the deposits have not been presented to the bank for payment and certain deposit holders have not submitted to the Company the original deposit receipts for repayment

		2017	2016
9	Short-term provisions		
	Provisions for		
	Employee benefits - leave encashment	32.34	24.94
	Proposed dividend	-	435.00
	Tax on proposed dividend	-	89.06
		32.34	549.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

10 FIXED ASSETS

PARTICULARS	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions during the year	Deletions during the year	As at March 31, 2017	As at April 1, 2016	Depreciation charge for the year	Depreciation on Deletions during the year	As at March 31, 2017	As at March 31, 2017	
Tangible Assets										
Freehold Land	207.19	-	-	207.19	-	-	-	-	207.19	
Leasehold Land	947.02	-	-	947.02	27.37	29.21	-	56.58	890.44	
Factory & Other Building	1,006.92	-	-	1,006.92	426.63	26.00	-	452.63	554.29	
Site Development	37.55	-	-	37.55	9.94	1.54	-	11.48	26.07	
Plant, Equipment & Machinery	10,263.65	25.94	0.69	10,288.90	4,683.35	676.20	0.40	5,359.15	4,929.75	
Furniture & Fixtures	435.22	2.12	-	437.34	292.34	51.97	-	344.31	93.03	
Vehicles	262.61	35.67	27.15	271.13	108.51	31.50	15.02	124.99	146.14	
ERP Hardware Cost	180.61	11.76	-	192.37	133.47	18.37	-	151.84	40.53	
R&D Assets										
Equipments & Furniture	908.25	3.40	-	911.65	140.20	90.45	-	230.65	681.00	
Building	229.03	-	-	229.03	16.43	13.73	-	30.16	198.87	
Total	14,478.05	78.89	27.84	14,529.10	5,838.24	938.97	15.42	6,761.79	7,767.31	
Intangible Assets										
ERP Software Cost	162.64	23.06	-	185.70	128.94	20.24	-	149.18	36.52	
Technical Know-How	1,275.41	-	-	1,275.41	1,104.84	170.57	-	1,275.41	-	
R & D Process Development	87.53	-	-	87.53	7.33	29.19	-	36.52	51.01	
Total	1,525.58	23.06	-	1,548.64	1,241.11	220.00	-	1,461.11	87.53	
Current Years Total	16,003.63	101.95	27.84	16,077.74	7,079.35	1,158.97	15.42	8,222.91	7,854.84	

FIXED ASSETS FOR THE YEAR ENDED 31 MARCH 2016

PARTICULARS	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2015	Additions during the year	Deletions during the year	As at March 31, 2016	As at April 1, 2015	Depreciation charge for the year	Depreciation on Deletions during the year	As at March 31, 2016	As at March 31, 2016	
Tangible Assets										
Freehold Land	207.19	-	-	207.19	-	-	-	-	207.19	
Leasehold Land	35.14	911.88	-	947.02	1.39	25.98	-	27.37	919.65	
Factory & Other Building	992.24	48.30	33.62	1,006.92	405.23	25.46	4.06	426.63	580.29	
Site Development	37.55	-	-	37.55	8.40	1.54	-	9.94	27.61	
Plant, Equipment & Machinery	7,799.93	2,463.72	-	10,263.65	4,155.52	527.83	-	4,683.35	5,580.30	
Furniture & Fixtures	431.62	3.60	-	435.22	226.13	66.21	-	292.34	142.88	
Vehicles	262.61	-	-	262.61	76.39	32.12	-	108.51	154.10	
ERP Hardware Cost	144.92	39.54	3.85	180.61	115.24	22.05	3.82	133.47	47.14	
R&D Assets										
Equipments & Furniture	818.25	90.00	-	908.25	57.60	82.60	-	140.20	768.05	
Building	229.03	-	-	229.03	2.70	13.73	-	16.43	212.60	
Total	10,958.48	3,557.04	37.47	14,478.05	5,048.60	797.52	7.88	5,838.24	8,639.81	
Intangible Assets										
ERP Software Cost	137.22	25.42	-	162.64	112.57	16.37	-	128.94	33.70	
Technical Know-How	1,275.41	-	-	1,275.41	911.20	193.64	-	1,104.84	170.57	
R & D Process Development	-	87.53	-	87.53	-	7.33	-	7.33	80.20	
Total	1,412.63	112.95	-	1,525.58	1,023.77	217.34	-	1,241.11	284.47	
Current Years Total	12,371.11	3,669.99	37.47	16,003.63	6,072.37	1,014.86	7.88	7,079.35	8,924.28	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017		2016	
		Number	Amount	Number	Amount
11	Non current investments				
	Trade, valued at cost unless otherwise stated in equity instruments (unquoted)				
	Of subsidiary companies				
	CFCL Mauritius Private Limited (of US \$ 1 fully paid)	132,000	59.73	132,000	59.73
	CFS DO BRASIL INDUSTRIA, COMERCIO, IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA. (CFS DO BRAZIL)(of Real \$ 1 fully paid)	1,250,000	331.58	1,250,000	331.58
	Solentus North America Inc. (of CAD \$ 1 fully paid) (See note a below)	98,600	56.01	98,600	56.01
	CFS North America LLC (of US\$ 1 fully paid)	465,000	311.51	315,000	211.62
	CFS Antioxidantes De Mexico S.A.de C.V. (of Mexican Pesos 1000 fully paid) (See note b below)	34,343	1,303.15	50	1.91
	CFS International Trading (Shanghai) Ltd (Paid up capital RMB 498,860) (See note c below)	-	50.32	-	-
	Chemolutions Chemicals Limited (of ₹ 10 fully paid) (See note d below)	6,366,503	950.00	-	-
			3,062.30		660.85
	Of Associates				
	Fine Lifestyle Brand Limited (of ₹ 10 fully paid) (see note e below)	255,000	25.50	255,000	25.50
	Others				
	Fine Renewable Energy Limited (of ₹ 10 fully paid) (See note e below)	51,000	5.10	51,000	5.10
	Chemolutions Chemicals Limited (of ₹ 10 fully paid)	-	-	99,500	9.95
			5.10		15.05
	Trade Investments Total		3,092.90		701.40
	Non-trade				
	In equity shares of Saraswat Co-Operative Bank Limited (of ₹ 10 fully paid)	5,000	0.50	5,000	0.50
			0.50		0.50
	Provision for diminution in value of investments (see note e below)		(30.60)		(30.60)
			3,062.80		671.30
	Aggregate market value of Unquoted investments		3,062.80		671.30

- a The Company has invested ₹ 56.01 lakh (previous year ₹ 56.01 lakh) in the share capital of Solentus North America Inc., its wholly owned subsidiary Company ("the subsidiary") and given a loan of ₹ 199.66 lakh (previous year ₹ 160.33 lakh) to it (included in loans and advances) (See note 17) upto 31 March 2017. The subsidiary has negative

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

net worth as at 31 March 2017 and is dependent upon the Company to enable it to meet its obligations as they become due. Based on the proposed plans for the subsidiary, management believes the loan to be fully recoverable and further believes that there is no diminution other than temporary in its investment in the share capital of the subsidiary.

- b On February 2, 2016 the Company had entered into share purchase agreement with the shareholders of Dresen Quimica SAPI, a company registered and situated in Mexico along with its five wholly owned subsidiaries in Mexico, Peru, Guatemala, Columbia and Dominican Republic, to acquire 65% of share capital. Dresen Quimica SAPI and its subsidiaries are engaged in manufacturing and marketing wide range of antioxidants, adsorbents, acidifying agents, bactericides, binders and mould inhibitors. Accordingly, on May 4, 2016, Company has invested a sum of ₹ 1,303.15 lakh equivalent to US\$ 19.50 lakh through an intermediary wholly owned subsidiary CFS Antioxidantes De Mexico, S.A.DE.C.V.(CFS de Mexico) which is registered in Mexico. For the purpose of this acquisition CFS de Mexico has borrowed US\$ 5.85 million as a loan from EXIM Bank. Company has provided a corporate guarantee against the payment of interest and principal of the aforesaid loan amounting to US\$ 6.435 million.
- c On April 15, 2016, Company has incorporated a subsidiary in the free trade zone of China, namely, CFS International Trading (Shanghai) Ltd. The Company has subscribed US\$ 75,000 as capital during the year.
- d On March 22, 2017, Company has been allotted 62,67,003 equity shares of Chemolutions Chemicals Ltd (CCL) of ₹ 10 each at a share premium of ₹ 5 per equity share on conversion of Inter Corporate Deposit of ₹ 940.05 lakh Pursuant to this allotment, CCL has become subsidiary of the Company with effect from March 22, 2017.
- e The provision for diminution in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited and Fine Lifestyle Brand Limited.

		2017	2016
12	Long term loans and advances (unsecured, considered good)		
	Loans and advances to related parties (See note 17)	2124.31	1,044.74
	Capital advances	361.95	-
	Security deposits	148.12	135.18
	Other loans and advances		
	Advance tax net of provision	217.88	-
	MAT credit entitlement	14.04	-
		2,866.30	1,179.92
13	Current Investments		
	(with original maturity of between 3 months and 12 months)		
	Unquoted investment in Mutual Funds		
	HDFC Liquid Fund- Regular Plan-Growth (NAV as on March 31, 2017 ₹ 3,159.26 per unit)	227.23	-
	Birla Sun Life Cash Plus-Growth-Regular Plan (NAV as on March 31, 2017 ₹ 257.77 per unit)	264.48	-
	Reliance Liquid Fund Treasury Plan Growth Plan (NAV as on March 31, 2017 ₹ 3,930.65 per unit)	168.58	-
	ICICI Prudential Liquid Plan-Growth (NAV as on March 31, 2017 ₹ 233.36 per unit)	454.96	-
		1,115.25	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
14 Inventories			
	(at cost or net realisable value whichever is lower)		
	Raw material and components (including packing materials) [includes goods in-transit ₹ 652.64 lakh, (previous year ₹ 1,759.06 lakh)]	3,327.32	5,572.17
	Work-in-progress	2,379.26	1,891.10
	Finished goods	5,822.24	4,168.78
	Stock in trade	45.10	64.28
	Stores and spares	72.17	109.23
		11,646.09	11,805.56
15 Trade receivables			
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	3,453.32	217.65
	Doubtful	325.50	265.53
		3,778.82	483.18
	Less: Provision for doubtful debts	(325.50)	(265.53)
		3,453.32	217.65
	Other debts		
	Unsecured, considered good [Net of Bills Discounted ₹ 912.48 lakh (Previous year ₹ 5,109.82 lakh)]	9,265.14	9,615.49
		12,718.46	9,833.14
16 Cash and bank balances			
i Cash and cash equivalents			
	Balances with banks		
	In current account	240.72	233.40
	Unpaid dividend/interest account	31.22	27.35
	Cash on hand	5.25	8.68
		277.19	269.43
ii Other bank balances			
	Margin money (against letters of credit and bank guarantees)	1,026.09	1,059.28
		1,303.28	1,328.71
17 Short term loans and advances			
	Loans and advances to related parties	1,537.04	1,413.86
	(Unsecured, considered good) (See note b below)		
	Loans to others		
	Unsecured, considered good	1.94	219.88
	Considered doubtful	-	160.00
		1.94	379.88
	Less: Provision for doubtful debts	-	(160.00)
		1.94	219.88
	Advance for Investment in Subsidiary (See note a below)	419.38	-
		1,958.36	1,633.74

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

- a On December 23, 2016, Company has entered into share purchase agreement with Ningbo Wanglong Technology Limited, a company registered in China for acquisition of 51% equity stake in its Vanillin manufacturing facility, for a consideration of US\$ 6.28 million, by the Company or its subsidiaries. The process of acquisition is expected to be completed in the first half of next financial year on completion of certain conditions by the counter party. As per the terms of share purchase agreement, the first tranche of consideration of US\$ 0.628 million equivalent to ₹ 419.38 lakh being 10% of the consideration has been transferred to an Escrow Account on February 28, 2017. This advance has been disclosed as "Advance for Investment in Subsidiary" Under Note 17 : Short term loans and advances
- b Loans and advances to related parties include loans / advances to subsidiaries and associates as follows

		2017		2016	
		Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
	Subsidiaries				
1	CFCL Mauritius Private Limited (Purpose : General corporate purposes)	856.12	1,095.71	1,093.25	1,093.25
2	CFS Europe S. p. A (Purpose : General corporate purposes)	50.16	51.09	-	53.67
3	CFS do Brazil (Purpose : General corporate purposes)	820.74	842.24	774.38	779.71
4	Solentus North America Inc (Purpose : General corporate purposes)	199.66	206.28	160.33	160.33
5	CFS North America LLC (Purpose : General corporate purposes)	1,491.03	1,541.38	430.64	437.14
6	CFS Antioxidantes De Mexico S.A.DE C.V. (Purpose : General corporate purposes)	121.67	125.90	-	-
7	Dresen Quimica SAPI De C.V., (Purpose : General corporate purposes)	42.00	42.00	-	-
8	Chemolutions Chemicals Ltd. (Purpose : General corporate purposes)	79.97	1,313.28	-	-
	Associate				
1	Fine Lifestyle Brands Limited (Purpose : General corporate purposes)	-	-	0.26	0.26
		3,661.35	5,217.88	2,458.86	2,524.36

	2017	2016
Disclosed as		
Short Term	1,537.04	1,414.12
Long Term	2,124.31	1,044.74
	3,661.35	2,458.86

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

In addition to the above, the Company has given the following loans to companies in which the directors are interested

		2017		2016	
		Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
1	Chemolutions Chemicals Ltd.	-	1,280.04	377.68	411.59

		2017	2017	2016
18	Other current assets			
	Prepaid expenses		462.08	309.32
	Advance to Material Suppliers	931.61		
	Less: Provision for doubtful material advances	(46.00)	885.61	738.90
	Loans to employees		2.18	0.94
	Gratuity (See note 24(ii))		82.80	45.58
	Balance with statutory/government authorities		678.35	918.41
	Deposits		35.21	19.50
	Export benefits receivable		549.72	695.18
	Others		83.05	8.46
			2,779.00	2,736.29

		2017	2016
19	Revenue from operations		
	Sale of products		
	Finished goods	30,841.04	40,123.13
	Traded goods	2,479.45	1,528.75
	Sale of services	5.09	-
	Other operating revenues		
	- Export benefits	423.50	592.75
	- Scrap sales	8.82	21.75
	Revenue from operations (gross)	33,757.90	42,266.38
	Less: Excise duty	(1,293.48)	(1,047.85)
		32,464.42	41,218.53
	Sales of product comprise		
	Shelf Life solutions	18,204.82	27,775.45
	Performance Chemicals (including traded)	13,471.63	12,543.59
	Others	359.38	306.75
		32,035.83	40,625.78

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
20	Other income		
	Interest income	297.42	151.90
	Dividend income	0.04	-
	Gain on current Investment	48.25	-
	Gain on Foreign Exchange Fluctuations	-	200.52
	Recovery of advance written off (See note below)	867.80	-
	Miscellaneous receipts	94.42	17.83
		1,307.93	370.25

Board of Directors of the Company has approved conversion of advance amounting to ₹ 940.05 lakh into equity share capital of Chemolutions Chemicals Limited (CCL). Pursuant to this capitalisation CCL has issued 62,67,003 equity shares of ₹ 10 each at a share premium of ₹ 5 per equity share amounting to ₹ 940.05 lakh. Accordingly, Company has reinstated the advance to CCL written off in earlier years aggregating ₹ 867.80 lakh which is disclosed under the head "Other Income".

