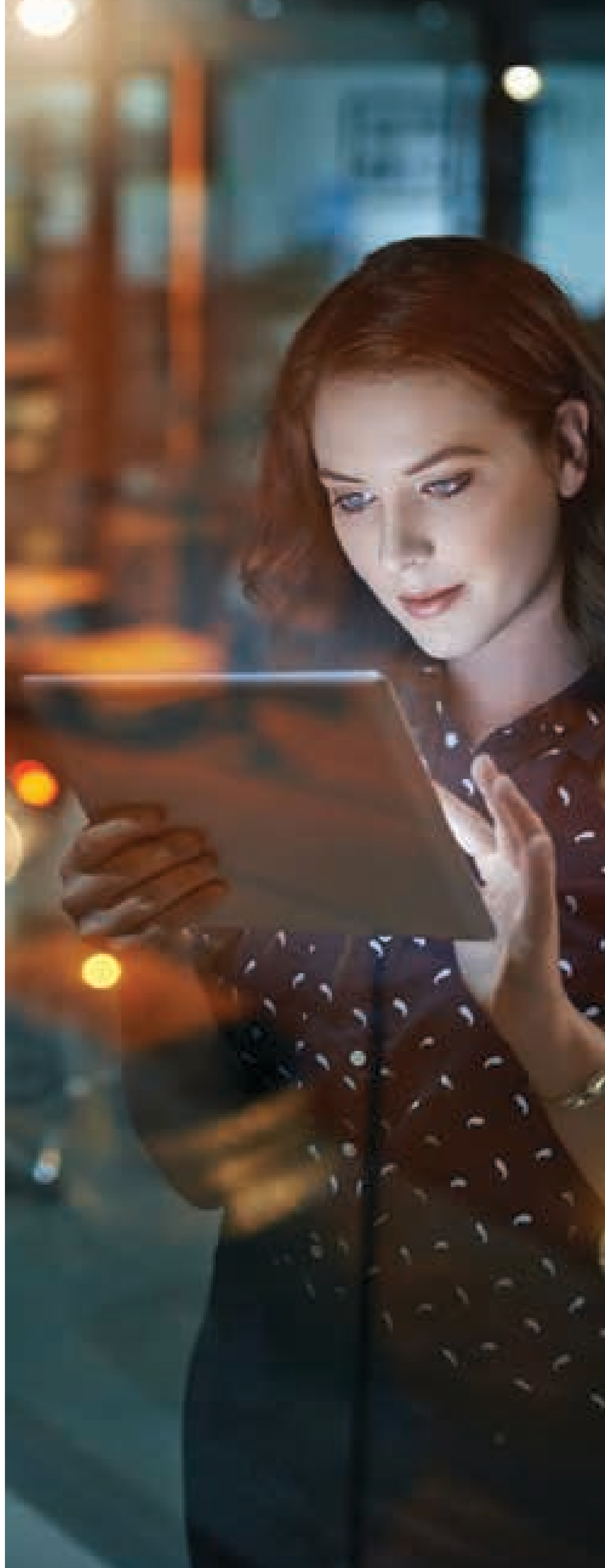
CFS Camlin
Fine Sciences

Bringing science to everyday life

THINKING BIG
GOING GLOBAL

2017- 18 ANNUAL REPORT

TABLE OF CONTENTS



When we look back, what appeared impossible then, now gives us a proud feeling. What seemed to be a giant leap had million small strategic steps. It felt like a monumental challenge, but got implemented successfully. We are weaving ourselves into the fabric of the global and are enhancing it everyday. We are understanding cultures, customers, their needs, have adapted ourselves, learned to be nimble, started demanding from ourselves, and we have let off complacency and have continued with optimism.

We determine our success with the number of people we reach out to. Our mission is to get more and more people across the globe to see, taste, feel, hear and touch Camlin Fine Sciences (CFS) through its products.

Big things take time; and so we are going global.

PREVENTING FOOD WASTAGE IS OUR RESPONSIBILITY

SHELF LIFE SOLUTIONS
(FOOD)

Food has been the mainstay of our Shelf Life Solutions business, and antioxidants, an integral ingredient for the food industry. With the trend moving towards naturals and customers focusing on giving natural options for their health-conscious end-users, we found solutions with natural antioxidant blends. We provide several natural alternatives to traditional antioxidants under our 'NaSure' brand, such as green tea extract, rosemary extract, mixed tocopherols, acerola extract, etc. for the US, Mexico, Central America, Latin America and Asia in the food as well as petfood segments.

Being one of the largest food antioxidants' manufacturers, we continue our growth with traditional antioxidants like TBHQ, BHA, and Ascorbyl Palmitate. Our tailor-made blends, too, have extended their applications to different food industries. Traditional (Synthetic) antioxidants remain even now much larger than naturals and are still widely used for inhibiting lipid oxidation or preventing the development of free radicals or by eliminating it. We have now acquired a strong presence with our traditional antioxidants in the US, South America, Central America, Middle East and Asia and will strive for growth in the African Continent, Oceania regions in the coming years.

Preservatives or antimicrobials is another segment that was tapped to cater to the Bakery industry in India. Newer products will get added to our Bakery range giving them a comprehensive solution to choose from a single, trustworthy manufacturer and supplier.

Being a leading shelf life solutions company, our responsibility towards protecting foodstuff and preventing food wastage is part of our DNA. Research is also underway to develop newer technologies that can be introduced to further increase the shelf life of food products.

We would be developing solutions for our new sectors such as dairy, meat & poultry, beverages, and seafood for both developed and emerging markets.

SENSITIVE TO PET FOOD PERFORMANCE NEEDS

SHELF LIFE SOLUTIONS
(PET FOOD)

Pets play significant roles in people's lives. As pets cannot verbally express their concerns, pet owners do everything to give them the best possible care. And 'care' begins with good nourishment that makes CFS more concerned about their food needs.

Pet foods and their ingredients by their very nature are perishable and prone to oxidation. Storing them in the shelf, for an extended period of time, has negative effects on their flavour, aroma, texture and nutrients. Because trends in pet food are closely aligned to those in human food, natural shelf life solutions are highly preferred by manufacturers. The US pet food market is a $24 billion industry, with 69% of the market being natural. For the US and Europe region, the growth is driven by humanization and premiumization, making more use of natural blends by pet food manufacturers and renderers (for pet food use). The U.S. pet food market primarily uses natural antioxidants, and we are well-poised to offer these products. CFS North America has expanded its laboratory capabilities that allow more effective and efficient responses to the needs of North American pet food customers.

With EU suspension of Ethoxyquin, pet food manufacturers faced a major challenge to introduce alternatives to extend product shelf life. This turned out to be an opportunity for our Shelf Life Solutions business in the Latin America and Europe market. CFS do Brasil, and CFS Dresen offered these markets with better solutions that could add more stability to our customer's products. In the last few years, pet food market leaders in Central and South American regions have obtained a "natural claim." It opened the way for new solutions and concepts.

Reports of pet food contamination was lately a concern lately in the US. For lack of pet food safety has the potential to cause illness in both pets and humans.

With manufacturers seeking safe solutions to enhance their products' shelf life, our line of feed safety additives has helped deliver value to our customers. Pet food manufacturers are also exploring a new segment of pet food. Shelf Life Solutions business has taken proactive steps by collaborating with a prominent university in the US to evaluate the need for antioxidants in such new alternative pet food forms in the US and other such developed countries.

WE HELP IMPROVE PROFITABILITY FOR PRODUCERS

SHELF LIFE SOLUTIONS
(ANIMAL NUTRITION)

Animal feed has a vital role in the food chain. Animal Nutrition industry deals with food given to animals in cattle, poultry, swine, and aquaculture sector as part of livestock rearing. In the last few decades, the shift from traditional methods of farming to commercial form is expected to make a parallel growth in the feed additives industry all over the globe.

For livestock to conduct essential life processes, it needs an abundant energy source. Feed provides proteins, carbohydrates & fats, vitamins, etc., thereby increasing metabolism, efficiency, growth, and immunity, mainly in young livestock. With the increasing cost of feed ingredients and unpredictable disease outbreaks, there is a major challenge for expanding production and maintaining profits. It brings the economics of feed conversion ratio (FCR) to the fore.