		2017	2016
21	Cost of materials consumed		
	Opening Stock of Raw Material	5,681.40	5,457.34
	Add: Purchases of Raw Material	17,965.97	25,864.18
	Less: Closing Stock of Raw Material	(3,399.50)	(5,681.40)
		20,247.87	25,640.12
22	Purchase of stock in trade		
	Purchases of stock in trade	2,236.11	1,364.06
23	Changes in inventory of finished goods and work in progress		
	Opening Inventory		
	Finished Goods (including stock in trade)	4,233.06	2,145.92
	Work-In-Progress	1,891.10	1,406.04
		6,124.16	3,551.96
	Closing Inventory		
	Finished Goods (including stock in trade)	5,867.34	4,233.06
	Work-In-Progress	2,379.26	1,891.10
		8,246.60	6,124.16
		(2,122.44)	(2,572.20)
	Consumption of raw materials, packing materials and traded goods		
	Hydroquinone	8,741.75	11,922.43
	Tertiary Butyl Alcohol	1,241.38	2,149.36
	Catechol	5,404.44	5,960.79
	Toluene	-	786.63
	Others	7,096.42	6,184.97
		22,483.99	27,004.18

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017		2016	
		%	Amount	%	Amount
	Imported	80.32	18,059.76	83.59	22,574.07
	Indigenous	19.68	4,424.23	16.41	4,430.11
		100.00	22,483.99	100.00	27,004.18

		2017	2016
24	Employee benefit expenses		
	Salaries and Wages	1,765.61	1,720.87
	Contributions to -		
	Provident fund	116.28	107.85
	Gratuity fund (See note (ii) below)	32.55	21.36
	Expense on Employee Stock Option Scheme (ESOP) (See note (i) below)	-	3.69
	Staff welfare expenses	96.09	93.56
		2,010.53	1,947.33

- i. The Company granted options to its eligible employees under “Camlin Fine Sciences Employees Stock Option Scheme, 2008” (ESOS 2008), “Camlin Fine Sciences Employees Stock Option Scheme, 2012”(ESOS 2012) and “Camlin Fine Sciences Employees Stock Option Scheme, 2014” (ESOS 2014). The options granted under these schemes are equity settled. The other details of the schemes are summarised below:

	ESOS 2008				ESOS 2012	ESOS 2014
Grant date	9 August 2008	13 October 2008	23 October 2009	25 October 2010	19 November 2012	30 December 2014
Options granted	19,41,000	1,67,000	3,22,000	6,40,000	14,94,000	16,38,000
Exercise price	₹ 5.00/- per share	₹ 5.00/- per share	₹ 5.00/- per share	₹ 6.20/- per share	₹ 8.00/- per share	₹ 67.00/- per share
Basis of exercise price	At a discount to market price	At a discount to market price	At a discount to market price	At a discount to market price	At a discount to market price	At market price
Vesting period	10% On expiry of 12 months from the date of grant				50% On expiry of 12 months from the date of grant	50% On expiry of 12 months from the date of grant
	15% On expiry of 24 months from the date of grant				25% On expiry of 24 months from the date of grant	50% On expiry of 24 months from the date of grant
	20% On expiry of 36 months from the date of grant				25% On expiry of 36 months from the date of grant	
	25% On expiry of 48 months from the date of grant					
	30% On expiry of 60 months from the date of grant					

The company has adopted intrinsic value method in accounting for employee cost on account of ESOS. The intrinsic value of the shares is based on the latest available closing market price, prior to the date of meeting of the board of directors, in which the options were granted, on the stock exchange in which the shares of the company are listed. The difference between the intrinsic value and the exercise price is being amortised as employee compensation cost over the vesting period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

Particulars	ESOS 2008		ESOS 2012		ESOS 2014	
	Number	Wt avg exercise price	Number	Wt avg exercise price	Number	Wt avg exercise price
Options outstanding at the beginning of the year	91,800	6.16	3,57,750	8	12,85,500	67
Granted during the year	0	N.A.	0	N.A.	0	N.A.
Expired/Forfeited during the year	3,600	6.20	3,750	N.A.	85,500	N.A.
Exercised during the year	88,200	6.20	3,54,000	8	5,24,240	67
Outstanding at the end of the year	0	N.A.	0	N.A.	6,75,760	67
Exercisable at the end of the year	0	N.A.	0	8	5,00,000	67
Weighted average Range of exercise price of Options outstanding at the end of the year		N.A.		₹ 8/-		₹ 67/-
Weighted average remaining contractual life of the option outstanding at the end of the year		N.A.		0.20 years		1.25 years
Weighted average fair value of the options granted during the year		4.43		4.68		17.70
Option pricing model used	Black Scholes option pricing model					
Assumptions used in arriving at fair value of option granted during the year	N.A.		N.A.			
Risk free interest rate					8.29%	
Expected life					1 to 3 yrs	
Expected volatility					69.72%	
Expected dividend yield					10.81%	
Price of share at the time of grant					67	

The total expense charged to the statement of profit and loss in respect of the options granted aggregated ₹ Nil lakh (previous year ₹ 3.69 lakh).

Had the fair value method of accounting for options been followed the net profit for the year would have been lower by ₹ 49.72 lakh (previous year ₹ 233.91 lakh).

ii Gratuity

The following tables summaries the net benefit expense recognised in the Statement of Profit & Loss, the details of the defined benefit obligation and the funded status of the Company's gratuity plan

		2017	2016
a	Expense recognised in the statement of profit and loss		
	Current Service Cost	21.00	17.33
	Interest	(3.67)	(2.47)
	Expected Return on plan assets	-	-
	Actuarial (Gain)/Loss	15.22	6.50
	Total expense	32.55	21.36
	Actual return on plan assets	19.04	38.16

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
b	Net asset recognised in the Balance Sheet		
	Present Value of Defined Benefit Obligation at end of the year	303.36	273.40
	Fair Value of plan assets at the end of the year	386.16	318.98
	Funded status [Surplus/(Deficit)]	82.80	45.58
	Net Asset/(Liability) at the end of the year.	820.80	45.58
c	Change in obligation during the year		
	Present Value of Defined Benefit Obligation at the beginning of the year	273.40	225.75
	Current Service Cost	21.00	17.33
	Interest Cost	22.04	18.06
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	18.40	(1.20)
	Actuarial (Gains)/Losses on Obligations - Due to Experience	(9.84)	25.32
	Benefit payments	(21.64)	(11.86)
	Present Value of Defined Benefit Obligation at the end of the year	303.36	273.40
d	Change in Fair Value of Assets during the year ended.		
	Fair Value of plan assets at the beginning of the year	318.98	256.70
	Expected return on plan assets	25.71	20.53
	Contributions by employer	69.77	35.99
	Actual benefits paid	(21.64)	(11.86)
	Actuarial Gain/(Loss) on Plan Assets - Due to Experience	(6.66)	17.62
	Fair Value of plan assets at the end of the year.	386.16	318.98

The Company expects to contribute ₹ 70 lakh to gratuity in the next year (Previous year ₹ 35 lakh).

The amount of defined benefit obligation, plan assets, the deficit thereof and the experience adjustments on plan asset and plan liabilities for the current and previous four years are as follows

	2017	2016	2015	2014	2013
Defined Benefit Obligation	303.36	273.40	225.75	163.06	148.20
Plan assets	386.16	318.98	256.70	228.63	161.56
Deficit/(Surplus)	(82.80)	(45.58)	(30.95)	(65.57)	(13.36)
Experience adjustments					
On plan assets	(6.66)	17.62	7.08	1.33	1.29
On plan liabilities	(9.84)	(11.86)	12.72	(11.68)	(12.18)

The gratuity fund is entirely invested in a group gratuity policy with the Life Insurance Corporation of India. The information on the allocation of the fund into major asset classes and the expected return on each major class is not readily available.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

The principal assumptions used in determining the gratuity obligations are as follows

	2017	2016
Discount rate	7.20%	8.06%
Expected rate of return on plan assets	7.20%	8.06%
Expected rate of salary increase	5.00%	5.00%
Attrition rate	2.00%	2.00%

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

iii Leave Encashment

The accumulated balance of leave encashment (unfunded) provided in the books as at 31 March 2017 ₹ 246.77 Lakh (previous year ₹ 210.20 Lakh), determined on actuarial basis using projected unit credit method.

	2017	2016
25 Finance costs		
Interest	2,193.49	1,776.04
Bank Charges	389.83	406.89
	2,583.32	2,182.93
26 Research & development expenses		
Salaries and incentives	146.95	152.32
Travelling & Conveyance	21.31	16.18
Professional fees	-	24.92
Laboratory Expenses	49.46	52.00
Other Expenses	37.87	52.19
	255.59	297.61
Less: Product Process Development Capitalised	-	(87.53)
	255.59	210.08

	2017	2016
27 Other expenses		
Consumption of stores and spares	202.53	198.34
Power and Fuel	1,301.77	1,308.53
Rent (See note 32)	286.49	299.68
Rates and Taxes	16.39	0.23
Insurance	253.90	317.34
Repairs		
- Building	-	1.28
- Machinery	77.25	76.20
- Others	278.73	306.81

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

			2017	2016
Sub Contracting Charges			636.52	1,085.61
Labour Charges			470.44	517.77
Advertisement and Sales Promotion			913.19	802.60
Transport & Forwarding Charges			375.37	487.78
Commission/Discount/Service Charges on Sales			362.81	532.28
Travelling & Conveyance			537.79	658.19
Directors' Meeting Fees			56.85	69.55
Auditors' Remuneration (See note below)			40.29	40.71
Corporate Social Responsibility Contribution			72.15	63.57
Legal & Professional fees			368.89	381.63
Bad Debt Written Off	17.40	2.45		
Bad Advances Written Off	-	-		
Provision for Doubtful Debts	77.37	94.74		
Provision for Doubtful Advances	46.00	-		
Less: Provision for Doubtful Advances Written Back	(160.00)	-		
Less: Provision for Doubtful Debts Written Back	(17.40)	-		
	(36.63)	97.20	(36.63)	97.20
Loss on Sale/Discarding of Assets			6.65	29.48
Exchange fluctuation			420.54	-
Miscellaneous Expenses			647.98	600.99
			7,289.90	7,875.77
Auditor remuneration				
As Auditors				
Audit Fees Standalone Financials			13.75	12.50
Tax Audit Fees			3.45	3.14
In Other Capacity				
Taxation Matters			3.19	2.94
Certification			0.50	0.98
Other Services			18.73	20.52
Reimbursement of Expenses			0.67	0.63
			40.29	40.71

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

28 Exceptional Item

On 16th June 2013, a fire had occurred at the Company's factory at Tarapur as a result of which there was a loss of inventory and fixed assets. Company had preferred an insurance claim which was settled during the previous year. The resultant loss on final settlement of the insurance claim amounting to ₹ 454.73 lakh has been disclosed as an exceptional item in the previous year.

29 Earnings per share

	2017	2016
Profit as per Statement of Profit and Loss available for equity shareholders	3.70	2,575.19
Weighted average number of equity shares used in computing basic earnings per share	10,15,83,090	9,61,32,995
Dilutive effect of stock options	2,20,651	4,06,051
Weighted average number of equity shares used in computing diluted earnings per share	10,18,03,741	9,65,39,046
Basic earnings per share (₹) of face value of ₹ 1/- each	0.00 *	2.68
Diluted earnings per share (₹) of face value of ₹ 1/- each	0.00 *	2.67

* The EPS value upto two decimals is zero.