Feed additives help in improving FCR. FCR is a measure of how well a species converts feed intake (feed usage) into live weight. The ratio improves by providing animals with quality nutrition, reliable systems of feed procurement and production, good care and husbandry, disease control, all to ensure efficient production. And this has to be better over the years as it directly benefits humans; the quality of food from animal origin will improve. So, regardless of the species reared, we worked with the producers and farmers on this concept in an attempt to give them an informed feed-purchasing decision to master production cost and gain profitability.

The growth in feed additives market is attributed to an extensive application scope for feed additives in livestock. **Antioxidants protect feed ingredients from oxidation which results in rancidity of fats and continuous destruction of essential vitamins.**

Our global antioxidant expertise has given us smoother access to feed customers with our product basket.

The acquisition of 65% stake in CFS Dresen, one of the leading manufacturers of products related to animal nutrition, made our presence stronger in food as well as feed. Using Dresen's technical expertise and knowledge, we expanded our Animal Nutrition portfolio with the focus on industries, such as poultry, dairy, swine/pork with products such as mold inhibitors, acidifiers, growth promoters, toxin binders, pellet binders, antioxidants, etc.

We have launched the portfolio in Brazil, Argentina, Chile, United States, and in India. We aim to provide relevant solutions to animal farm producers across the globe for optimum productivity with our comprehensive animal nutrition product basket.

ONE OF THE WORLD'S LEADING PRODUCER OF VANILLIN

AROMA INGREDIENTS

Many wouldn't know that natural vanilla is one of the most labour-intensive foodstuff on Earth which not only makes it an expensive flavour but also scarce. Hence, the fact that gaining access to natural vanilla is restricted got the attention of chemical manufacturers to develop nature-identical vanilla such as Vanillin which is food-safe.

With our recent acquisition of 51% stake in Ningbo Wanglong Flavors and Fragrances Company Limited (Wanglong) we have improved the penetration into global market. We are one of the leading producers of Vanillin in the world. CFS produces Vanillin and Ethyl-Vanillin through Catechol-route, an environment-friendly, clean method of production. Our Vanillin is one of the most trusted by the Food & Flavour Industry. It uses a chlorine & benzene-free process and can ensure global standards of safety, quality with complete traceability. This year, we dedicated new value-added flavours of Vanillin to dairy and bakery applications.

Today, worldwide acceptance of our Vanillin is a proof of its quality, giving access to customers from not only food and beverage industries but also from fragrances, incense sticks, pharmaceuticals, etc. With our production running its maximum capacity, we further look at exploring newer markets, viz. Africa, Australia and boost our presence in Asia and Europe.

For those who aim to explore the exceptional, our aroma chemicals can help master the fragrance journey. These products developed through the vertical integration can provide product stability and its steady supply.

Vetigreen, an aromatic chemical, is used where earthy, mossy, herbal green notes are required. It can partly replace some of the most expensive essential oil fragrances such as patchouli, oak moss, vetiver oil, etc.

Using **Intense Green** is a perfumer's art. It is generally used to bring in fresh and lively notes and to make a fragrance crisp and sharp.

Our state-of-the-art R&D facility works continuously to develop products and applications derived from vanillin and ethyl vanillin. CFS can provide high-quality, rich aroma ingredients that can have wide fragrance applications in different industries.

CHEMICALS, WITH A COMPETITIVE ADVANTAGE

PERFORMANCE CHEMICALS

Our diphenols manufacturing plant with derivatives of Hydroquinone and Catechol continues to grow with sectors like Petrochemicals, Agrochemicals, Pharmaceuticals and Dyes & Pigments. Our vertically integrated platform gives us greater control on our manufacturing chain; at the same time it places an unceasing challenge for innovation. We worked on developmental projects with selective customers and a few have successfully paved the way for new businesses.

Lockheed Martin (LM), a global security and aerospace company headquartered in United States of America, is engaged in the research, design, development, manufacture, integration and sustainment of Advanced Energy Storage technology. CFS has entered into a long-term preferred supply agreement for the supply of a specialty chemical, which is require for its energy solution, has now progressed from pilot-to-commercial scale.

We have also scaled up our Guaiacol production to meet the increasing demand for Vanillin. With the growth of Vanillin business and expansion of our antioxidant market, the diphenols production at our plant in Ravenna, Italy, has been at its maximum capacity in FY2017-18.

Distribution and Sales of most of our performance chemicals have been in line with our goal. We opened up distribution channels for one of our Catechol downstream products. Potential customers are also evaluating the performance of some of our chemicals manufactured at our Tarapur facility in India. The approval process is still in progress and we see a good potential for our overall Performance Chemicals business.

With projects being initiated at CFS Europe's plant and office, we have expanded our technical staff. Continuous improvement programs to improve efficiencies have been undertaken, such as minimizing energy costs, to better processes, etc.

The construction of our diphenols manufacturing facility at Dahej is moving as per schedule. The detailed engineering is near to completion. Procurement of long lead and key capital equipment are in progress, with most of the orders already placed. We are foreseeing the mechanical completion of the plant by December 2018 and expect to begin commercial production thereafter. The growth potential of our businesses is in line with planned investments for our Dahej site.

FINANCIAL HIGHLIGHTS: STAND ALONE

(₹ IN LAKHS)

	17-18	16-17	15-16	14-15	13-14
NET FIXED ASSETS	7,938.95	8,741.34	8,924.28	6,298.74	4,790.01
EBIDTA	1,498.09	3,493.58	7,123.62	6,288.44	6,092.11
REVENUE FROM OPERATIONS	40,502.79	33,757.90	42,266.38	43,069.93	37,439.27
PROFIT BEFORE TAX	(1,806.91)	10.70	3,471.10	3,177.03	2,920.58
PROFIT AFTER TAX	(1,417.88)	(79.15)	2,575.19	2,581.76	1,896.86
SHAREHOLDERS (NUMBERS)	32,672	29,216	26,936	8,246	6,212

Year Ending 31st March	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue from operations	40,502.79	33,757.90	42,266.38	43,069.93	37,439.27
Earnings before Exceptional items, Finance Cost, Tax, Depreciation and Amortisation (EBITDA)	1,498.09	3,493.58	7,123.62	6,288.44	6,092.11
Earnings before Exceptional items, Finance Cost and Tax (EBIT)	591.94	2,334.61	4,940.69	5,292.14	5,160.11
Profit /Loss before Exceptional items and Tax	(1,806.91)	10.70	3,925.83	3,177.03	2,920.58
Profit /Loss Before Tax	(1,806.91)	10.70	3,471.10	3,177.03	2,920.58
Profit /Loss After Tax	(1,417.88)	(79.15)	2,575.19	2,581.76	1,896.86
Other Comprehensive Income	12.43	(10.19)	-	-	-
Total Comprehensive Income	(1,405.45)	(89.34)	-	-	-
ASSETS					
Net Fixed Assets	7,938.95	8,741.34	8,924.28	6,298.74	4,790.01
Capital Work in Progress	1,202.84	523.93	114.88	21.38	200.11
Investments (Non-Current)	4,000.71	3,224.54	671.30	457.77	380.73
Other Non-Current Assets	2,821.24	3,425.99	1,348.18	766.23	134.46
Investments (Current)	10,807.63	1,169.90	-	-	-
Other Current Assets	41,006.69	30,281.27	31,944.32	27,026.67	23,222.85
Total	67,778.06	47,366.97	43,002.95	34,570.79	28,728.16
EQUITY					
Equity Share Capital	1,212.30	1,037.10	966.66	958.88	944.08
Other Equity	31,933.54	16,531.74	11,424.86	8,824.07	6,703.47
Total	33,145.84	17,568.84	12,391.52	9,782.95	7,647.55
LIABILITIES					
Borrowings (Non-Current)	1,449.86	1,105.25	2,000.38	2,671.31	2,852.46
Other Non-Current Liabilities	367.46	599.65	402.66	521.34	492.35
Borrowings (Current)	20,029.44	22,275.60	17,685.74	9,760.15	8,576.34
Other Current Liabilities	12,785.46	5,817.63	10,522.65	11,835.04	9,159.46
Total	34,632.22	29,798.13	30,611.43	24,787.84	21,080.61
Networth	33,145.84	17,568.84	12,391.52	9,782.95	7,647.55
Face Value per Share	1.00	1.00	1.00	1.00	2.00
Basic Earnings Per Share	(1.67)	(0.23)	2.68	2.71	2.02
Diluted Earnings Per Share	(1.63)	(0.23)	2.67	2.70	2.01
Book Value Per Share	27.34	16.94	12.82	10.20	16.20
Market Price Per Share	101.25	89.50	88.65	88.30	19.13
Price Earning Ratio	-	-	33.08	32.58	9.47
Shareholders (Numbers)	32,672	29,216	26,936	8,246	6,212

Figures for 2017-18, 2016-17 and 2015-16 are in compliance with Ind AS, whereas figures for other periods are in accordance with IGAAP.