30 Foreign currency transactions

The unhedged exposure of foreign currency transactions as on 31 March 2017 is as follows:

	Currency	2017	2016
Trade Receivable	US \$	128.75	103.15
	Euro	31.47	14.56
Trade Payable	US \$	2.81	19.68
	Euro	10.29	32.00
Payable on purchase of fixed assets	Euro	10.00	-
Short Term Borrowing	US \$	17.48	3.79
	Euro	14.00	18.06
Term Loan	US \$	-	9.77
Loan & Advance Receivable	Euro	12.80	12.13
	US \$	41.57	23.33
Total unhedged exposure of foreign currency transactions			
Currency	US \$	190.61	155.93
Currency	Euro	78.56	58.69

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

31 Related party transactions

The related parties with whom the Company had transactions during the year are summarized below:

a	Name of the related party	Nature of relationship
	CFCL Mauritius Pvt. Ltd.	Wholly owned subsidiary
	CFS DO BRASIL INDUSTRIA, COMERCIO, IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA.	Wholly owned subsidiary
	Solentus North America Inc.	Wholly owned subsidiary
	CFS EUROPE S.p.A	Wholly owned subsidiary
	CFS North America LLC	Wholly owned subsidiary
	CFS Antioxidantes De Mexico S.A.DE C.V.	Wholly owned subsidiary
	Dresen Quimica SAPI De C.V.,	Subsidiary w.e.f. May 4, 2016
	CFS International Trading (Shanghai) Ltd	Wholly owned subsidiary w.e.f. April 15, 2016
	Chemolutions Chemicals Ltd	Subsidiary w.e.f. March 22, 2017
	Fine Lifestyle Brands Ltd.	Associate
	Fine Lifestyle Solutions Ltd.	Significant influence by Managing Director
	Fine Renewable Energy Ltd.	Significant influence by Managing Director
	Abana Medisys Pvt.Ltd	Significant influence by Managing Director
	Focussed Event Management Pvt. Ltd	Significant influence by Managing Director
	Vibha Agencies Pvt. Ltd.	Owned by Managing Director
	Key managerial personnel and their relatives	
	Mr. D. D. Dandekar	Chairman
	Mr. A. S. Dandekar	Managing Director
	Mr. .D. R. Puranik	Executive Director & CFO till February 9, 2017 there after Executive Director
	Ms. Leena Dandekar	Executive Director
	Mr. S. D. Dandekar	Management Consultant/Relative of Managing Director
	Mrs. R. S. Dandekar	Management Consultant/Relative of Managing Director
	Mr. Santosh Parab	Chief Finance Officer w.e.f February 10, 2017
	Mr. Rahul Sawale	Company Secretary

b The transactions with related parties are summarised below (figures in brackets represent previous year amounts):

		Subsidiaries / Wholly owned subsidiaries	Associate	Key managerial personnel and their relatives
i	Purchases/Expenses			
	Goods	9,525.17	Nil	Nil
		(12,542.79)	(Nil)	(Nil)
	Purchase of technology	704.66	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		Subsidiaries / Wholly owned subsidiaries	Associate	Key managerial personnel and their relatives
		(Nil)	(Nil)	(Nil)
	Advance for land	352.20	Nil	Nil
		(Nil)	(Nil)	(Nil)
	Services	Nil	Nil	11.40
		(Nil)	(Nil)	(11.40)
ii	Sales			
	Goods	6,268.34	Nil	Nil
		(4,528.60)	(Nil)	(Nil)
	Services	89.88	Nil	Nil
		(Nil)	(Nil)	(Nil)
iii	Investment made	2,391.50	Nil	Nil
		(213.53)	(Nil)	(Nil)
iv	Finance			
	Inter Corporate Loans Given	1,038.21	Nil	Nil
		(862.32)	(0.26)	(Nil)
	Material Advance Given	2,688.56	Nil	Nil
		(2,210.06)	(Nil)	(Nil)
	Interest Received	150.38	Nil	Nil
		(28.68)	(Nil)	(Nil)
v	Other Transactions			
	Commission Given	124.13	Nil	Nil
		(129.62)	(Nil)	(Nil)
	Rent Received	0.03	Nil	Nil
		(0.03)	(Nil)	(Nil)
vi	Outstanding			
	Payable	1,503.56	Nil	Nil
		(2,465.83)	(Nil)	(Nil)
	Receivable	7,027.06	Nil	Nil
		(3,417.07)	(0.26)	(Nil)
	Inter Corporate Loans Given	3,098.73	Nil	Nil
		(2,174.76)	(Nil)	(Nil)
	Interest and Other Receivable	563.01	Nil	Nil
		(283.84)	(Nil)	(Nil)
	Advances	307.21	Nil	Nil
		(434.99)	(Nil)	(Nil)
vii	Investment	3,062.30	Nil	Nil
		(660.85)	(Nil)	(Nil)
viii	Managerial Remuneration	Nil	Nil	400.11
		(Nil)	(Nil)	(378.71)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

c Significant transactions with related parties

		2017	2016
	Subsidiaries / Wholly owned subsidiaries		
i	Purchases/Expenses		
	Goods		
	CFS Europe S.p.A	9,521.80	12,542.79
	Chemolutions Chemicals Ltd	3.37	-
	Fixed Asset		
	CFS Europe S.p.A	704.66	-
ii	Sales		
	Goods		
	CFS Europe S.p.A	2,729.59	2,339.01
	CFS do Brazil	931.96	1,547.48
	CFS North America LLC	692.63	641.97
	Dresen Quimica SAPI De C.V.,	1,914.16	-
	Kokuyo Camlin Ltd.	-	0.14
	Service		
	CFS Europe S.p.A	30.24	-
	CFS do Brazil	17.90	-
	CFS North America LLC	8.95	-
	Dresen Quimica SAPI De C.V.,	32.79	-
iii	Finance		
	Inter Corporate Loans Given		
	CFS do Brazil	-	537.30
	Solentus North America Inc.	33.60	13.26
	CFS North America LLC	917.08	311.76
	CFS Antioxidantes De Mexico S.A.DE C.V.	87.53	-
iv	Interest Received		
	CFS do Brazil	53.98	15.66
	Solentus North America	12.74	10.45
	CFS North America LLC	78.85	2.57
	CFS Antioxidantes De Mexico S.A.DE C.V.	3.58	-
	Chemolutions Chemicals Ltd	1.23	-
v	Material Advance Given		
	CFS Europe S.p.A	2,623.72	2,210.06
	CFS do Brazil	64.84	-
vi	Other Transactions		
	Commission		
	CFS do Brazil	124.13	129.62
vii	Outstanding:		
a	Loan & Advances		
	CFCL Mauritius Pvt. Ltd.	856.12	1,093.23
	CFS Europe S.p.A	50.16	434.99

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
	CFS do Brazil	820.74	774.38
	Solentus North America Inc.	199.66	160.33
	CFS North America LLC	1,491.03	430.64
	CFS Antioxidantes De Mexico S.A.DE C.V.	121.67	-
	Chemolutions Chemicals Ltd	79.97	-
	Dresen Quimica SAPI De C.V.,	42.00	-
b	Material Advance		
	CFS Europe S.p.A	242.37	434.99
	CFS do Brazil	64.84	-
c	Trade Payable		
	CFS Europe S.p.A	712.55	2,403.84
	Payable on purchase of fixed asset		
	CFS Europe S.p.A	692.48	-
	Other Payable		
	CFS do Brazil	81.93	61.99
	CFS International Trading (Shanghai) Ltd	16.61	-
d	Receivable		
	CFS Europe S.p.A	2,984.97	1,486.61
	CFS do Brazil	2,092.78	1,300.18
	Dresen Quimica SAPI De C.V.,	1,064.33	-
	CFS North America LLC	884.98	630.28
	Associate Companies		
viii	Other Transactions		
	Rent Received		
	Abana Medisys Pvt.Ltd	0.01	0.01
	Fine Renewable Energy Ltd.	0.01	0.01
ix	Outstanding:		
	Abana Medisys Pvt.Ltd	0.38	0.36
	Fine Renewable Energy Ltd.	0.01	0.03
	Fine Lifestyle Brands Ltd.	-	0.26
	Key Management Personnel		
x	Managerial Remuneration		
	Mr. A. S. Dandekar	185.09	190.45
	Mr. D. D. Dandekar	30.60	30.00
	Ms. Leena Dandekar	93.87	82.55
	Mr. D.R.Puranik	66.96	66.25
	Mr. Santosh Parab	5.78	-
	Mr. R.D.Sawale	17.81	9.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

32 Leases

General description of operating lease

The significant leasing arrangements are in respect of residential flats, warehouses etc. taken on lease. The arrangements range between 11 months to five years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.

	2017	2016
For the period up to one year	197.91	187.47
For the period one year to five years	369.76	415.60
Five years and above	-	-
	567.67	603.07

33 Segment information

The Company operates primarily in the segment of Fine Chemicals and hence has only one reportable segment Geographical segment disclosure for year ended March 31, 2017 Domestic sale is ₹ 9,963.94 lakh (previous year ₹ 8,437.09 lakh) and Export sale is ₹ 23,356.55 lakh (previous year ₹ 33,214.80 lakh)

34 Contingencies and commitments

	2017	2016
Contingent liabilities		
a) In respect of bills of exchange / cheque discounted with the bankers	912.48	5,109.82
b) In respect of bank guarantees issued to VAT ,Excise and Custom Authorities	393.26	374.30
c) In respect of VAT / CST Matter* (See note below)	732.44	732.44
d) In respect of corporate guarantees issued against the borrowings of:		
i) CFS Europe S.p.A. - Subsidiary Company	1,900.00	5,076.54
Loan balance outstanding in respect of the above guarantee is ₹ 1,900.00 lakh (Previous Year ₹ 2,895.02 Lakh)		
ii) CFS Antioxidantes De Mexico S.A.DE C.V. - Subsidiary Company	4,456.08	-
e) In respect of corporate guarantees issued against the contractor's payment obligations and supply of material		
i) CFS Europe S.p.A. - Subsidiary Company	2,911.17	3,157.01
Contractors payment obligations outstanding in respect of the above guarantee is ₹ 3,258.52 Lakh (Previous Year ₹ 1,132.85 Lakh)		

* Includes Central Excise and Customs duty demand of ₹ 356.02 lakh received dated April 13, 2017 for which the period of filing of appeal has not expired.

Commitments

Value of contracts (net of advance) remaining to be executed on capital account not provided for ₹ 725 Lakh. (Previous year ₹ 5.48 Lakh)

The information in respect of commitment has been given only in respect of capital commitment in order to avoid providing excess details that may not assist user of financial statements

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
35	Value of imports on CIF basis		
	Raw Material	12,419.64	19,801.24
	Purchase of Traded Goods	2,236.11	1,364.06
		14,655.75	21,165.30
36	Expenditure in foreign currency		
	Professional & Legal Fees	66.59	110.07
	Commission and Sales Promotion	918.92	747.60
	Others	385.14	291.68
		1,370.65	1,149.35
37	Earnings in foreign exchange		
	Exports at F.O.B. Value (Including Trading)	23,133.18	32,646.27

38 Disclosure on Specified Bank Notes (SBNs)

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBNs*	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	2.78	3.99	6.77
(+) Permitted Receipt**	6.19	9.14	15.33
(-) Permitted Payment***	(0.62)	(8.60)	(9.22)
Amount deposited in Banks	(8.35)	-	(8.35)
Closing cash in hand as on December 30, 2016	-	4.53	4.53

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

**Permitted receipts pertain to SBN's received from debtors by Company's sales representatives prior to November 7, 2016.

***Permitted payments include transactions of SBN as permitted pursuant to notifications issued by Reserve Bank of India.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2017

39 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at March 31, 2017 are as under:

	Particulars	2017	2016
1	Principle amount remaining unpaid beyond due date, to suppliers as at the end of accounting year	43.80	Nil
2	Interest due thereon remaining unpaid to suppliers as at the end of accounting year	2.27	Nil
3	Amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year 2016-2017	Nil	Nil
4	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	3.60	Nil
5	Amount of interest accrued and remaining unpaid at the end of accounting year.	5.87	Nil
6	The amount of further interest due and payable even in the succeeding year until such date when the interest due as above are actually paid to the suppliers for the purpose of disallowance as a deductible expenditure under Section 23.	Nil	Nil
7	Balance as at the year end	49.67	Nil

40 Prior year comparatives

Prior year figures have been reclassified, where necessary to confirm to current year's classification.

As per our report of even date. For B.K. Khare & Co.

Chartered Accountants
Firm Registration No : 105102W

Himanshu Chapsey

Partner
Membership No : 105731

Mumbai
Dated : 19 May 2017

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited

D. D. Dandekar
Chairman

Santosh Parab
Chief Financial Officer

Mumbai
Dated : 19 May 2017

A.S.Dandekar
Managing Director

R.D.Sawale
Company Secretary

FORM AOC-I

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
(All amounts in ₹ lakhs, unless otherwise stated)

Part "A": Subsidiaries

Sr. No.	Name of Subsidiary	Reporting period	Reporting currency	Exchange rate	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of shareholding
1	CFCL Mauritius Private Limited	Apr 16 to Mar 17	EUR	69.25	59.73	(42.22)	21.82	857.69	853.38	-	(9.37)	-	(9.37)	-	100%
2	CFS Europe S.p.A.	Apr 16 to Mar 17	EUR	69.25	1,384.95	5,633.50	19,254.45	12,334.18	98.18	22,161.86	351.81	(148.50)	500.31	-	100%
3	CFS do Brasil Industria, Comercio Importacao E Exportacao De Aditivos Alimenticios Ltda.	Apr 16 to Mar 17	BRL	20.76	331.58	(906.55)	2,570.83	3,145.80	-	1,723.54	(425.22)	(58.15)	(367.07)	-	100%
4	Solentus North America Inc	Apr 16 to Mar 17	CAD	48.65	56.01	(252.99)	20.40	217.38	-	-	(25.98)	-	(25.98)	-	100%
5	CFS North America LLC	Apr 16 to Mar 17	US\$	64.84	311.51	(1,597.37)	1,162.06	2,447.92	-	1,085.80	(1,267.01)	-	(1,267.01)	-	100%
6	CFS Antioxidantes De Mexico S.A.de C.V.	Apr 16 to Mar 17	MXP	3.46	1,303.15	(305.51)	158.64	4,194.65	5,033.64	179.99	(226.08)	8.52	(217.56)	-	100%
7	CFS International Trading (Shanghai) Ltd	Apr 16 to Mar 17	CNY	9.41	50.32	(25.96)	24.42	0.06	-	-	(23.97)	-	(23.97)	-	100%
8	Dresen Quimica, S.A.P.I. de C.V.	Apr 16 to Mar 17	MXP	3.46	2,779.98	2,189.57	6,567.32	3,034.77	1,437.00	9,793.33	2,240.96	575.35	1,665.60	-	65%
9	Industrias Petrotec de Mexico, S.A. de C.V.	Apr 16 to Mar 17	MXP	3.46	3.88	110.12	242.24	128.24	-	1,184.24	102.52	48.38	54.14	-	65%
10	Inovel, S.A.S.	Apr 16 to Mar 17	MXP	3.46	79.52	142.45	747.24	525.27	-	919.12	133.21	40.56	92.65	-	65%
11	Nuvel, S.A.C.	Apr 16 to Mar 17	MXP	3.46	30.24	897.24	1,620.28	692.79	-	1,615.61	140.60	-	140.60	-	65%
12	Britec, S.A.	Apr 16 to Mar 17	MXP	3.46	30.41	371.03	532.70	131.26	-	959.04	2.88	25.99	(23.12)	-	65%
13	Grinel, S.R.L.	Apr 16 to Mar 17	MXP	3.46	1.45	-	1.45	-	-	-	-	-	-	-	65%
14	Chemolutions Chemicals Ltd.	Apr 16 to Mar 17	INR		676.70	(468.14)	359.13	150.57	-	8.86	(42.08)	(277.23)	235.15	-	94.08%

Part “B”: Associates and Joint Ventures

1	Name of Associate	Fine Lifestyle Brands Limited
2	Latest audited Balance Sheet Date	31/3/2017
3	Shares of Associate held by the company on the year end	
	No.	255,000
	Amount of Investment in Associate	2,550,000
	Extend of Holding %	49.04%
4	Description of how there is significant influence	49.04% Stake in total Equity Capital
5	Reason why the associate/joint venture is not consolidated	N.A.
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	(7.73)
7	Profit/(Loss) for the year	
	i. Considered in Consolidation	1.71
	ii. Not Considered in Consolidation	-
8	Names of associates or joint ventures which are yet to commence operations	N.A.

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited

D. D. Dandekar
Chairman

A.S.Dandekar
Managing Director

Santosh Parab
Chief Financial Officer

R.D.Sawale
Company Secretary

Mumbai
Dated : 19 May 2017

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Camlin Fine Sciences Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Camlin Fine Sciences Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries are hereinafter referred to as "the Group") and associates, comprising the consolidated balance sheet as at March 31, 2017, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

8. a) We did not audit the financial statements of 11 subsidiaries whose financial statements (before consolidation adjustments) reflect total assets of ₹ 32,987.18 lakhs as at 31st March, 2017, total revenues of ₹ 35,990.94 lakhs and net cash flows amounting to ₹ 2,495.79 lakhs for the year then ended. The consolidated financial statements also include the Group's share of net profit of ₹ 1.71 lakhs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements has not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.
- (b) We did not audit the financial statement of 2 subsidiaries whose financial statement (before consolidation adjustments) reflect total assets of ₹ 44.74 lakhs as at 31st March, 2017, and which has earned no revenue and net cash flows amounting to ₹ 22.55 lakhs for the year then ended. These financial statement are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statement.
- (c) The subsidiaries referred to in paras (a) and (b) above which are located outside India whose consolidated financial statements and consolidated interim financial statements and other financial information have been prepared in accordance with International Financial Reporting Standards and/or the accounting principles applicable in their

respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion, in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (d) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated financial statements;
 - b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c. the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary

companies and associate companies incorporated in India, none of the directors of the aforesaid companies is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to our best of our information and according to the explanations given to us:
 - i. The Group and its associates have disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35, to the consolidated financial statements.
 - ii. The Group and its associates did not have any long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection Fund by the Holding Company and its Indian associates.
 - iv. The Company has provided requisite disclosures in Note 39 to the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Group and its associates and as produced by to us by the management.

For **B. K. Khare and Co.**

Chartered Accountants

Firm's Registration No. : 105102W

Himanshu Chapsey

Partner

Membership No. : 105731

Mumbai, May 19, 2017

ANNEXURE A TO OUR REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CAMLIN FINE SCIENCES LIMITED

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

In conjunction with our audit of the consolidated financial statements of the Camlin Fine Sciences Limited as of March 31, 2017 and for the year then ended. We have audited the internal financial controls over financial reporting of Camlin Fine Sciences Limited (hereinafter referred to as "the Holding Company") and its two associate company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting based on our audit for the Group Companies. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established

and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary and its associate companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the aforesaid companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary and two associate companies, which are companies incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **B. K. Khare and Co.**
Chartered Accountants
Firm's Registration No. : 105102W

Himanshu Chapsey
Partner
Membership No. : 105731

Mumbai, May 19, 2017

CONSOLIDATED BALANCE SHEET

as at 31 March, 2017

(Unless otherwise stated all amounts are in Indian Rupees Lakhs)

	Note	2017	2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,037.10	966.66
Reserves & surplus	3	20,085.05	16,654.90
		21,122.15	17,621.56
Minority Interest		1,761.48	-
Non-current liabilities			
Long term borrowings	4	5,131.61	2,144.80
Deferred tax liabilities (net)	5	394.97	324.51
Long-term provision	6	214.43	185.26
		5,741.01	2,654.57
Current liabilities			
Short-term borrowings	7	23,298.07	14,570.49
Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	40	49.70	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,848.67	9,531.43
Other current liabilities	8	2,480.46	2,739.52
Short-term provisions	9	576.25	1,152.90
		34,253.15	27,994.34
TOTAL		62,877.79	48,270.47
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	10	15,369.73	12,788.89
Intangible assets	10	926.95	1,238.49
Capital work-in-progress		738.24	2,506.46
		17,034.92	16,533.84
Goodwill (on consolidation)	41	3,791.71	-
Non-current investments	11	101.19	109.42
Deferred tax Assets (net)	12	1,945.62	1,485.23
Long- term loans and advances	13	774.63	169.61
Current assets			
Current investments	14	1,115.25	-
Inventories	15	19,779.55	17,331.54
Trade receivables	16	11,287.12	7,548.06
Cash and bank balances	17	3,123.59	1,889.64
Short-term loans and advances	18	421.32	219.88
Other current assets	19	3,502.89	2,983.25
		39,229.72	29,972.37
TOTAL		62,877.79	48,270.47
Significant accounting policies	1		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No : 105102W

Himanshu Chapsey
Partner
Membership No : 105731
Mumbai
Dated : 19 May 2017

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited
D. D. Dandekar
Chairman

Santosh Parab
Chief Financial Officer

Mumbai
Dated : 19 May 2017

A.S.Dandekar
Managing Director

R.D.Sawale
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2017

(Unless otherwise stated all amounts are in Indian Rupees Lakhs)

	Note	2017	2016
INCOME			
Revenue from operations (Gross)		54,686.90	50,422.83
Less: Excise Duty		(1,293.85)	(1,488.61)
Revenue from operations (Net)	20	53,393.05	48,934.22
Other Income	21	1,480.27	426.89
Total Revenue		54,873.32	49,361.11
EXPENDITURE			
Cost of materials consumed	22	29,283.59	24,275.40
Purchase of stock in trade	23	141.80	750.76
Changes in inventories of finished goods/WIP/stock in trade	24	(3,374.99)	(4,716.09)
Employee benefits expense	25	5,842.29	4,005.21
Finance costs	26	3,037.62	2,444.25
Depreciation and amortisation expense	10	2,180.29	1,705.52
Research and development expenses	27	255.59	210.08
Other expenses	28	17,935.62	15,229.41
		55,301.81	43,904.54
Profit / (Loss) before exceptional items and tax		(428.49)	5,456.57
Exceptional item	29	-	(454.73)
Profit / (Loss) before tax		(428.49)	5,001.84
Less : Tax expense			
- Current Tax		754.72	987.95
- Prior period Tax Adjustment		36.20	24.71
- MAT credit utilised/(entitlement)		(14.04)	144.49
- Deferred tax charge/(credit)		(451.64)	262.69
Profit /(Loss) for the year		(753.73)	3,582.00
Add: Share of profit of associate for the year		1.71	0.37
Less: Minority interest		(673.51)	-
Profit / (Loss) for the year		(1,425.53)	3,582.37
Earnings / (Loss) per equity share of face value of ₹ 1/- each	30		
Basic (in ₹)		(1.40)	3.73
Diluted (in ₹)		(1.40)	3.71
Significant accounting policies	1		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No : 105102W

Himanshu Chapsey
Partner
Membership No : 105731
Mumbai
Dated : 19 May 2017

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited
D. D. Dandekar
Chairman

Santosh Parab
Chief Financial Officer
Mumbai
Dated : 19 May 2017

A.S.Dandekar
Managing Director

R.D.Sawale
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2017

(Unless otherwise stated all amounts are in Indian Rupees Lakhs)

		2017	2016
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before exceptional items and taxation	(428.49)	5,456.57
	Adjustments for:		
	Recovery of Bad Debts	(867.80)	-
	Depreciation / Amortisation on Fixed Assets	2,180.29	1,705.52
	Deferred employee compensation expenses amortised	-	(8.52)
	Foreign Exchange loss/(gain) (Unrealised)	452.83	169.30
	(Profit)/Loss on Sale of Fixed Assets	2.92	30.11
	Provision for Doubtful Advances written back	(160.00)	-
	Provision for Doubtful Debts (Net)	193.31	94.75
	Provision for leave encashment	(23.42)	127.28
	Finance costs	3,037.62	2,444.25
	Interest Received/Dividend Received	(148.61)	(128.12)
	Operating Profit before Working Capital changes	4,238.65	9,891.14
	Adjustments for:		
	(Increase) / Decrease in inventories	(2,448.01)	(3,693.47)
	(Increase) / Decrease in trade receivables	(4,282.27)	3,673.30
	(Increase) / Decrease in long term loans and advances	(395.94)	34.49
	(Increase) / Decrease in other receivables	(267.42)	(343.54)
	Increase / (Decrease) in trade payable	(1,603.49)	(1,267.56)
	Increase / (Decrease) in other payable	(32.94)	82.73
	Cash generated from / (used in) operating activities	(4,791.42)	8,377.09
	Direct taxes paid	(1,070.12)	(1,219.85)
	Net cash generated from / (used in) operating activities	(5,861.54)	7,157.24
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of fixed assets	(2,987.98)	(6,708.12)
	Sale of fixed assets	11.75	2.13
	(Purchase)/Sale of non current investments	8.23	-
	(Purchase)/Sale of current investments	(1,115.25)	-
	Receipt/(Payment) of loans and advances	(41.44)	10.73
	Interest received	148.57	128.12
	Acquisition of subsidiaries (net)	(3,898.01)	-
	Dividend received	0.04	-
	Net cash generated from / (used in) investing activities	(7,874.09)	(6,567.14)

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

for the year ended 31 March 2017

(Unless otherwise stated all amounts are in Indian Rupees Lakhs)

		2017	2016
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from borrowings (Net of repayments)	8,727.58	2,475.12
	Receipt of term loan	4,164.96	521.00
	Repayment of term loan	(1,532.47)	(955.00)
	Proceeds from issue of share capital	5,759.74	270.77
	Maturity of/(Investment in) Margin Fixed Deposit	32.23	(54.38)
	Interest Paid	(2,949.33)	(2,423.37)
	Dividend Paid	(464.39)	(432.69)
	Tax on Dividend	(94.54)	(88.10)
	Net cash generated from / (used in) financing activities	13,643.78	(686.65)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(91.85)	(96.55)
	Opening Cash and Cash Equivalents	802.90	899.45
	Cash received on acquisition of subsidiary	1,354.27	-
	Closing Cash and Cash Equivalents	2,065.32	802.90
	Notes:		
	(i) The Cash Flow Statement has been prepared under the "indirect Method" as set out in Accounting Standard 3 Cash Flow Statements.		
	(ii) Previous year's figures have been regrouped to conform with those of the current year.		
	Significant Accounting Policies	1	

The accompanying notes are an integral part of these financial statements.

As per our report of even date.
For B.K. Khare & Co.

Chartered Accountants
Firm Registration No : 105102W

Himanshu Chapsey
Partner

Membership No : 105731

Mumbai
Dated : 19 May 2017

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited

D. D. Dandekar
Chairman

Santosh Parab
Chief Financial Officer

Mumbai
Dated : 19 May 2017

A.S.Dandekar
Managing Director

R.D.Sawale
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

(Unless otherwise stated all amounts are in Indian Rupees Lakhs)

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with the historical cost convention on an accrual basis of accounting in accordance with generally acceptable accounting principles in India. These financial statements have been prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act. ("Indian GAAP").

b. Principles of consolidation

The consolidated financial statements comprise the financial statements of Camlin Fine Sciences Limited ('the Company') and its subsidiaries (the Company and its subsidiaries are hereinafter collectively referred to as the 'Group') and its investment in associate as at 31 March 2017. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" and Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

- i. The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits / losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's separate financial statements. The consolidated cash flow statement has been prepared using uniform policies for the transactions. The financial statements of all entities used for consolidation are drawn up to the same reporting date as that of the Company i.e. 31 March 2017.

The excess of the Company's investment in a subsidiary over the subsidiary's net assets is recognized in the consolidated financial statements as "Goodwill (on consolidation)". The excess of the subsidiary's net assets over the Company's investment in a subsidiary is recognized in the financial statement as "Capital reserve (on consolidation)".

- ii. Investments in associate companies are accounted under the equity method as per the AS 23.

Under the equity method, the investment in associates is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. The statement of profit and loss includes the Group's share of the results of operations of the associates.