FINANCIAL HIGHLIGHTS: CONSOLIDATED

(₹ IN LAKHS)

NET FIXED ASSETS

17-18	27,886.22
16-17	20,088.39
15-16	14,027.37
14-15	10,642.52
13-14	8,315.12

EBIDTA

17-18	2,411.02
16-17	4,268.33
15-16	9,606.34
14-15	9,254.91
13-14	7,130.88

REVENUE FROM OPERATIONS

17-18	72,276.17
16-17	54,686.90
15-16	50,422.83
14-15	55,827.45
13-14	50,867.08

PROFIT BEFORE TAX

17-18	(3,089.79)
16-17	(603.41)
15-16	5,001.84
14-15	35.52
13-14	3,486.38

PROFIT AFTER TAX

17-18	(2,397.22)
16-17	(443.92)
15-16	3,582.37
14-15	5,283.35
13-14	2,871.30

SHAREHOLDERS (NUMBERS)

17-18	32,672
16-17	29,216
15-16	26,936
14-15	8,246
13-14	6,212

Year Ending 31st March	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue from operations	72,276.17	54,686.90	50,422.83	55,827.45	50,867.08
Earnings before Exceptional items, Finance Cost, Tax, Depreciation and Amortisation (EBITDA)	2,411.02	4,268.33	9,606.34	9,254.91	7,130.88
Earnings before Exceptional items, Finance Cost and Tax (EBIT)	(254.40)	2,088.04	7,900.82	7,630.29	5,952.28
Profit/(Loss) before Exceptional items and Tax	(3,089.79)	(603.41)	5,456.57	5,247.83	3,486.38
Profit/(Loss) Before Tax	(3,089.79)	(603.41)	5,001.84	35.52	3,486.38
Profit/(Loss) After Tax	(2,397.22)	(443.92)	3,582.37	5,283.35	2,871.30
Other Comprehensive Income	1,236.51	(544.91)	-	-	-
Total Comprehensive Income	(1,160.71)	(988.83)	-	-	-
ASSETS					
Net Fixed Assets	27,886.22	20,088.39	14,027.37	10,642.52	8,315.12
Capital Work in Progress	1,285.28	762.35	2,506.46	282.07	2,207.82
Investments (Non-Current)	733.49	716.33	109.43	109.05	120.97
Other Non-Current Assets	5,189.96	3,745.35	2,011.66	2,064.47	944.17
Investments (Current)	10,807.63	1,169.90	-	-	-
Other Current Assets	55,747.24	40,769.63	37,987.81	29,869.48	25,675.05
Total	101,649.82	67,251.95	56,642.73	42,967.59	37,263.13
EQUITY					
Equity Share Capital	1,212.30	1,037.10	966.66	958.88	944.08
Other Equity	35,903.97	20,221.14	17,140.00	12,527.63	8,386.36
Total	37,116.27	21,258.44	18,106.66	13,486.51	9,330.44
Non-Controlling Interests	6,221.73	1,761.48	-	-	-
LIABILITIES					
Borrowings (Non-Current)	11,024.49	5,131.61	2,144.81	2,806.33	2,852.46
Other Non-Current Liabilities	196.40	528.84	402.66	521.34	492.37
Borrowings (Current)	24,678.60	26,989.57	23,103.77	12,095.37	10,401.47
Other Current Liabilities	22,412.33	11,582.21	12,884.83	14,058.04	14,186.39
Total	58,311.80	44,232.23	38,536.07	29,481.08	27,932.69
Networth	37,116.27	21,258.24	18,106.66	13,486.51	9,330.44
Face Value per Share	1.00	1.00	1.00	1.00	2.00
Basic Earnings Per Share	(3.07)	(1.26)	3.73	5.77	3.06
Diluted Earnings Per Share	(3.01)	(1.25)	3.71	5.75	3.04
Book Value Per Share	30.62	20.50	18.73	14.06	19.77
Market Price Per Share (NSE)	101.25	89.50	88.65	88.30	19.13
Price Earning Ratio	-	-	23.77	15.30	6.25
Shareholders (Numbers)	32,672	29,216	26,936	8,246	6,212

Figures for 2017-18, 2016-17 and 2015-16 are in compliance with Ind AS, whereas figures for other periods are in accordance with IGAAP.

"THOUGH CULTURALLY DIVERSE, THE TEAM IS UNIFIED BY YOUR COMPANY'S VISION AND GOALS."

MANAGING DIRECTOR'S MESSAGE

Dear Fellow Shareholders,

The Indian economic environment had its share of uncertainties in the last two years; however, the resilient nature of the industries that Camlin Fine Sciences (CFS) operates has enabled the business to move at a faster pace. It also geared up with GST framework, and so did its customers. CFS is focused on strategies to ensure growth with it's key portfolio of Shelf Life Solutions, Aroma Ingredients, and Performance Chemicals.

Shelf Life Solutions business in India showed more than 80% growth over last year. From straights, CFS forward integrated into blends and showcased its expertise to a whole lot of food industries. Today, the business is not restricted to food sector alone and has grown in petfood, animal nutrition, fishmeal, aquaculture, and biodiesel sectors, too. There is an extensive application scope in livestock alone. The Global Animal Feed Additives market is projected to cross USD 37 billion by early 2022 and expected CAGR of over 5.3%. With the acquisition of 65% stake in Dresen Quimica SAPI De CV, one of the leading manufacturers of products related to animal nutrition, made CFS presence stronger in food as well as feed. CFS has developed products, understanding the local needs, and launched the Animal Nutrition business in India, Brazil, Chile, Argentina and in the US.

There is a massive potential for CFS to grow in the aroma ingredients business. As you would know, CFS recently acquired 51% stake in CFS Wanglong Flavours (Ningbo) Co. Ltd. (erstwhile Ningbo Wanglong Flavors and Fragrances Company Limited). Today, it is one of the world's leading producers of Vanillin, and with this partnership, CFS will improve its penetration into global markets.

CFS has entered into a long-term preferred supply agreement with Lockheed Martin Advanced Energy Storage, USA, for supply of a specialty chemical, which is required for its energy solution, has now successfully moved from pilot-to-commercial scale.

With petfood trend moving towards humanization and premiumization, CFS' offices in the American continents are geared to serve the pet food sector with natural proven solutions apart from traditional shelf life solutions. The outlook for rendering and biodiesel sectors too are positive for Europe and Latin American markets with encouraging market environment.

CFS will strengthen the international business with increased penetration, accessibility & availability of its products to the customers across the globe. To improve the efficiency of its global operations, it has invested in upgrading systems, process improvement and conducts business with responsible sourcing. In the coming years, it will better efficiencies, ensure transparency, with greater emphasis on customer satisfaction.

The customers are seeing the benefits of working with a global team. Though CFS team is culturally diverse, it is unified by vision and goals. The group comprises young, energetic, self-driven, agile and adaptive high-flyers guided by experienced professionals.

The construction of diphenol manufacturing facility at Dahej is moving as per schedule. The estimated timeline for the commercial operations to begin is last quarter of FY2018-19. It will make CFS one of the world's lowest cost producers of HQ and Catechol.

CFS believes in touching billions of lives through its businesses and social reforms. CFS CSR initiatives epitomize inclusive growth and provide dignified empowered lives to the needy.