The excess of the Group's cost of investment over its share of net assets in the associate on the date of acquisition of investment is recognized in the consolidated financial statements as "Goodwill (on consolidation)". The excess of the Group's share of net assets in the associate over the cost of its investment is recognized in the financial statement as "Capital reserve (on consolidation)". Goodwill / Capital Reserve is included/adjusted in the carrying amount of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

iii. The following entities have been considered in preparation of the consolidated financial statements:

Name of the Entities	Country of Incorporation	% of ownership interest either directly or through subsidiaries	
		As on March 31, 2017	As on March 31, 2016
(a) Subsidiaries			
Direct Subsidiaries			
CFCL Mauritius Pvt. Ltd.	Mauritius	100%	100%
CFS DO BRASIL INDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA.	Brazil	100%	100%
Solentus North America Inc.	Canada	100%	100%
CFS North America LLC	USA	100%	100%
CFS Antioxidantes De Mexico S.A.de C.V. (Since 22 January 2016)	Mexico	100%	100%
CFS International Trading (Shanghai) Limited (Since April 15, 2016)	China	100%	N.A.
Chemolutions Chemicals Limited (Since March 22, 2017)	India	94.08%	N.A.
Indirect Subsidiaries			
CFS Europe S.p.A.	Italy	100% held by CFCL Mauritius Pvt. Ltd.	100% held by CFCL Mauritius Pvt. Ltd.
Dresen Quimica, S.A.P.I. de C.V. (Since May 04, 2016)	Mexico	65% held by CFS Antioxidantes De Mexico S.A.de C.V.	N.A.
Industrias Petrotec de Mexico, S.A. de C.V. (Since May 04, 2016)	Mexico	100% held by Dresen Quimica, S.A.P.I. de C.V.	N.A.
Britec, S.A. (Since May 04, 2016)	Guatemala	100% held by Dresen Quimica, S.A.P.I. de C.V.	N.A.
Inovel, S.A.S. (Since May 04, 2016)	Colombia	100% held by Dresen Quimica, S.A.P.I. de C.V.	N.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

Name of the Entities	Country of Incorporation	% of ownership interest either directly or through subsidiaries	
Nuvel, S.A.C. (Since May 04, 2016)	Peru	100% held by Dresen Quimica, S.A.P.I. de C.V.	N.A.
Grinel, S.R.L. (Since May 04, 2016)	Republic of Dominicana	100% held by Dresen Quimica, S.A.P.I. de C.V.	N.A.
(b) Associate			
Fine Lifestyle Brands Limited (FLBL)	India	49.04%	49.04%
Fine Lifestyle Solutions Limited (FLSL)	India	75% held by FLBL	75% held by FLBL

The Company accounts for minority Interest in the net assets of the consolidated subsidiaries at the aggregate of

1. Amount of equity attributable at the date on which investment in subsidiaries is made, and
2. The minorities share of movements in the equity since the date the parent- subsidiary relationship comes into existence.

The minorities share of net profit / (loss) for the year of consolidated subsidiaries is identified and adjusted against the profit / (loss) after tax of the Group in order to arrive at the net profit / (loss) attributable to the shareholders of the Company.

- iv. The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of date of disposal is recognised in the consolidated statement of profit and loss as profit or loss on disposal of investment in subsidiary. Similarly deemed divestiture gain or loss on de-subsidiarisation of subsidiaries is also recognized in the statement of profit and loss.

c. Use of Estimates

The preparation of consolidated financial statements in accordance with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of consolidated financial statements. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of consolidated financial statements, which in management's opinion are prudent and reasonable. Actual results may differ from these estimates. Any revision to accounting is recognized prospectively in current and future periods.

d. Presentation and Disclosure of Financial Statements

The consolidated financial statements are prepared and presented in the form set out in Schedule III of the Act, so far as they are applicable thereto. All assets and liabilities have been classified as current/noncurrent as per the Group's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous year.

e. Summary of significant accounting policies

i. Fixed Assets

Tangible fixed assets

Fixed assets are recorded at cost of acquisition or construction and they are stated at historical cost (net of CENVAT and VAT). All direct expenses attributable to acquisition of fixed assets are capitalised. Cost includes all incidental expenses related to acquisition and installation. Borrowing costs relating to acquisition of fixed assets, which take a substantial period of time to get ready for their intended use are also included to the extent they relate to the period till such assets are ready to be put to use. When an asset is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any is reflected in the consolidated Statement of Profit and Loss.

Intangible assets

- a. Intangible assets are initially measured at cost and amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Enterprise Resource Planning (ERP) software cost

Capitalised software costs of ERP system includes design software cost, which provides significant future economic benefits over an extended period. The cost comprises licence fee, cost of system integration and initial customisation. The costs are capitalised in the year in which the relevant system is ready for the intended use. The upgradation/enhancements are also capitalised and assimilated with the initial capitalisation cost.

- b. Research and development cost.

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when all of the following criteria are met:

- i. It is technically feasible to complete the intangible asset so that it will be available for use or sale.
- ii. There is an intention to complete the asset.
- iii. There is a ability to use or sale the asset.
- iv. The asset will generate future economic benefits.
- v. Adequate resources are available to complete the development and to use or sale the asset.
- vi. The expenditure attributable to the intangible asset during development can be measured reliably.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of the asset begins when development is complete and the asset is available for use and it is amortised on straight line basis over the estimated useful life. During the period of development the asset is tested for impairment annually.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

ii. Impairment of assets

The carrying amount of cash generating units/assets is reviewed at Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated at the higher of net selling price and value in use. Impairment loss is recognised wherever carrying amount exceeds the recoverable amount.

iii. Depreciation

Depreciation is provided as per straight-line method over the estimated useful lives of the assets prescribed under schedule II to the Companies Act 2013. Leasehold land is depreciated over its period of lease.

Capitalised ERP hardware/software, technical knowhow and development expenditure of projects/products incurred is amortised over the estimated period of benefits, not exceeding five years.

iv. Investments

Long-term investments are stated at cost. Provision, if any, is made for diminution other than temporary in the value of investments.

Current investments are stated at cost or fair value whichever is lower.

v. Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and packing materials are valued at cost or net realizable value whichever is lower. Cost is determined on the basis of weighted average method. Finished goods produced and purchased for sale and work-in-progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory.

Stores and spares are carried at cost.

vi. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

In respect of forward exchange contracts the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the period of the contract.

The Company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations." The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at exchange rates prevailing at the dates of transaction or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the consolidated statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

vii. Research and Development

Revenue expenditure on Research and Development (R&D) is included under the natural heads of expenditure.

Capital expenditure on R&D is capitalised as fixed assets. Development cost including legal expenses and/or in relation to patent/trade marks relating to the new and improved product and/or process development is recognised as an intangible asset to the extent that it is expected that such asset will generate future economic benefits.

viii. Employee stock options

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

ix. Employee benefits

Short term employee benefits

All short-term employee benefits such as salaries, wages, bonus, special awards and medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the consolidated statement of profit and loss.

Defined contribution plan

The Company has a statutory scheme of Provident Fund a defined contribution scheme and contribution of the Company is charged to the consolidated Statement of Profit and Loss as incurred. The Company has a scheme of superannuation with the LIC of India and contribution of the Company is charged to the consolidated statement of profit and loss as incurred.

Defined Benefit Plan

The Company's liability towards gratuity to its employees is provided on the basis of an actuarial valuation using the projected unit credit method. Actuarial gains and losses are recognised in full in the consolidated statement of profit and loss in the year in which they occur.

Compensated Absences

The accumulated balance of leave encashment (unfunded) is provided on actuarial basis using projected unit credit method.

x. Revenue

Revenue from the sale of products is recognised when the title and the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding collectability of the amount due, associated costs or the possible return of goods.

Revenue in respect of overdue interest, insurance claim, export benefits, etc is recognised to the extent the Group is reasonably certain of its ultimate realisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

xi. Expenses

Expenses are accounted for on accrual basis.

xii. Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognised when a present legal or constructive obligation exists and the payment is probable and can be reliably estimated.

A Contingent liability is a possible obligation that arises from past events or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liabilities are disclosed by way of notes to the consolidated financial statements, after evaluation by the management of the facts and legal aspects of each matter involved.

Contingent Assets are neither recognised nor disclosed in consolidated financial statements.

xiii. Income Tax

Tax expense comprises current and deferred tax.

Current tax is measured on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and provisions of applicable tax laws of the respective jurisdictions where the entities are located.

MAT credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Group will pay normal income tax during the specified period and is created by way of credit to the consolidated statement of profit and loss and shown as MAT Credit Entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted, at the reporting date.

xiv. Earnings per share

Basic earnings per equity share is computed by dividing net profit by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share is computed by dividing net income by the weighted average number of equity shares outstanding adjusted for the effects of all dilutive potential equity shares.

xv. Borrowing costs

Borrowing cost include exchange differences arising from foreign exchange borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

xvi. Cash and cash equivalents

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

Cash and cash equivalents for the purposes of consolidated cash flow statement comprise of cash at bank and in hand and short term investments with an original maturity of three months or less.

xvii. Leases

Finance Leases, where substantially all the risks and benefits incidental to ownership of the leased item, are transferred to the Group, are accounted for as finance leases. Assets acquired under finance leases are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

		2017	2016
2	Share capital		
	Authorised Share Capital		
	15,00,00,000 equity shares of ₹ 1/- each (Previous Year 15,00,00,000 equity shares of ₹ 1/- each)	1,500.00	1,500.00
	Issued, subscribed and fully paid up share capital		
	10,37,09,570 Equity Shares of ₹ 1/- each (Previous Year 9,66,65,830 equity shares of ₹ 1/-each)	1,037.10	966.66
		1,037.10	966.66

a. Terms/rights attached to equity shares

The Company has only one class of shares having par value of ₹ 1/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding. However, no such preferential amounts exist currently.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

b. Reconciliation of the number of shares

	2017		2016	
	No. of Shares	Amount	No. of Shares	Amount
Balance, beginning of the year	96,665,830	966.66	95,888,130	958.88
Add:				
Issued pursuant to Qualified Institutions Placement (QIP) (See note below)	6,519,500	65.20	-	-
Stock options exercised (Refer note 25(i))	524,240	5.24	777,700	7.78
Balance, end of the year	103,709,570	1,037.10	96,665,830	966.66

c. Utilisation of proceeds of Qualified Institutions Placement (QIP)

On July 5, 2016, Company has allotted 6,519,500 equity shares of ₹ 1 each at a premium of ₹ 84.40 per share amounting to share proceeds of ₹ 5,567.65 lakh pursuant to a Qualified Institutions Placement (QIP) under Securities Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Company has utilized the proceeds as per the object of the issue as follows:

Particulars	2017	2016
Share issue expense (adjusted against the Securities Premium Account in terms of Section 52 of the Companies Act, 2013.)	159.16	-
Capital expenditure including capital advances	139.06	-
Investments in subsidiaries	1,451.45	-
Loans to subsidiaries (including advances of ₹ 702.40 lakh)	1,969.13	-
Foreign consultant fees	314.22	-
Initial Contribution towards acquisition of Ningbo Wanglong Flavors and Fragrances Company Limited	419.38	-
Amount kept with mutual funds	1,115.25	-
Total funds raised from QIP	5,567.65	-

d. Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	2017		2016	
	Number	%	Number	%
Ashish S. Dandekar	13,636,550	13.15	13,631,000	14.10
India Capital Fund Ltd.	6,587,107	6.35	3,442,027	3.56
Abha A. Dandekar	5,573,937	5.37	5,573,937	5.77
Vivek A. Dandekar	5,573,937	5.37	5,573,937	5.77
Camart Agencies Ltd.	5,319,360	5.13	5,319,360	5.50
	36,690,891	35.37	33,540,261	34.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
3	Reserves and surplus		
	Capital Reserve		
	Balance, beginning of the year	134.52	134.52
	Add: Transferred from surplus	-	-
	Balance, end of the year	134.52	134.52
	Capital Reserve (on consolidation)		
	Balance, beginning and end of the year	1,080.63	1080.63
	Foreign Currency Translation Reserve		
	Balance, beginning of the year	113.45	(702.37)
	Less: on currency translation during the year (net)	(798.86)	815.82
	Balance, end of the year	(685.41)	113.45
	Securities Premium		
	Balance, beginning of the year	1,066.10	803.10
	Received on exercise of QIP [See Note 2(c) above]	5,502.46	-
	Received on exercise of stock options (See Note b below)	346.00	-
	Less: Issue Expenses of QIP [See Note 2(c) above]	(159.16)	263.00
	Balance, end of the year	6,755.40	1,066.10
	Employee Stock Options Outstanding [(See Note 25(i))]		
	a) Employee Stock Option Outstanding-		
	Balance, beginning of the year	-	12.36
	Add: Fresh grant of options	-	-
	Less		
	Amount transferred in respect of options lapsed- to consolidated statement of profit and loss	-	-
	Transferred to securities premium on account of exercise of option.	-	(12.36)
	Balance, end of the year a	-	-
	b) Deferred employee compensation expense		
	Balance, beginning of the year	-	3.84
	Add: Fresh grant of options	-	-
	Less: Employee compensation/option lapsed net-to consolidated statement of profit and loss	-	(3.84)
	Balance, end of the year b	-	-
	(a-b)	-	-
	General Reserve		
	Balance, beginning of the year	2,534.88	2,404.88
	Transfer from balance in consolidated statement of Profit and Loss	-	130.00
	Balance, end of the year	2,534.88	2,534.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

	2017	2016
Balance in Consolidated Statement of Profit and Loss		
Balance, beginning of the year	11,725.32	8,798.35
Profit /(Loss) for the year	(1,425.53)	3,582.37
	10,299.79	12,380.72
Appropriations		
Proposed dividend (See note a below)	(29.30)	(436.36)
Tax on proposed dividend (See note a below)	(5.46)	(89.04)
Transfer to General Reserve	-	(130.00)
	(34.76)	(655.40)
Balance, end of the year	10,265.03	11,725.32
	20,085.05	16,654.90

- a) Dividend paid includes ₹ 29.30 lakh pertaining to payment of dividend with respect to financial year 2015-16 for equity shares allotted pursuant to QIP issue on July 5, 2016. Correspondingly tax on proposed dividend includes ₹ 5.97 lakh related to aforesaid payment of dividend. Tax on proposed dividend also includes reversal of excess provision in earlier year of ₹ 0.51 lakh.
- b) During the year, Company has allotted 5,24,240 equity shares of ₹ 1/- each at a premium of ₹ 66 per share ((Previous Year 7,77,700 equity shares of ₹ 1/- each at a premium of ₹ 66 per share) under the ESOS Scheme, resulting in an increase in securities premium by ₹ 346 lakh (Previous Year ₹ 263 lakh).

	Non current		Current	
	2017	2016	2017	2016
4 Long term borrowings				
Secured				
Term loan from banks				
In foreign currency (See note a below)	4,026.37	292.10	113.65	500.23
In Rupees (See note b below)	1,105.24	1,852.70	850.67	818.41
	5,131.61	2,144.80	964.32	1,318.64

a Foreign currency term loans

Foreign currency term loan as at 31 March 2017 at subsidiary CFS Europe S.P.A. is repayable in 20 structured installments commencing from 28 February 2017. The loan is unsecured. The interest rate on this loan is 3M EURIBOR + 1.50%. The current interest rate is 1.25% p.a.

Foreign currency term loan as at 31 March 2017 at subsidiary CFS Antioxidantes De Mexico S.A.de C.V. (CFS Mexico) is repayable in 24 quarterly installments commencing after a moratorium of 24 months from the date of first disbursement, i.e. 26 April 2016. The loans are secured by:

- Pledge of 100% of equity shares of CFS Mexico held by the Company.
- Pledge of 65% of equity shares of Dresen held by CFS Mexico.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

iii) Corporate Guarantee of the Company.

The interest rate on this loan is 6M LIBOR + 3.75%. The current interest rate is 4.65% p.a.

b Rupee term loans

Rupee term loan from banks comprise term loans from EXIM Bank , State Bank of Patiala and Vehicle loans from HDFC Bank.

Term loan from EXIM Bank is repayable in 28 & 21 equal quarterly installments commencing after a moratorium period of one year and two year from the date of first disbursement from 13 May, 2010 and 28 March 2014. The loan is secured by a first pari passu charge on all the fixed assets of the Company, both present and future. Collateral Securities: 2nd pari passu Charge on the entire current assets of the Company. In addition to the above the loan disbursed on 28 March 2014 is also secured by way of 1) Pledge of 100% Shares of CFCL Mauritius Private Limited held by the Company. (2) Pledge of 100% shares of CFS Europe S.P.A .Italy held by CFCL Mauritius Pvt. Ltd. The current interest rate on these ranges from 11.00 % to 11.50%.

Term loan from State Bank of Patiala is repayable in 26 equal quarterly installments commencing from 31 December 2013. The loan is secured by first pari passu charge on all the fixed assets of the Company, both present and future. Collateral Security: 2nd pari passu Charge on the entire Current assets of the Company. The current interest rate is 11.65%.

Term loan from HDFC Bank is repayable in maximum tenure of five to seven years. The loan is secured by hypothecation of vehicles. The current interest rate ranges from 11.50% to 12.50%.

		2017	2016
5	Deferred tax liabilities (net)		
	The components of the deferred tax liabilities (net) are as follows		
	Liability		
	Depreciation	625.20	548.42
	Gratuity (Prepaid)	28.11	15.78
	Lease Payments	-	-
		653.31	564.20
	Asset		
	Provision for doubtful debts and advances	128.57	157.86
	Leave encashment	85.40	72.74
	Carried forward business losses	39.00	-
	Other disallowances under the Income-Tax Act	5.37	9.09
		258.34	239.69
		394.97	324.51

6 Long term provision

The long term provision comprises entirely of provision for leave encashment. [See note 25(iii)].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
7	Short term borrowings		
	Loans repayable on demand		
	From Banks		
	Secured		
	Working Capital Loans	21,194.83	12,963.03
	Other		
	From Banks		
	Secured		
	Foreign Currency Loans (Buyers Credit)	2,103.24	1,607.46
		23,298.07	14,570.49

The facilities are secured by primary charge over Company's current assets both present and future Collateral: Second pari passu charge on all movable and immovable fixed assets of the Company both present and future.

The working capital loans at subsidiary at Brazil are secured against receivables of the subsidiary.

The working capital loan at subsidiary at Italy are secured by a Standby Letter of Credit issued by an Indian bank which in turn is secured by corporate guarantee of the Company.

		2017	2016
8	Other current liabilities		
	Current maturities of long-term debt and foreign currency debt	964.32	1,318.64
	Interest accrued but not due on borrowings	138.90	50.62
	Unpaid dividends (See note a below)	26.77	22.90
	Unclaimed Interest on public deposit	2.68	2.68
	Unclaimed public deposit (See note b below)	5.35	5.35
	Provision for taxation	402.80	454.55
	Share Application money received for allotment of securities and due for refund	0.38	0.38
	Deposits	7.58	7.88
	TDS Payable	149.83	120.71
	Other statutory dues	42.03	35.04
	Commission to Director	-	92.40
	Commission on Sales	19.22	120.52
	Payable on purchase of fixed assets	87.80	-
	Other outstanding liabilities	632.80	507.85
		2,480.46	2,739.52

a Does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

b The unclaimed fixed deposits of ₹ 5.35 lakh outstanding at March 31, 2017 represent deposits taken under the Companies Act, 1956. The Company has been unable to repay these deposits as certain cheques issued for repayment of the deposits have not been presented to the bank for payment and certain deposit holders have not submitted to the Company the original deposit receipts for repayment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
9	Short-term provisions		
	Provisions for		
	Employee benefits - leave encashment	576.25	628.84
	Proposed dividend	-	435.00
	Tax on proposed dividend	-	89.06
		576.25	1,152.90

10 FIXED ASSETS

PARTICULARS	Gross Block						Accumulated Depreciation						Net Block	
	As at April 1, 2016	Additions during the year	Assets acquired in business combinations	Other Adjust-ments **	Disposal/ Adjust-ment	As at March 31, 2017	As at April 1, 2016	Depre- ciation charge for the year	Relating to assets acquired in business combinations	Adjust-ments On disposals	Other Adjust-ments **	As at March 31, 2017	As at March 31, 2017	
Tangible Assets														
Freehold Land	207.19	111.14	-	-	-	318.33	-	-	-	-	-	-	318.33	
Leasehold Land	947.02	-	-	-	-	947.02	23.34	29.21	-	-	-	52.55	894.47	
Lease Hold Improvement	48.48	134.51	-	6.17	-	189.16	37.34	28.44	-	-	4.75	70.53	118.63	
Factory & Other Building	1,878.84	662.02	-	(67.96)	-	2,472.90	1,039.81	61.17	-	-	(47.44)	1,053.54	1,419.36	
Site Development	37.55	-	-	27.48	-	65.03	9.93	4.29	-	-	4.35	18.57	46.46	
Plant, Equipment & Machinery	27,845.26	3,373.04	351.94	(1,350.67)	2.96	30,216.61	18,451.67	1,326.83	215.86	0.47	(1,016.45)	18,977.44	11,239.17	
Furniture & Fixtures	434.16	68.96	127.28	0.97	0.06	631.31	294.65	69.35	96.51	0.01	0.53	461.03	170.28	
Vehicles	305.23	43.53	115.22	(3.31)	27.15	433.52	114.50	57.01	66.98	15.02	(0.77)	222.70	210.82	
ERP Hardware Cost	203.06	19.79	4.73	(0.12)	-	227.46	141.95	23.17	4.57	-	0.07	169.76	57.70	
R&D Assets														
R&D Assets	925.18	3.40	-	-	-	928.58	142.49	90.45	-	-	-	232.94	695.64	
Building	229.03	-	-	-	-	229.03	16.43	13.73	-	-	-	30.16	198.87	
Total	33,061.00	4,416.39	599.17	(1,387.44)	30.17	36,658.95	20,272.11	1,703.65	383.92	15.50	(1,054.96)	21,289.22	15,369.73	
Intangible Assets														
ERP Software Cost	162.97	31.29	-	0.59	-	194.85	129.07	21.62	-	-	0.20	150.89	43.96	
Technical Know-How	562.37	-	-	-	-	562.37	458.90	103.46	-	-	-	562.36	0.01	
Development expenditure	2,091.65	84.09	-	(162.51)	-	2,013.23	1,070.73	322.37	-	-	(211.84)	1,181.26	831.97	
R & D Processing fees	87.53	-	-	-	-	87.53	7.33	29.19	-	-	-	36.52	51.01	
Total	2,904.52	115.38	-	(161.92)	-	2,857.98	1,666.03	476.64	-	-	(211.64)	1,931.03	926.95	
Current Years Total	35,965.52	4,531.77	599.17	(1,549.36)	30.17	39,516.93	21,938.14	2,180.29	383.92	15.50	(1,266.60)	23,220.25	16,296.68	

* Other adjustments during the year include translation differences of opening balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

FIXED ASSETS FOR THE YEAR ENDED 31 MARCH 2016

PARTICULARS	Gross Block						Accumulated Depreciation						Net Block	
	As at April 1, 2015	Additions during the year	Assets acquired in business combinations	Other Adjust-ments **	Disposal/ Adjust-ment	As at March 31, 2016	As at April 1, 2015	Depre- ciation charge for the year	Relating to assets acquired in business com- binations	Adjust- ments On disposals	Other Adjust-ments**	As at March 31, 2016	As at March 31, 2016	
Tangible Assets														
Freehold Land	207.19	-	-	-	-	207.19	-	-	-	-	-	-	207.19	
Leasehold Land	35.14	911.88	-	-	-	947.02	1.41	25.98	-	4.05	-	23.34	923.68	
Lease Hold Improvement	45.93	5.04	-	(2.49)	-	48.48	17.11	24.70	-	-	(4.47)	37.34	11.14	
Factory & Other Building	1,755.22	71.43	-	85.81	33.62	1,878.84	933.16	50.99	-	-	55.66	1,039.81	839.03	
Site Development	37.55	-	-	-	-	37.55	8.39	1.54	-	-	-	9.93	27.62	
Plant, Equipment & Machinery	22,981.21	3,195.01	-	1,669.59	0.55	27,845.26	16,200.43	944.55	-	-	1,306.69	18,451.67	9,393.59	
Furniture & Fixtures						-			-					
Owned	214.39	20.06	-	1.27	0.18	235.54	104.90	68.75	-	-	1.22	174.87	60.67	
Leased	198.62	-	-	-	-	198.62	119.78	-	-	-	-	119.78	78.84	
Vehicles	273.90	33.83	-	1.26	3.76	305.23	80.85	38.42	-	6.17	1.40	114.50	190.73	
ERP Hardware Cost	155.20	52.62	-	(0.41)	4.35	203.06	118.08	24.13	-	-	(0.26)	141.95	61.11	
R&D Assets						-								
R&D Assets	835.18	90.00	-	-	-	925.18	59.89	82.60	-	-	-	142.49	782.69	
Building	229.03	-	-	-	-	229.03	2.70	13.73	-	-	-	16.43	212.60	
Total	26,968.56	4,379.87	-	1,755.03	42.46	33,061.00	17,646.70	1,275.39		10.22	1,360.24	20,272.11	12,788.89	
Intangible Assets														
ERP Software Cost	137.57	25.42	-	(0.02)	-	162.97	112.27	16.80	-	-	-	129.07	33.90	
Technical Know-How	562.37	-	-	-	-	562.37	429.24	29.66	-	-	-	458.90	103.47	
Development expenditure	1,842.91	63.09	-	185.65	-	2,091.65	680.70	376.34	-	-	13.69	1,070.73	1,020.92	
R & D Processing fees	-	87.53	-	-	-	87.53	-	7.33	-	-	-	7.33	80.20	
Total	2,542.85	176.04	-	185.63	-	2,904.52	1,222.21	430.13	-	-	13.69	1,666.03	1,238.49	
Current Years Total	29,511.41	4,555.91	-	1,940.66	42.46	35,965.52	18,868.91	1,705.52	-	10.22	1,373.93	21,938.14	14,027.38	

* Other adjustments during the year include translation differences of opening balance.

		2017		2016	
		Number	Amount	Number	Amount
11	Non current investments				
	Trade, valued at cost unless otherwise stated In equity instruments (unquoted)				
	Of Associates				
	Fine Lifestyle Brand Limited (of ₹ 10 fully paid)	255,000	7.49	255,000	5.78
	Others				
	Fine Renewable Energy Limited (of ₹ 10 fully paid)	51,000	5.10	51,000	5.10
	Chemolutions Chemicals Limited (of ₹ 10 fully paid)	-	-	99,500	9.95
	Ravenna Servizi Industriali Consortium (of Euro 1 fully paid)	141,783	98.60	141,783	98.60
			103.70		113.65
	Trade Investments Total		111.19		119.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

	2017		2016	
	Number	Amount	Number	Amount
Non-trade				
In equity shares of Saraswat Co-Operative Bank Limited (of ₹ 10 fully paid)	5,000	0.50	5,000	0.50
		0.50		0.50
Provision for diminution in value of investments (see note below)		(10.51)		(10.51)
		101.19		109.42
Aggregate market value of unquoted investments		101.19		109.42

The provision for diminution in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited and Fine Lifestyle Brand Limited.