With regards,
Ashish Dandekar

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dilip D. Dandekar – Chairman

Mr. Ashish S. Dandekar – Managing Director

Mr. Arjun S. Dukane – Executive Director

Ms. Anagha Dandekar – Additional Director

Mr. Pramod M. Sapre – Independent Director

Mr. Sharad M. Kulkarni – Independent Director

Mr. Bhargav A. Patel – Independent Director

Mr. Abeezar E. Faizullabhoy – 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

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 Kalyaniwalla & Mistry LLP

Chartered Accountants

Mumbai

BANKERS

IDBI Bank Limited

Bank Of India

Oriental Bank Of Commerce

State Bank Of India

Export-Import Bank of India

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

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the members of Camlin Fine Sciences Limited, will be held on Monday 13th August, 2018 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber, 4th Floor, IMC Building, IMC 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, 2018 and the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Nirmal V. Momaya (DIN: 01641934), who retires by rotation and being eligible, offers himself for re-appointment.

3. 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.

SPECIAL BUSINESS

4. **Appointment of Ms. Anagha S. Dandekar as Non-Executive Director:** To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

   "RESOLVED THAT pursuant to provisions of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) , Company do appoint Ms. Anagha S. Dandekar (DIN: 07897205) as a Non-Executive Director of the Company being liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director 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."

5. **Appointment of Mr. Arjun S. Dukane as Executive Director:** To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force)and the Articles of Association of the Company, consent of the members be and is hereby accorded for the appointment of Mr. Arjun S. Dukane (DIN: 06820240) as Director in whole time employment of the Company designated as 'Executive Director - Technical' of the Company, for a period of 3 years with effect from 1st June, 2018 upto 31st May, 2021 on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto and also in the draft agreement to be entered between the Company and Mr. Arjun S. Dukane with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in the Companies Act, 2013, including any statutory modifications or re-enactments thereof for the time being in force, including any amendments thereto as may be agreed to between the Board and Mr. Arjun S. Dukane.

   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. **Appointment of Mr. Ashish S. Dandekar as Managing Director:** To consider, and if thought fit, to pass the following resolution as a special resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 196 and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or reenactments thereof, for the time being in force) and the Articles of Association of the Company, consent of the members be and is hereby accorded for the re-appointment of Mr. Ashish S. Dandekar (DIN: 01077379) as the Managing Director of the Company, for a period of 3 (three) years with effect from 1st August, 2018 upto 31st July, 2021 on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto and also in the draft agreement to be entered into between the Company and Mr. Ashish S. Dandekar, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/ or agreement, as may be agreed to between the Board and Mr. Ashish S. Dandekar.

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."

7. **Reclassification of Promoter and Promoter Group:** To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"**RESOLVED THAT** pursuant to the provisions of regulation 31A of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 and all other applicable provisions of the companies Act 2013, if any, subject to necessary approval(s) and relaxations received from The BSE Ltd. (BSE), National Stock Exchange of India Limited (NSE) and Securities and Exchange Board of India (SEBI), as may be applicable, the consent of the members be and is hereby accorded for re-classification of Mr. Vivek A. Dandekar, promoter and/or person constituting promoters group of the Company, from Promoter Category to Non-Promoter Category.

RESOLVED FURTHER THAT the outgoing promoter constituting promoter group i.e. Mr. Vivek A. Dandekar seeking re-classification does not holds individually any shares in the share capital of the Company and does not:

- Directly or indirectly, exercise control, over the affairs of the entity.
- Have any special right through formal or informal arrangements along with their promoter group entities and the persons acting in concert.
- Have any shareholding individually.

RESOLVED FURTHER THAT after such re-classification Mr. Vivek A. Dandekar shall cease to be the promoter and/or promoter group of the Company.

RESOLVED FURTHER THAT any Director of the Company and/or Company Secretary of the Company be and are hereby severally authorised to make application to BSE, NSE and SEBI along-with all the required documents and to do all deeds, things and acts as may be necessary and expedient to give effect the resolution in this regard."

8. **Reclassification of Promoter and Promoter Group:** To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"**RESOLVED THAT** pursuant to the provisions of regulation 31A of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 and all other applicable provisions of the companies Act 2013, if any, subject to necessary approval(s) and relaxations received from The BSE Ltd. (BSE), National Stock Exchange of India Limited (NSE) and Securities and Exchange Board of India (SEBI), as may be applicable, the consent of the members be and is hereby accorded for re-classification of Ms. Abha A. Dandekar, promoter and/or person constituting promoters group of the Company, from Promoter Category to Non-Promoter Category.

RESOLVED FURTHER THAT the outgoing promoter constituting promoter group i.e. Ms. Abha A. Dandekar seeking re-classification does not holds individually any shares in the share capital of the Company and does not:

- Directly or indirectly, exercise control, over the affairs of the entity.
- Have any special right through formal or informal arrangements along with their promoter group entities and the persons acting in concert.
- Have any shareholding individually.

RESOLVED FURTHER THAT after such re-classification Ms. Abha A. Dandekar shall cease to be the promoter and/or promoter group of the Company.

RESOLVED FURTHER THAT any Director of the Company and/or Company Secretary of the Company be and are hereby severally authorised to make application to BSE, NSE and SEBI along-with all the required documents and to do all deeds, things and acts as may be necessary and expedient to give effect the resolution in this regard."

9. **Reclassification of Promoter and Promoter Group:** To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"**RESOLVED THAT** pursuant to the provisions of regulation 31A of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 and all other applicable provisions of the companies Act 2013, if any, subject to necessary approval(s) and relaxations received from The BSE Ltd. (BSE), National Stock Exchange of India Limited (NSE) and Securities and Exchange Board of India (SEBI), as may be applicable, the consent of the members be and is hereby accorded for re-classification of Ms. Leena Dandekar, promoter and/or person constituting promoters group of the Company, from Promoter Category to Non-Promoter Category.

RESOLVED FURTHER THAT the outgoing promoter constituting promoter group i.e. Ms. Leena Dandekar seeking re-classification does not holds individually any shares in the share capital of the Company and does not:

- Directly or indirectly, exercise control, over the affairs of the entity.
- Have any special right through formal or informal arrangements along with their promoter group entities and the persons acting in concert.
- Have any shareholding individually.

RESOLVED FURTHER THAT after such re-classification Ms. Leena Dandekar shall cease to be the promoter and/or promoter group of the Company.

RESOLVED FURTHER THAT any Director of the Company and/or Company Secretary of the Company be and are hereby severally authorised to make application to BSE, NSE and SEBI along-with all the required documents and to do all deeds, things and acts as may be necessary and expedient to give effect the resolution in this regard."

10. **Employee Stock Option Scheme:** To consider and if thought fit, to pass with or without modification(s) the following resolution as a special resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 62, and all other applicable provisions, if any, of the Companies Act, 2013, ("the Act"), the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 (collectively the "SEBI Guidelines"), or any statutory modification(s) or re-enactment of the Act, the Articles of Association of the Company and subject to any other applicable approvals, consents, permissions and/or sanctions as may be necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed while granting such approvals, consents, permissions and/or sanctions, the approval and consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any 'Compensation Committee' or any other 'Committee' of the Board authorised for the purpose), to introduce and implement an ESOP Scheme titled "CFS EMPLOYEES' STOCK OPTION SCHEME, 2018" ("ESOP 2018" or the Scheme) and to grant, offer, issue and allot in one or more tranches at any time to or to the benefit of such employees of the Company as may be decided by the Board, an stock options under ESOP-2018 exercisable or convertible into equity shares (hereinafter referred to as 'the Options') of the Company not exceeding in the aggregate upto 15,00,000 (Fifteen Lacs) equity shares of ₹ 1/- each of the Company or such other adjusted numbers of shares for any bonus issue, consolidation, sub-division or other re-organisation of the capital structure of the Company as may be applicable from time to time (Equity Shares"), on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI Guidelines or any other applicable provisions as may be prevailing at that time.

RESOLVED FURTHER THAT the exercise price shall be at the maximum 20% (Twenty Percent) discount of the market price of the Equity Shares on the stock exchange(s) on the date of grant of Options **AND THAT** ₹ 1/- per share shall be towards nominal value of the Equity Shares and the difference between the grant price and nominal value of Equity Shares shall be towards share premium.