	2017	2016
12 Deferred tax assets, net		
The components of the deferred tax asset are as follows		
Assets		
Depreciation	22.13	0.54
Tax Losses	1,501.75	1,071.91
Receivable Write-down	218.95	194.36
Unrealised foreign exchange Losses	5.50	22.55
Deductible costs for cash	186.90	205.21
Pre-operating expenses	10.39	
	1,945.62	1,494.57
Liabilities		
Unrealised foreign exchange gains	-	9.34
	-	9.34
	1,945.62	1,485.23
Deferred tax assets on carry forward tax loss has been recognised on the basis of binding confirmed profitable sales orders.		
13 Long term loans and advances (unsecured, considered good)		
Capital advances	361.95	-
Security deposits	180.76	169.61
Advance tax net of provision	217.88	-
MAT credit entitlement	14.04	-
	774.63	169.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
14	Current Investments		
	(with original maturity of between 3 months and 12 months)		
	Unquoted investment in Mutual Funds		
	HDFC Liquid Fund- Regular Plan-Growth (NAV as on March 31, 2017 ₹ 3,159.26 per unit)	227.23	-
	Birla Sun Life Cash Plus-Growth-Regular Plan (NAV as on March 31, 2017 ₹ 257.77 per unit)	264.48	-
	Reliance Liquid Fund Treasury Plan Growth Plan (NAV as on March 31, 2017 ₹ 3,930.65 per unit)	168.58	-
	ICICI Prudential Liquid Plan-Growth (NAV as on March 31, 2017 ₹ 233.36 per unit)	454.96	-
		1,115.25	-
15	Inventories		
	(at cost or net realisable value whichever is lower)		
	Raw material and components (including packing materials)	4,634.14	5,552.25
	Work-in-progress	4,893.44	4,572.80
	Finished goods	9,022.16	5,514.64
	Stock in trade	641.27	1,094.43
	Stores and spares	588.54	597.42
		19,779.55	17,331.54
16	Trade receivables		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	1,831.03	217.65
	Doubtful	1,353.58	1,160.27
		3,184.61	1,377.92
	Less: Provision for doubtful debts	(1,353.58)	(1,160.27)
		1,831.03	217.65
	Other debts		
	Unsecured, considered good [Net of Bills Discounted ₹ 3,746.72 lakh (Previous year ₹ 5,592.27 lakh)] (Refer note 36)	9,456.09	7,330.41
		11,287.12	7,548.06
17	Cash and bank balances		
i	Cash and cash equivalents		
	Balances with banks		
	In current account	2,058.50	793.40
	Unpaid dividend/interest account	31.22	27.46
	Cash on hand	6.82	9.50
		2,096.54	830.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
ii	Other bank balances		
	Margin money (against letters of credit and bank guarantees)	1,027.05	1,059.28
		3,123.59	1,889.64
18	Short term loans and advances		
	Loans to others		
	Unsecured, considered good	1.94	219.88
	Considered doubtful	-	160.00
		1.94	379.88
	Less: Provision for doubtful debts	-	(160.00)
		1.94	219.88
	Advance for Investment in Subsidiary (See note below)	419.38	-
		421.32	219.88

On December 23, 2016, Company has entered into share purchase agreement with Ningbo Wanglong Technology Limited, a company registered in China for acquisition of 51% equity stake in its Vanillin manufacturing facility, for a consideration of US\$ 6.28 million, by the Company or its subsidiaries. The process of acquisition is expected to be completed in the first half of next financial year on completion of certain conditions by the counter party. As per the terms of share purchase agreement, consideration of US\$ 0.628 million equivalent to ₹ 419.38 lakh being 10% of the consideration has been transferred to an Escrow Account on February 28, 2017. This advance has been disclosed as "Advance for Investment in Subsidiary" under Note 18 : Short term loans and advances

	2017		2016	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
Loans and advances to related parties include loans / advances to associates as follows				
Associate				
Fine Lifestyle Brands Limited	-	0.26	0.26	0.26
(Purpose : General corporate purposes)	-	0.26	0.26	0.26

In addition to the above, the Company has given the following loans to companies in which the directors are interested

	2017		2016	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
Chemolutions Chemicals Ltd.	-	1,280.04	377.68	411.59
(Purpose : General corporate purposes)				
Byrde International Inc.	-	-	-	0.21
(Purpose : General corporate purposes)	-	1,280.04	377.68	411.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2017	2016
19	Other current assets			
	Prepaid expenses		578.66	390.84
	Advance to Material Suppliers	685.51		
	Less: Provision for doubtful material advances	(46.00)	639.51	454.71
	Loans to employees		10.54	1.51
	Gratuity [See note 25 (ii)]		82.80	45.58
	Balance with statutory/government authorities		663.28	915.77
	Balances with Tax Authorities		656.91	404.68
	Deposits		35.21	19.50
	Export benefits receivable		549.72	695.18
	Others		286.26	55.48
			3,502.89	2,983.25

		2017	2016
20	Revenue from operations		
	Sale of products		
	Finished goods	50,411.44	45,849.92
	Traded goods	3,725.21	3,958.40
	Sale of services	10.59	-
	Other operating revenues		
	- Export benefits	530.33	592.76
	- Scrap sales	9.33	21.75
	Revenue from operations (gross)	54,686.90	50,422.83
	Less: Excise duty	(1,293.85)	(1,488.61)
		53,393.05	48,934.22
21	Other income		
	Interest income	148.57	128.12
	Dividend income	0.04	-
	Gain on current Investment	48.25	-
	Gain on Foreign Exchange Fluctuations	249.53	212.73
	Recovery of advance written off (See note below)	867.80	-
	Miscellaneous receipts	166.08	86.04
		1,480.27	426.89

Board of Directors of the Company has approved conversion of advance amounting to ₹ 940.05 lakh into equity share capital of Chemolutions Chemicals Limited (CCL). Pursuant to this capitalisation CCL has issued 62,67,003 equity shares of ₹ 10 each at a share premium of ₹ 5 per equity share amounting to ₹ 940.05 lakh. Accordingly, Company has reinstated the advance to CCL written off in earlier years aggregating ₹ 867.80 lakh which is disclosed under the head "Other Income".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
22	Cost of materials consumed		
	Opening Stock of Raw Material	6,149.68	7,172.30
	Add: Purchases of Raw Material	28,356.59	23,252.78
	Less: Closing Stock of Raw Material	(5,222.68)	(6,149.68)
		29,283.59	24,275.40
23	Purchase of stock in trade		
	Purchases of stock in trade	141.80	750.76
24	Changes in inventory of finished goods and work in progress		
	Opening Inventory		
	Finished Goods (including stock in trade)	6,609.07	3,059.41
	Work-In-Progress	4,572.79	3,406.36
		11,181.86	6,465.77
	Closing Inventory		
	Finished Goods (including stock in trade)	9,663.42	6,609.07
	Work-In-Progress	4,893.43	4,572.79
		14,556.85	11,181.86
		(3,374.99)	(4,716.09)
	Consumption of raw materials, packing materials and traded goods		
	Tertiary Butyl Alcohol	1,241.38	2,149.36
	Phenol	7,818.38	6,202.69
	Hydrogen peroxide	2,038.24	1,786.47
	Toluene	-	786.63
	Ethoxiquin	1,007.18	-
	Others	17,320.21	14,101.01
		29,425.39	25,026.16

		2017		2016	
		%	Amount	%	Amount
	Imported	38.32	11,275.07	45.05	11,275.07
	Indigenous	61.68	18,150.32	54.95	13,751.09
		100.00	29,425.39	100.00	25,026.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
25	Employee benefit expenses		
	Salaries and wages	5,465.65	3,769.29
	Contributions to -		
	Provident fund	164.62	107.85
	Gratuity fund (See note (ii) below)	32.55	21.36
	Expense on Employee Stock Option Scheme (ESOP) (See note (i) below)	-	3.69
	Staff welfare expenses	179.47	103.02
		5,842.29	4,005.21

- i. The Company has granted options to its eligible employees under “Camlin Fine Sciences Employees Stock Option Scheme, 2008” (ESOS 2008), “Camlin Fine Sciences Employees Stock Option Scheme, 2012”(ESOS 2012) and “Camlin Fine Sciences Employees Stock Option Scheme, 2014” (ESOS 2014). The options granted under these schemes are equity settled. The other details of the schemes are summarised below:

	ESOS 2008				ESOS 2012	ESOS 2014
Grant date	9 August 2008	13 October 2008	23 October 2009	25 October 2010	19 November 2012	30 December 2014
Options granted	19,41,000	1,67,000	3,22,000	6,40,000	14,94,000	16,38,000
Exercise price	₹ 5.00/- per share	₹ 5.00/- per share	₹ 5.00/- per share	₹ 6.20/- per share	₹ 8.00/- per share	₹ 67.00/- per share
Basis of exercise price	At a discount to market price	At a discount to market price	At a discount to market price	At a discount to market price	At a discount to market price	At market price
Vesting period	10% On expiry of 12 months from the date of grant				50% On expiry of 12 months from the date of grant	50% On expiry of 12 months from the date of grant
	15% On expiry of 24 months from the date of grant				25% On expiry of 24 months from the date of grant	50% On expiry of 24 months from the date of grant
	20% On expiry of 36 months from the date of grant				25% On expiry of 36 months from the date of grant	
	25% On expiry of 48 months from the date of grant					
	30% On expiry of 60 months from the date of grant					

The company has adopted intrinsic value method in accounting for employee cost on account of ESOS. The intrinsic value of the shares is based on the latest available closing market price, prior to the date of meeting of the board of directors, in which the options were granted, on the stock exchange in which the shares of the company are listed. The difference between the intrinsic value and the exercise price is being amortised as employee compensation cost over the vesting period.

Particulars	ESOS 2008		ESOS 2012		ESOS 2014	
	Number	Wt avg exercise price	Number	Wt avg exercise price	Number	Wt avg exercise price
Options outstanding at the beginning of the year	91,800	6.16	3,57,750	8	12,85,500	67
Granted during the year	0	N.A.	0	N.A.	0	N.A.
Expired/Forfeited during the year	3,600	6.20	3,750	N.A.	85,500	N.A.
Exercised during the year	88,200	6.20	3,54,000	8	5,24,240	67
Outstanding at the end of the year	0	N.A.	0	N.A.	6,75,760	67
Exercisable at the end of the year	0	N.A.	0	8	5,00,000	67
Weighted average Range of exercise price of Options outstanding at the end of the year		N.A.		₹ 8/-		₹ 67/-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

Particulars	ESOS 2008		ESOS 2012		ESOS 2014	
	Number	Wt avg exercise price	Number	Wt avg exercise price	Number	Wt avg exercise price
Weighted average remaining contractual life of the option outstanding at the end of the year		N.A		0.20 years		1.25 years
Weighted average fair value of the options granted during the year		4.43		4.68		17.70
Option pricing model used	Black Scholes option pricing model					
Assumptions used in arriving at fair value of option granted during the year	N.A.		N.A.			
Risk free interest rate					8.29%	
Expected life					1 to 3 yrs	
Expected volatility					69.72%	
Expected dividend yield					10.81%	
Price of share at the time of grant					67	

The total expense charged to the statement of profit and loss in respect of the options granted aggregated ₹ Nil lakh (previous year ₹ 3.69 lakh).

Had the fair value method of accounting for options been followed the net profit for the year would have been lower by ₹ 49.72 lakh (previous year ₹ 233.91 lakh) .

ii Gratuity

The following tables summaries the net benefit expense recognised in the Consolidated Statement of Profit & Loss, the details of the defined benefit obligation and the funded status of the Company's gratuity plan

		2017	2016
a	Expense recognised in the consolidated statement of profit and loss		
	Current Service Cost	21.00	17.33
	Interest	(3.67)	(2.47)
	Expected Return on plan assets	-	-
	Actuarial (Gain)/Loss	15.22	6.50
	Total expense	32.55	21.36
	Actual return on plan assets	19.04	38.16
b	Net asset recognised in the Consolidated Balance Sheet		
	Present Value of Defined Benefit Obligation at end of the year	303.36	273.40
	Fair Value of plan assets at the end of the year	386.16	318.98
	Funded status [Surplus/(Deficit)]	82.80	45.58
	Net Asset/(Liability) at the end of the year.	82.80	45.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

		2017	2016
c	Change in obligation during the year		
	Present Value of Defined Benefit Obligation at the beginning of the year	273.40	225.75
	Current Service Cost	21.00	17.33
	Interest Cost	22.04	18.06
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	18.40	(1.20)
	Actuarial (Gains)/Losses on Obligations - Due to Experience	(9.84)	25.32
	Benefit payments	(21.64)	(11.86)
	Present Value of Defined Benefit Obligation at the end of the year	303.36	273.40
d	Change in Fair Value of Assets during the year ended.		
	Fair Value of plan assets at the beginning of the year	318.98	256.70
	Expected return on plan assets	25.71	20.53
	Contributions by employer	69.77	35.99
	Actual benefits paid	(21.64)	(11.86)
	Actuarial Gain/(Loss) on Plan Assets - Due to Experience	(6.66)	17.62
	Fair Value of plan assets at the end of the year.	386.16	318.98

The Company expects to contribute ₹ 70 lakhs to gratuity in the next year (Previous year ₹ 35 lakhs).

The amount of defined benefit obligation, plan assets, the deficit thereof and the experience adjustments on plan asset and plan liabilities for the current and previous four years are as follows

	2017	2016	2015	2014	2013
Defined Benefit Obligation	303.36	273.40	225.75	163.06	148.20
Plan assets	386.16	318.98	256.70	228.63	161.56
Deficit/(Surplus)	(82.80)	(45.58)	(30.95)	(65.57)	(13.36)
Experience adjustments					
On plan assets	(6.66)	17.62	7.08	1.33	1.29
On plan liabilities	(9.84)	(11.86)	12.72	(11.68)	(12.18)

The gratuity fund is entirely invested in a group gratuity policy with the Life Insurance Corporation of India. The information on the allocation of the fund into major asset classes and the expected return on each major class is not readily available.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

The principal assumptions used in determining the gratuity obligations are as follows

	2017	2016
Discount rate	7.20%	8.06%
Expected rate of return on plan assets	7.20%	8.06%
Expected rate of salary increase	5.00%	5.00%
Attrition rate	2.00%	2.00%

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

iii Leave Encashment

The accumulated balance of leave encashment (unfunded) provided in the books as at 31 March 2017 ₹ 790.68 lakh (previous year ₹ 814.10 Lakh), determined on actuarial basis using projected unit credit method.

	2017	2016
26 Finance costs		
Interest	2,516.57	1,920.25
Bank Charges	521.05	473.91
Exchange Difference to the extent considered as an adjustment to borrowing cost	-	50.09
	3,037.62	2,444.25
27 Research & development expenses		
Salaries and incentives	146.95	152.32
Travelling & Conveyance	21.31	16.18
Professional fees	-	24.92
Laboratory Expenses	49.46	52.00
Other Expenses	37.87	52.19
	255.59	297.61
Less: Product Process Development Capitalised	-	(87.53)
	255.59	210.08

	2017	2016
28 Other expenses		
Consumption of stores and spares	259.95	265.12
Power and Fuel	4,621.49	4,742.87
Rent (See Note 33)	724.98	484.95
Rates and Taxes	50.73	13.50
Insurance	448.40	452.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

			2017	2016
Repairs				
- Building			9.72	10.03
- Machinery			891.15	91.57
- Others			772.98	1,431.72
Sub Contracting Charges			817.64	1,134.60
Labour Charges			561.26	560.39
Advertisement and Sales Promotion			1,308.64	1,102.53
Transport & Forwarding Charges			1,455.28	927.53
Commission/Discount/Service Charges on Sales			582.90	503.42
Travelling & Conveyance			924.58	731.11
Directors' Meeting Fees			56.85	69.55
Auditors' Remuneration (See note below)			79.09	73.66
CSR Contribution			72.15	63.57
Legal & Professional fees			1,516.02	646.37
Bad Debt Written Off	17.40	2.46		
Bad Advances Written Off	-	-		
Provision for Doubtful Debts	304.62	94.74		
Provision for Doubtful Advances	46.00	-		
Less: Provision for Doubtful Advances Written Back	(160.00)	-		
Less: Provision for Doubtful Debts Written Back	(17.40)	-		
	190.62	97.20	190.62	97.20
Loss on Sale/Discarding of Assets			2.92	30.11
Exchange fluctuation			548.67	197.09
Miscellaneous Expenses			2,039.60	1,599.96
			17,935.62	15,229.41
Auditors' remuneration				
Audit Fees Standalone Financials			52.55	45.45
Tax Audit Fees			3.45	3.14
In Other Capacity				
Taxation Matters			3.19	2.94
Certification			0.50	0.98
Other Services			18.73	20.52
Reimbursement of Expenses			0.67	0.63
			79.09	73.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

29 Exceptional Item

On 16th June 2013, a fire had occurred at the Company's factory at Tarapur as a result of which there was a loss of inventory and fixed assets. Company had preferred an insurance claim which was settled during the previous year. The resultant loss on final settlement of the insurance claim amounting to ₹ 454.73 lakh has been disclosed as an exceptional item in the previous year.

30 Earnings per share

	2017	2016
Profit/(Loss) as per Consolidated Statement of Profit and Loss available for equity shareholders	(1,425.53)	3,582.37
Weighted average number of equity shares used in computing basic earnings per share	10,15,83,090	9,61,32,995
Dilutive effect of stock options	2,20,651	4,06,051
Weighted average number of equity shares used in computing diluted earnings per share	10,18,03,741	9,65,39,046
Basic earnings per share (₹) of face value of ₹ 1/- each	(1.40)	3.73
Diluted earnings per share (₹) of face value of ₹ 1/- each	(1.40)	3.71

31 Foreign currency transactions

The unhedged exposure of foreign currency transactions as on 31 March 2017 is as follows:

	Currency	2017	2016
Trade Receivable	US \$	115.04	82.59
	Euro	2.89	0.09
Trade Payable	US \$	18.96	29.68
	Euro	-	19.29
Short Term Borrowing	US \$	19.21	-
	Euro	40.36	25.36
	BRL	3.97	4.91
Term Loan	US \$	58.50	7.54
	Euro	7.14	-
Total unhedged exposure of foreign currency transactions			
Currency	US \$	211.71	119.81
Currency	Euro	50.39	44.74
Currency	BRL	3.97	4.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

32 Related party transactions

The related parties with whom the Company had transactions during the year are summarized below:

Name of the related party	Nature of relationship
Fine Lifestyle Brands Ltd.	Associate
Fine Lifestyle Solutions Ltd.	Significant influence by Managing Director
Fine Renewable Energy Ltd.	Significant influence by Managing Director
Abana Medisys Pvt.Ltd	Significant influence by Managing Director
Focussed Event Management Pvt. Ltd	Significant influence by Managing Director
Vibha Agencies Pvt. Ltd.	Owned by Managing Director
Key managerial personnel and their relatives	
Mr. D. D. Dandekar	Chairman
Mr. A. S. Dandekar	Managing Director
Mr .D. R. Puranik	Executive Director & CFO till February 9, 2017 there after Executive Director
Ms. Leena Dandekar	Executive Director
Mr. S. D. Dandekar	Management Consultant/Relative of Managing Director
Mrs. R. S. Dandekar	Management Consultant/Relative of Managing Director
Mr Santosh Parab	Chief Finance Officer w.e.f February 10, 2017
Mr R. D. Sawale	Company Secretary

The transactions with related parties are summarised below (figures in brackets represent previous year amounts):

	Associate	Key managerial personnel and their relatives
Managerial Remuneration	Nil	400.04
	(Nil)	(378.71)

	2017	2016
	Key Management Personnel	
Managerial Remuneration		
Mr.A.S.Dandekar	185.02	190.45
Mr. D. D. Dandekar	30.60	30.00
Ms. Leena Dandekar	93.87	82.55
Mr. D. R. Puranik	66.96	66.25
Mr. Santosh Parab	5.78	-
Mr. R.D.Sawale	17.81	9.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

33 Leases

General description of operating lease

The significant leasing arrangements are in respect of residential flats, warehouses etc. taken on lease. The arrangements range between 11 months to five years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.

	2017	2016
For the period up to one year	402.48	187.47
For the period one year to five years	848.76	415.60
Five years and above	-	-
	1,251.24	603.07

34 Segment information

The Company operates primarily in the segment of Fine Chemicals and hence has only one reportable segment.

For year ended March 31, 2017 Domestic sale is ₹ 22,109.69 lakh (previous year ₹ 11,702.00 lakh) and Export sale is ₹ 32,026.96 lakh (previous year ₹ 38,106.31 lakh) respectively.

35 Contingencies and commitments

	2017	2016
Contingent liabilities		
a) In respect of bills of exchange / cheque discounted with the bankers (Refer note 16)	3,746.72	5,109.82
b) In respect of bank guarantees issued to VAT ,Excise and Custom Authorities	393.26	374.30
c) In respect of VAT / CST Matter* (See note below)	732.44	732.44

* Includes Central Excise and Customs duty demand of ₹ 356.02 lakh received dated April 13, 2017 for which the period of filing of appeal has not expired.

Commitments

Value of contracts (net of advance) remaining to be executed on capital account not provided for ₹ 725 Lakh. (Previous year ₹ 5.48 Lakh)

The information in respect of commitment has been given only in respect of capital commitment in order to avoid providing excess details that may not assist user of financial statements

	2017	2016
36 Value of imports on CIF basis		
Raw Material	6,473.36	7,110.79
37 Expenditure in foreign currency		
Professional & Legal Fees	247.97	110.07
Commission and Sales Promotion	1,460.90	747.60
Others	385.14	291.68
	2,094.01	1149.35
38 Earnings in foreign exchange		
Exports at F.O.B. Value (Including Trading)	32,126.57	18,521.32

The earnings in foreign exchange represent earnings in foreign exchange by the Company and export earnings of its subsidiaries in a currency other than their local reporting currency but excludes any earnings made from sales made in India by these subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

39 Disclosure on Specified Bank Notes (SBNs)

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBNs*	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	2.78	3.99	6.77
(+) Permitted Receipt**	6.19	9.14	15.33
(-) Permitted Payment***	(0.62)	(8.60)	(9.22)
Amount deposited in Banks	(8.35)	-	(8.35)
Closing cash in hand as on December 30, 2016	-	4.53	4.53

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

**Permitted receipts pertain to SBN's received from debtors by Company's sales representatives prior to November 7, 2016.

***Permitted payments include transactions of SBN as permitted pursuant to notifications issued by Reserve Bank of India.

40 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at March 31, 2017 are as under:

	Particulars	2017	2016
1	Principle amount remaining unpaid beyond due date, to suppliers as at the end of accounting year	43.80	Nil
2	Interest due thereon remaining unpaid to suppliers as at the end of accounting year	2.27	Nil
3	Amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year 2016-2017	Nil	Nil
4	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	3.60	Nil
5	Amount of interest accrued and remaining unpaid at the end of accounting year.	5.87	Nil
6	The amount of further interest due and payable even in the succeeding year until such date when the interest due as above are actually paid to the suppliers for the purpose of disallowance as a deductible expenditure under Section 23.	Nil	Nil

41 During the year, the group has accounted goodwill on consolidation amounting to ₹ 3,791.71 lakhs on acquisition of following subsidiaries:

- Goodwill amounting to ₹ 2,816.72 lakhs [being net of the consideration of ₹ 6,299.12 lakhs as reduced by the net assets of ₹ 3,482.40 lakhs arose on acquisition of 65% stake in Dresen Quimica S.A.P.I. de C.V. along with five wholly owned subsidiaries in Mexico, Peru, Guatemala, Columbia and Dominican Republic. (Collectively referred to as step-down subsidiaries) through wholly owned subsidiary CFS Antioxidantes De Mexico S.A. de C.V. The results for the year include the profit after tax of ₹ 1,002.24 lakhs arising from Dresen Quimica S.A.P.I. de C.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2017

- ii. Goodwill amounting to ₹ 974.99 lakhs [being net of the consideration of ₹ 950 lakhs as reduced by the net assets of ₹ (24.99) lakhs arose on acquisition of 94.08% stake in Chemolutions Chemicals Limited ('Chemolutions'). The results for the year include the profit after tax of ₹ 235.15 lakhs arising from Chemolutions.

42 Additional information as required under Schedule III to the Companies Act 2013, of enterprises Consolidated as Subsidiary/Associates/Joint Venture

	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Camlin Fine Sciences Ltd.	68.48	17,823.69	0.49	3.70
Subsidiaries				
Indian				
Chemolutions Chemicals Limited	0.85	221.08	31.42	235.15
Foreign				
CFCL Mauritius Pvt. Limited	23.76	6,183.02	71.08	531.89
CFS DO BRASIL INDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA.	(2.21)	(574.97)	(49.05)	(367.06)
Solentus North America Inc	(0.76)	(196.98)	(3.47)	(25.98)
CFS North America LLC	(4.94)	(1,285.86)	(169.31)	(1,267.01)
CFS Antioxidantes De Mexico S.A. De. C.V.	14.73	3,833.57	222.04	1,661.64
CFS International Trading (Shanghai) Ltd	0.09	24.36	(3.20)	(23.97)
Total	100.00	26,027.91	100.00	748.36
Minority Interests in all subsidiaries		(1,761.48)		(673.51)
Associates				
Indian				
Fine Lifestyle Brand Limited			-	1.71
Total Eliminations		(3,144.28)	-	(1,502.09)
Total		21,122.15		(1,425.53)

43 Prior year comparatives

Prior year figures have been reclassified, where necessary to confirm to current year's classification. On May 4, 2016, CFS Antioxidantes De Mexico S.A.de C.V. Mexico, wholly owned subsidiary of the company has acquired 65% equity stake in Dresen Quimica S.A.P.I.de C.V., Mexico and its subsidiaries. CFS North America LLC was incorporated on October 13, 2015 as a wholly owned subsidiary. On March 22, 2016, the Company has acquired 94.08% stake in Chemolutions Chemicals Limited. Results of these subsidiaries have been consolidated in the current year, hence the corresponding figures of prior year are not comparable.

As per our report of even date.
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No : 105102W

Himanshu Chapsey
Partner
Membership No : 105731
Mumbai
Dated : 19 May 2017

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited
D. D. Dandekar
Chairman

Santosh Parab
Chief Financial Officer
Mumbai
Dated : 19 May 2017

A.S.Dandekar
Managing Director

R.D.Sawale
Company Secretary

Notes

[illegible]

Notes

[illegible]

Notes

[illegible]

Camlin Fine Sciences Limited

F/11 - 12, WICEL, Opp. SEEPZ Main Gate, Central Road, Andheri (East), Mumbai - 400 093.

Tel.: 022 - 6700 1000; **Fax:** 022 - 2832 4404; **Email:** secretarial@camlinfs.com; **CIN:** L74100MH1993PLC075361

Bringing science to everyday life

ATTENDANCE SLIP

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

I hereby record my presence at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company on Friday the 21st July, 2017 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber, Churchgate, Mumbai 400 020.

Name of attending Member/Proxy

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

Note: No Duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring your copy of the Annual Report to the Meeting.

----- TEAR HERE -----

Camlin Fine Sciences Limited

F/11 - 12, WICEL, Opp. SEEPZ Main Gate, Central Road, Andheri (East), Mumbai - 400 093.

Tel.: 022 - 6700 1000; **Fax:** 022 - 2832 4404; **Email:** secretarial@camlinfs.com; **CIN:** L74100MH1993PLC075361

Bringing science to everyday life

PROXY FORM

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

Name and Address of the Member(s):

Name of Jointholders, if any:

Folio No./DP ID - Client Id:

No. of Shares held:

E-mail ID:

I/We, being the member(s) of **CAMLIN FINE SCIENCES LIMITED** hereby appoint:

1.	Name:		Signature:	
	Address:			
	E-mail id:			
or failing him				
2.	Name:		Signature:	
	Address:			
	E-mail id:			
or failing him				
3.	Name:		Signature:	
	Address:			
	E-mail id:			

E-VOTING PARTICULARS (Refer Point 14 of Notice of AGM for detailed instructions)

EVSN (Electronic Voting Sequence Number)	User ID	PAN / Sequence No.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company on

P.T.O.

-----TEAR HERE-----

Friday the 21st July, 2017 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of following resolutions:

No.	Item No.	No of shares held by me	I assent to the resolution	I dissent to the resolution
1	To consider and adopt, the audited financial statements (including consolidated financial statements) of the Company for the financial year ended 31st March, 2017 and the reports of Board of Directors and Auditors thereon. (Ordinary Resolution)			
2	To appoint a Director in place of Mr. Ajit S. Deshmukh (DIN: 00203706), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)			
3	To appoint a Director in place of Mr. Dilip D. Dandekar (DIN: 00846901), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)			
4	Appointment of M/s Kalyaniwalla & Mistry LLP, Chartered Accountants (FR No. 104607W/W100166) as Statutory Auditors of the Company. (Ordinary Resolution)			
5	Adoption of Articles of Association. (Special Resolution)			
6	Further issue of Securities upto ₹ 250 crores. (Special Resolution)			

Signed this _____ day of _____ 2017.

Place: Mumbai

Date:

(Signature of the Shareholder)

Affix
Revenue
Stamp

- Note:** 1. 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.
2. A Proxy need not be a member of the Company.
3. A shareholder need not use all his votes nor he need to cast all his votes in the same way. It may be noted that since all the shares in the issued and paid-up capital of the Company are fully paid and rank pari-passu in all respects, each share entitles the member for one vote.

GLOBAL REACH, LOCAL PRESENCE



FOR CREATIVE REPRESENTATION PURPOSE ONLY



Bringing science to everyday life

Camlin Fine Sciences Ltd.

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