RESOLVED FURTHER THAT the Company shall be entitled to recover from the employees any tax that may be levied upon or in relation to the Options (including but not limited to the Fringe Benefit Tax).

RESOLVED FURTHER THAT in case of any change in the capital structure as a result of right issue, bonus issue, merger and sale of division and others, if any, additional Equity Shares are required to be issued by the Company under ESOP 2018, the above ceiling of 15,00,000 (Fifteen Lacs) Equity Shares shall be deemed to be appropriately increased to the extent of such additional Equity Shares required to be issued by the Company.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Shares to be allotted and the price of acquisition payable by the option grantees under ESOP 2018 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 1/- each per share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the allottees.

RESOLVED FURTHER THAT in case of any corporate action(s) like merger, sale of undertaking etc. or change in capital structure whether by issue of right/ bonus shares, or other changes in the share capital whatsoever, the Board be and is hereby authorised to make such adjustments as it may deem fit to the quantum of Equity Shares to be issued pursuant to the exercise of the Options, the exercise price and other rights and obligations under the Options.

RESOLVED FURTHER THAT the Equity Shares issued and allotted to the employees upon exercise of Options from time to time shall rank pari passu in all respects with the existing shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in ESOP 2018 as it may deem fit and or as may be suggested by one or more concerned authorities including but not limited to the stock exchange(s), from time to time, in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI Guidelines and other applicable laws, regulations and rules for the time being in force.

RESOLVED FURTHER THAT to determine all other terms and conditions for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Options or instruments representing the same, as described above under ESOP 2018, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose with power to settle all questions, difficulties or doubts that may arise in this regard to such issue or allotment without being required to seek further consent or approval of the members."

By Order of the Board
Rahul Sawale
Group Company Secretary

Place : Mumbai
Dated : 24th May, 2018

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 07th August,

2018 to 13th August, 2018 (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, has been as per Section 124 of the Companies Act, 2013, transferred to the Investor Education and Protection Fund (IEPF). Members are requested to claim the said unpaid dividend by making an application with IEPF Authority in Form IEPF-5 available on www.iepf.gov.in.

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 2017-18 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(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 2017-18 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 25th 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 Participants(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 25th 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 25th Annual General Meeting and the Annual Report for financial year ending 31st March, 2018 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 Section189 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 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Link Intime (India) Pvt. Ltd. (LIIPL) .

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:

1. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in.

2. Click on "Login" tab, available under 'Shareholders' section.

3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

4. Your User ID details are given below:

    a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID

    b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID

    c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

5. Your Password details are given below:

    If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, you need to follow the steps given below:

    Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. • Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv).

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.

7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

   Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

   Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

8. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.

9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: https://instavote.linkintime.co.in and register themselves as **‘Custodian / Mutual Fund / Corporate Body’**.

  They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **‘Custodian / Mutual Fund / Corporate Body’** login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.

- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case the shareholders have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or contact Mr. Rajiv Ranjan, AVP-E-Voting, Link Intime (India) Pvt. Ltd., C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083 or write an email to insta.vote@linkintime.co.in or Call :- Tel : 022 - 49186000.

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 07th August, 2018. Members can cast their vote online from 10th August, 2018 (9:00 am IST) till 12th August, 2018 (5:00 pm IST).

Note: e-Voting shall not be allowed beyond the said time.

16. Mr. J. H. Ranade, Partner failing which Mr. Sohan J. Ranade, Partner failing Which Ms. Tejaswi Zope, 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 LIIPL 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 (10.00 am to 5.00 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 25th 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 : 24th May, 2018

ANNEXURE FORMING PART OF THE NOTICE

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

SPECIAL BUSINESS

Item No. 4

Ms. Anagha S. Dandekar, is MBA in Finance from the University of South Carolina, USA. She is President and co-founder of Hardware Renaissance, a manufacturer of high end, hand crafted door hardware and accessories.

In terms of Section 152, 160 and other applicable provisions of the Companies Act 2013, Ms. Anagha S. Dandekar being eligible and offering herself for appointment, is proposed to be appointed as a Non-Executive Director liable to retire by rotation.

Copy of the Consent letter received from Ms. Anagha S. Dandekar will be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day. A notice has been received from a member proposing Ms. Anagha S. Dandekar as a candidate for the office of Director of the Company.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Anagha S. Dandekar as a Non-Executive Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Anagha S. Dandekar as a Non-Executive Director liable to retire by rotation, for the approval by the members of the Company.

Except Ms. Anagha S. Dandekar, being an appointee and Mr. Ashish S. Dandekar being brother of the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested.

Item No. 5

Mr. Arjun Sudhakar Dukane aged 51 years, is a Chemical Engineer (Diploma). He has an overall experience of 31 years in the Chemical Industry out of which he has been associated with the Company for about last 12 years. He is presently working with the Company as Global Senior Vice President - Manufacturing, Technical & Projects. Considering his excellent performance, it is proposed to appoint of Mr. Dukane as an Executive Director being designated as “Executive Director – Technical” for a period of 3 years w.e.f 1st June, 2018 and the proposed terms of appointment including remuneration structure as approved by the remuneration committee is given below:

Basic Salary:

₹ 1,35,000/- per month as a basic salary which shall be subject to annual increment, if any, given as per the policies of the Company.

Perquisites and Other Allowances:

Subject to annual increment, if any, upto ₹ 20,57,728/- per annum as perquisites and other allowances such as house rent allowance or rent free accommodation, gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession, club fees, provision of car with driver, telephone/mobile/ communication facilities, personal accident insurance cover and such other perquisites and allowances. Perquisites and allowances shall be evaluated as per the Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost. Within the ceiling actual composition and quantum of perquisites and allowances shall be determined by the Board of Directors in consultation with the appointee.

Annual increase not to exceed 20% of the salary and perquisites.

Commission:

The Executive Director may also be paid remuneration by way of commission (in addition to salary, perquisites and other allowances) calculated with reference to the Net Profits of the Company for a particular financial year as the Board may decide, subject to the overall ceilings laid down under the provisions of Sections 197 of the Companies Act, 2013. However, in case of absence or inadequacy of Net Profits in any financial year, the remuneration payable to Mr. Dukane shall be restricted to Part II Section II of Schedule V of the Companies Act, 2013.

Term of Office:

For a period of three years from 1st June, 2018 to 31st May, 2021.

General:

i. Appointee shall not be paid any sitting fee for attending meeting of the Board or Committee(s) thereof.

ii. Subject to the superintendence, control and direction of the Managing Director, he shall exercise powers as may be delegated to him by the Board of Directors from time to time.

iii. The appointment is terminable by either party giving the other three (3) months' notice in writing.

Memorandum of Concern or Interest:

Apart from Mr. Arjun S. Dukane, none of the Directors and the Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the above appointment.

Copy of the Consent letter received from Mr. Arjun S. Dukane will be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day. A notice has been received from a member proposing Mr. Arjun S. Dukane as a candidate for the office of Director of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Arjun S. Dukane as Executive Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Arjun S. Dukane as Executive Director liable to retire by rotation, for the approval by the members of the Company.

Item No. 6

At the 22nd Annual General Meeting held on 5th August, 2015, the members of the Company had approved the re-appointment and terms of remuneration of Mr. Ashish S. Dandekar as Managing Director of the Company for a period of three years w.e.f. 1st August, 2015 to 31st July, 2018. Mr. Ashish S. Dandekar is responsible for the day-to-day operations of the Company under the overall superintendence, direction and control of the Board.

It is proposed to reappoint Mr. Ashish S. Dandekar as the Managing Director with no change in the remuneration package for a period of 3 years w.e.f. 1st August, 2018. The proposed remuneration structure for re-appointment of Mr. Ashish S. Dandekar is given below:

a) SALARY

Salary of ₹ 9,37,200/- (Rupees nine lacs thirty-seven thousand two hundered only) per month. Annual increment not exceeding 20% of the Salary.

b) COMMISSION/INCENTIVES:

Remuneration by way of Commission will be payable to Mr. Ashish S. Dandekar in addition to the salary, perquisites and allowances calculated with reference to the net profit of the Company for particular financial year, subject to overall ceilings laid down under the provisions of Section 197 and Rules framed thereunder of the Companies Act, 2013 as may be amended from time to time and upon the approval of the Nomination and Remuneration Committee / Board of Directors or if required, by Shareholders and/or Central Government approval.

c) PERQUISITES AND ALLOWANCES:

In addition to salary and commission, the Managing Director shall also be entitled to perquisites and other allowances such as house rent allowance or rent free accommodation, gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession, leave encashment, club fees, provision of car with driver, telephone/fax facilities and assignment value of Keyman Insurance Policy(ies), Personal Accident Insurance and such other perquisites and allowances as may be given in accordance with the rules of the Company, subject to remuneration paid including perquisites not to exceed overall ceilings laid down under the provisions of Section 197 and Rules framed thereunder of the Companies Act, 2013, as may be amended from time to time.

Perquisites and allowances shall be evaluated as per Income tax Rules, wherever applicable. In the absence of any such rules, they shall be evaluated at actual cost.

d) PROVIDENT FUND, SUPERANNUATION AND GRATUITY FUND:

Company's contribution to the Provident Fund, Family Pension Scheme and Superannuation Fund as per the rules of the Company.

Gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure shall not be included in the computation of limits for the remuneration or perquisites.

e) MINIMUM REMUNERATION:

In the event of inadequacy or absence of profits in any Financial Year of the Company during the term of the Managing Director, remuneration, benefits and perquisites payable to him shall be considered as minimum remuneration payable and the Company shall obtain necessary approvals from Central Government, if required as per the applicable provisions, if any, of the Companies Act, 2013.

The Board shall have the power to effect any variations, alterations or modifications in future in respect of the aforesaid terms of appointment and remuneration of Mr. Ashish S. Dandekar within the limits specified in schedule V to the Companies Act, 2013 or any statutory modifications, substitutions or re-enactment's thereof, as may be agreed to by the Board and Mr. Ashish S. Dandekar.

f) LOSS OF OFFICE

Subject expressly to the provisions of Section 202 of the Companies Act, 2013, the Company shall pay to the Director compensation for loss of office or consideration for retirement from office or in connection with such loss or retirement. The amount of such compensation shall be strictly in accordance with the provisions of Section 202 of the Companies Act, 2013.

General

Managing Director shall devote the whole of his time and attention to the business and affairs of the Company during the normal business hours of the Company and shall use his best endeavours to promote its interest and welfare. He shall conduct the day-to-day management of the Company subject to the supervision, direction and control of the Board.

Mr. Ashish S. Dandekar shall be eligible for Leave, its accumulation/encashment as per the HR policy of the Company. He shall also be covered under group medi-claim policy of the Company and other benefits to employee's as per the HR policy of the Company.

Mr. Ashish S. Dandekar shall not be entitled for sitting fees for attending Board/ Committee Meetings. Mr. Ashish S. Dandekar shall not be liable to retire by rotation as a Managing Director, subject to provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company.

The appointment is terminable by either party giving the other three (3) months' notice in writing.

Term of Office:

For a period of three years from 1st August, 2018 to 31st July, 2021.

Other Terms and Conditions:

Mr. Ashish S. Dandekar shall not, during the continuance of his employment or at any time thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company and Mr. Ashish S. Dandekar during the continuance of his employment there under, shall also use his best endeavors to prevent any other person from doing so.

The employment of Mr. Ashish S. Dandekar shall forthwith determine if he shall become insolvent or makes any composition or arrangement with his creditors or shall cease to be a Director of the Company.

Additional information relevant to the appointment of the Managing Director forming part to the explanatory statement:

(I) Information about Managing Director:

(a) Background Detail:

Mr. Ashish S. Dandekar aged 54 years has done his B. A. in Economics and Management Studies from Temple University, USA. He has wide experience of 30 years in the field of Pharmaceuticals and Fine Chemical Products including Business Planning, Information Systems, Research & Development, Product Development and Marketing.

(b) Past Remuneration (2017-18)*

Name of the Managing Director	(₹ In Lacs)
Mr. Ashish S. Dandekar	185.47

* Inclusive of contribution to Provident Fund, Superannuation and Gratuity.

(c) Pecuniary relationship directly or indirectly with Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed and the related party transactions as disclosed in the Annual Report, the Managing Director does not have any other pecuniary relationship with the Company and its managerial personnel.

(d) Other Disclosures:

Name	Category	No. of shares held in the Company	No. of Board Meetings attended	No. of Directorships held in other Companies	No. of Committee positions held in other Companies	
					Chairman of Committee	Member of Committee
Mr. Ashish S. Dandekar	Managing Director	1,38,04,550	8	8	Nil	Nil

(e) Memorandum of Concern or Interest:

None of the Directors of the Company other than Ms. Anagha S. Dandekar who is sister of Mr. Ashish S. Dandekar and appointee and the Key Managerial Personnel or their relatives are in any way concerned or interested in the above appointment.

The Draft Agreement between the Company and the Managing Director setting out the terms and conditions of his appointment along with the consent letter of Mr. Ashish S. Dandekar is available for inspection of the members of the Company at its Registered Office between 10.00 a.m. and 05.00 p.m. on any working day of the Company.

The Board of Directors recommend the Special Resolution for your approval.

Item No. 7, 8 and 9

Mr. Vivek A. Dandekar, Ms. Abha A. Dandekar and Ms. Leena Dandekar has requested the Company to reclassify themselves from promoter to non-promoter category and thus removal from promoters group of the Company, pursuant to the provisions of the Regulation 31A of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015. Under these regulations, the person being not desirous to be classified as the promoter of the Company, must submit a request to the Company stating the same, which is to be accepted by the Company subject to the approval of the shareholders and concerned stock exchanges, where the shares of the Company are listed and continue to be listed. Further the SEBI may relax any condition for re-classification in specific cases, if it is satisfied about non-exercise of control by the outgoing promoter(s) or its persons acting in concert.

In reference to above and taking into consideration the requests of Mr. Vivek A. Dandekar, Ms. Abha A. Dandekar and Ms. Leena Dandekar, the Board of Directors decided and accepted their requests to re-classify them as non-promoters or removal from promoters group of the Company, as they do not have any special rights or control over the business of the Company.

The shareholding of the promoter and promoter group in the Company as on the date of this Notice is 22.34%. Each of Mr. Vivek A. Dandekar, Ms. Abha A. Dandekar and Ms. Leena Dandekar, individually does not holds any shares directly in the present share capital of the Company (i.e. the date of this Notice).

Further, in terms of the provisions of Regulation 31A of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, re-classification of promoters requires the approval of the Members of the Company, therefore, the Board of Directors recommends the resolution as set-out in the item No. 7, 8 and 9 of the Notice for the approval of the members.

None of the Directors, Key Managerial personnel and/or their relatives are interested or concerned in the said resolution except to the extent of their respective shareholding, if any, in the Company.

Item No. 10

Employees play an important and vital role in the growth and success of any organisation. The Board of Directors of the Company has identified the need to reward the employees based on their performance so as to enable them to participate in the growth of the Company.

The Board of Directors therefore, have proposed to offer the employees of the Company, an option to acquire the Equity Shares of the Company under CFS Employees Stock Option Scheme 2018 which is more favorable to the employees and easy to administer so as to motivate, retain and reward eligible Employees for their individual performance and efforts to improve the overall business and financial performance of the Company.

The approval of the members is being sought for granting stock options to the employees of the Company and / or its subsidiaries under the Scheme titled “CFS EMPLOYEES’ STOCK OPTION SCHEME, 2018” (ESOP 2018 or the Scheme).

The purpose of ESOP 2018 is to reward and motivate employees and to attract and retain the best talent by providing them an additional incentive in the form of Stock Options to acquire a certain number of Equity Shares of the Company at a future date, at a price prior to the date of granting the Stock Options. The ESOP 2018 is aimed at further motivating the Employees and thereby increasing the profitability of the Company.

Options for up to 15,00,000 (Fifteen Lacs) Equity Shares of ₹ 1/- each at the exercise price which shall be at the maximum 20% (Twenty Percent) discount of the market price of the Equity Shares on the stock exchange(s) on the date of grant of Options. ₹ 1/- per share shall be towards nominal value of the Equity Shares and the difference between the grant price and nominal value of Equity Shares shall be towards share premium. Each Option when exercised would be converted into one Equity Share of ₹ 1/- each fully paid up.

There is no lock-in period. Once the option is exercised and the Equity Shares are allotted, the employees can sell the same in the market as per their choice. SEBI guidelines require that in case of any corporate action(s) or change in capital structure such as right issue, bonus issue, sub-division/consolidation of the nominal value of shares, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are required to be issued for making such fair and reasonable adjustment, the ceiling of 15,00,000 (Fifteen Lacs) Equity Shares of ₹ 1/- each shall be deemed to be increased to the extent of such additional Equity Shares issued/to be issued. Further the Board and/ or Compensation Committee shall in such cases also have the power to make appropriate adjustments to the number of shares to be allotted pursuant to the exercise of the Options, the exercise price and other rights and obligation under the Options granted.

The Company has already constituted a Compensation Committee to administer the Scheme of the Company. The following are the salient features of the Scheme and which has been approved by the Board at its meeting held on 24th May, 2018.

1. Total number of Options to be granted:

Options for up to 15,00,000 (Fifteen Lacs) Equity Shares of ₹ 1/- each at the exercise price which shall be at the maximum 20% (Twenty Percent) discount of the market price of the Equity Shares on the stock exchange(s) on the date of grant of Options. ₹ 1/- per share shall be towards nominal value of the Equity Shares and the difference between the grant price and nominal value of Equity Shares shall be towards share premium. Each Option when exercised would be converted into one Equity Share of ₹ 1/- each fully paid up.

2. Identification of classes of employees entitled to participate in the Scheme:

All permanent employees of the Company, but excluding the promoters of the Company or persons belonging to the promoter group, independent directors and directors who directly or indirectly holds more than 10% of the outstanding equity shares, as may be decided by the Compensation Committee from time to time, would be entitled to be granted stock options under the ESOP 2018. The Compensation Committee shall be entitled to make the Vesting of any or all of the Options granted to eligible employee(s) conditional upon fulfillment of such performance criteria whether of the Employee and/or any team or group of which he is a part and/or of the Company, as may be determined by the Compensation Committee or determine a Vesting schedule other than that specified hereinabove for any employee or class of employees

3. Transferability of employee Stock Options:

The Stock Options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death or permanent disability of an option holder while in employment, the right to exercise all the Options granted to him till such date shall be transferred to his/ her legal heirs or nominees.

4. Requirements of vesting and period of vesting, maximum period under which options can be vested:

The Options granted shall Vest so long as the employee continues to be in the employment of the Company. Options granted under the Scheme shall Vest not earlier than one year but not later a maximum of five years from the date of grant of such Options. In the case of employee(s) who has completed probation period of employment as on date of the grant of Options then the Options shall Vest to them on such terms and conditions as may be approved by the Compensation Committee. The Compensation Committee may decide in its absolute discretion the basis on which option granted shall vest in the Grantee.

5. Taxation:

The Company shall be entitled to recover from the employee any tax that may be levied upon or in relation to the Options (including but not limited to the Fringe Benefit Tax).

6. Exercise Period and the process of Exercise:

The exercise period would commence from the date of vesting and will expire on completion of a period of upto 2 (two) years from the date of vesting of the options. The Options shall become exercisable in part or in full within the overall exercise period permitted under the Scheme. The Options will be exercisable by the employees by a written application to the Company to exercise the Options accompanied by payment of an amount equivalent to the exercise price in respect of such Options, in such manner and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The Options will lapse if not exercised within the specified exercise period and these Options will be added to the stock inventory and available for grant by the Compensation Committee to any employee(s) as it may deem fit in its absolute discretion.

7. Appraisal process for determining the eligibility of the employees to ESOP:

The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee Which shall be conditional upon fulfillment of such performance criteria whether of the employee and/or any team or group of which he/she is a part and/or of the Company, as may be determined by the Compensation Committee.

8. Maximum number of options to be issued per employee and in aggregate:

The aggregate number of Options that may be granted under the Scheme shall not exceed 15,00,000 (Fifteen Lacs) Equity Shares of ₹ 1/- each. Further, the maximum number of Options that may be granted per eligible employee of the Company under the ESOP 2018, shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

9. Whether the scheme is to be implemented and administered directly by the company or through a trust:

The Board of Directors have proposed to offer the employees of the Company, an option to acquire the equity shares of the Company under the Scheme which shall be implemented and administered directly by the Company.

10. Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both;

The Equity Shares of the Company under the Scheme which shall be the new issue of shares by the Company.

11. The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.:

Not Applicable.

12. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Scheme:

Not Applicable.

13. Accounting Policies:

The Company shall comply with the disclosure and the accounting policies as specified in SEBI Guidelines.

14. Method of Valuation of the Options:

To calculate the employee compensation cost, the Company shall use the Fair Value Method for valuation of the Options granted.

15. Interpretation:

In the event of any ambiguity with regard to the implementation of any provision of the Scheme, interpretations given by the Compensation Committee as per the powers vested in them shall be final and binding on all the eligible employees.

The draft of the Scheme setting out the terms and conditions, is available for inspection of the members of the Company at its Registered Office between 10.00 a.m. to 5.00 p.m. on any working day of the Company upto the date of the 25th Annual General Meeting of the Company. Pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and as per the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, approval of members is required by way of Special Resolution. Hence, this resolution is placed before you for approval.

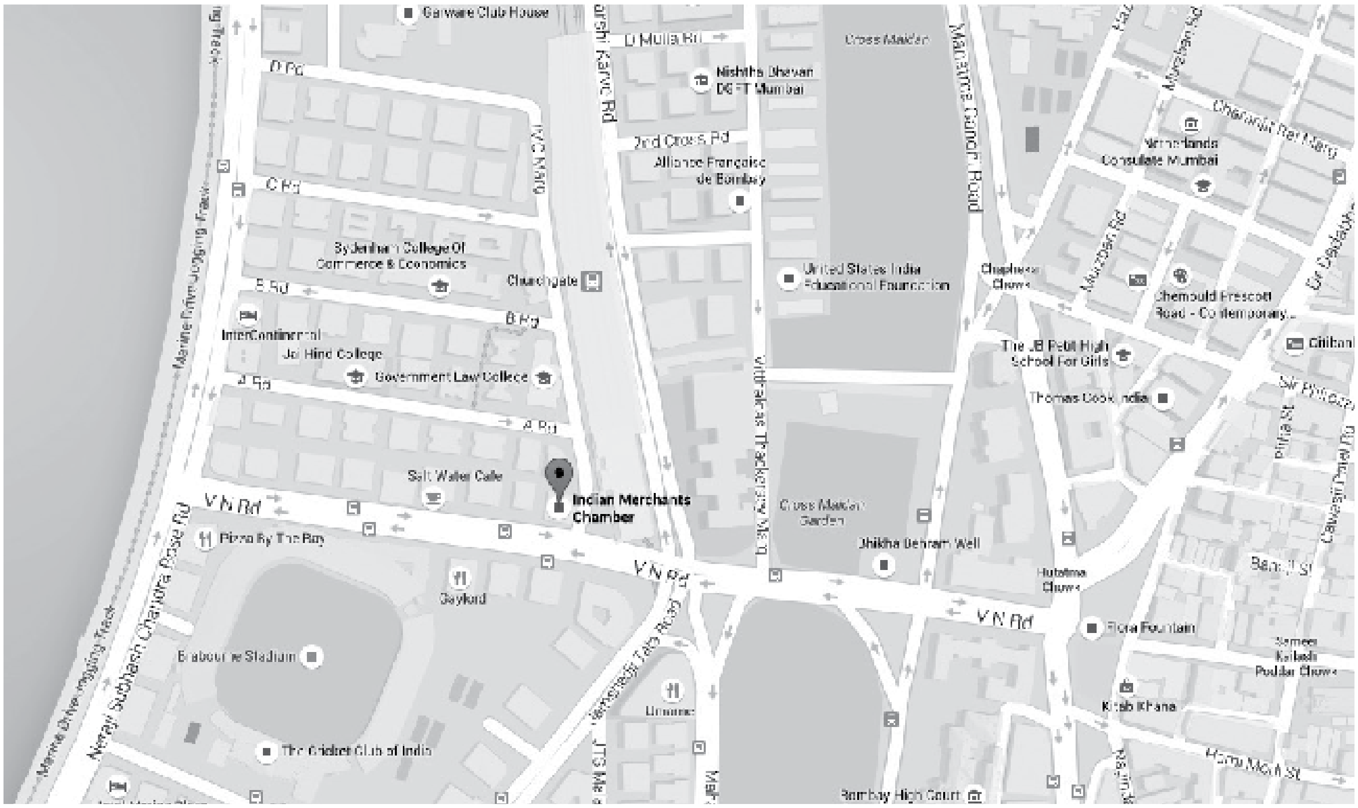
None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in the resolution except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the Special Resolution for your approval.

By Order of the Board
Rahul Sawale
Group Company Secretary

Place : Mumbai
Dated : 24th May, 2018

Route Map to the venue of the AGM



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 25th Annual Report and the Audited Financial Statements of Accounts for the financial year ended 31st March, 2018.

Standalone Financial Highlights of 2017 - 2018

- Net Sales and other income of the Company were ₹ 41,425.85 Lakhs as compared to ₹ 35,043.90 Lakhs in the previous year.
- Profit/(Loss) before tax was ₹ (1,806.91) Lakhs as compared to ₹ 10.70 Lakhs in the previous year.
- Profit/(Loss) after tax was ₹ (1,417.88) Lakhs as compared to ₹ (79.15) Lakhs in the previous year.

Standalone Financial Results

(₹ In Lakhs)

	2017 – 2018	2016 – 2017
Net Sales & Other Income	**41,425.85**	35,043.90
Profit / (Loss) before Interest & Depreciation	**1,498.09**	3,493.58
Interest	**2,398.85**	2,323.91
Depreciation	**906.15**	1,158.97
Profit/(Loss) before exceptional item and tax	**(1,806.91)**	10.70
Less : Exceptional Item	**-**	-
Less: Provision for Tax (Net)	**(389.03)**	89.85
Profit /(Loss) After Tax	**(1,417.88)**	(79.15)
Other Comprehensive Income net of tax	**12.43**	(10.19)
Total Comprehensive Income for the Year	**(1,405.45)**	(89.34)
Balance available for Appropriation		
Appropriations:		
Dividend paid	**-**	464.33
Corporate Dividend Tax	**-**	94.53
General Reserve	**-**	-
Balance Carried Forward	**5,633.14**	6,938.96

The revenue from operations (net) including other income on standalone basis increase to ₹ 41,425.85 lakhs as against ₹ 35,043.90 lakhs in the previous year. The revenues were higher by 18.21% on year on year basis. The subdued performance in the first three quarters affected the annual result. However, robust growth in blends has boost the revenues from the third quarter. Consequential adverse impact was seen on standalone results as loss after tax for the year ended 31st March, 2018 was ₹ 1,417. 88 lakhs as against loss after tax of ₹ 79.15 lacs in previous year, thereby a reduction in growth

Our results of operations on consolidated basis is as follows:

The revenue from operations (net) on consolidated basis including other income for the financial year ended 31st March, 2018 was ₹ 73,431.98 lakhs as against ₹ 56,137.97 lakhs in the previous year thereby registering a growth of 30.81% on year on year basis. The revenues were higher mainly due to addition of Vanillin Facility in July 2017 through acquisition of 51% stake in CFS Wanglong Flavours (Ningbo) Co. Ltd., China and robust growth in blends has boosted the revenues from the third quarter. Consolidated loss after tax was ₹ 2,397.22 lakhs as against loss after tax of ₹ 443.92 lakhs in previous year. Margins were impacted due to gestation losses (after tax) in CFS North America LLC of ₹ 7.49 Crores, CFS do Brasil Indústria, Comércio, Importação E Exportação De Aditivos Alimentícios Ltda of ₹ 5.23 Crores and CFS Europe S.p.A of ₹ 13.19 lakhs. CFS Europe S.p.A results subdued due to stabilisation issues of efficiency enhancement project. Further, the Euro:USD conversion has impacted the costs & revenues adversely.

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, aroma products 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. Your Company market its products globally including in Europe, Asia Pacific, India, South and Central America and North America.

In July 2017, your Company through its wholly owned step-down subsidiary viz. CFS Europe S.p.A. acquired 51% stake in CFS Wanglong Flavours (Ningbo) Co. Ltd. erstwhile Ningbo Wanglong Flavors and Fragrances Company Limited (Wanglong). Wanglong uses a patented process in its 3,500 sq.mt. dedicated facility in the coastal city of Yuyao, China. Your Company has built a robust manufacturing chain with complete traceability in Ravenna (Italy), Tarapur (India) and Yuyao (China) to produce vanillin from catechol. Today, your Company is one of the global leading vanillin producers and has boosted its presence in the world market catering to food, fragrances, pharmaceuticals, feed sectors etc.

In March 2018, CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda. our wholly owned subsidiary in Brazil has set-up separate entity named CFS Argentina S.A (CFS Argentina) to cater to the customers in Argentinian market. CFS Argentina developed antioxidant formulations for biodiesel producers with the goal to supply to all biodiesel markets. It has received "No Harm test and Relative Efficiency" certification for its two formulations/products from AGQM (Germany).

In April 2018, your Company has signed a joint venture contract with Pahang Pharma (S) Pte. Ltd., Singapore (Pahang) for incorporating a holding company, shareholding in the proportion of 51:49, named CFS Pahang Asia Pte. Ltd. in Singapore (hereinafter referred JV). The JV aims at research, development, production, trade and dealing in animal feed ingredients and products for Malaysia and other South Asian countries through its subsidiaries. Pahang's strong presence in ASEAN markets along with its technical expertise can bring-in synergy with Company's capabilities. The portfolio of complementing products gives customer access to a wide, reliable offering.

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 profits, your directors did not consider any dividend for the financial year 2017 - 2018.

The Company had transferred a sum of ₹ 2,11,674 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 2009 - 2010 with the Company for a period of 7 (seven) 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, 1,72,41,379 equity shares of face value ₹ 1 each of the Company (the "Equity Shares") at a price of ₹ 87.00 per Equity Share (including share premium of ₹ 86.00 per Equity Share) aggregating to ₹ 15,000.00 lakhs.

PREFERENTIAL WARRANTS

During the year under review, the Company allotted 90,00,000 warrants on preferential basis convertible in to one equity share of face value ₹ 1 each (the "Equity Shares") within a period of 18 (eighteen) months from the date of allotment of the warrants at a price of ₹ 92.69 per warrant including share premium of ₹ 91.69 per Equity Share) aggregating to ₹ 8,342.10 lakhs.

Employee Stock Option Scheme

During the year under review, the Company allotted 2,78,422 equity shares of ₹ 1/- each upon exercise of stock options by the eligible employees under the Camlin Fine Sciences Employee Stock Option Scheme of 2014.

The applicable disclosure as stipulated under SEBI Guidelines as at 31st March, 2018 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, 2018 were ₹ 4.10 Lakhs.

Subsidiaries

Your Company has the following overseas subsidiaries (including step down subsidiaries) as on March 31, 2018:

- **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.

- **CFS Argentina S.A.**

  In March 2018, CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda. our wholly owned subsidiary in Brazil has set-up separate entity named CFS Argentina S.A (CFS Argentina) to cater to the customers in Argentinian market.

- **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.**

  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.

- **Chemolutions Chemicals Limited (CCL)**

  A subsidiary in which the Company owns 94.08%. CCL inter alia deal 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.

- **CFS Wanglong Flavours (Ningbo) Co. Ltd.**

  In July 2017, your Company alongwith its wholly owned step-down subsidiary viz. CFS Europe S.p.A. acquired 51% stake in CFS Wanglong Flavours (Ningbo) Co. Ltd. erstwhile Ningbo Wanglong Flavors and Fragrances Company Limited (CFS Wanglong). CFS Wanglong uses a patented process in its 3,500 sq.mt. (approx.) dedicated facility in the coastal city of Yuyao, China to manufacture vanillin.

In April 2018, your Company has signed a joint venture contract with Pahang Pharma (S) Pte. Ltd., Singapore (Pahang) for incorporating a holding company, shareholding in the proportion of 51:49, named CFS Pahang Asia Pte. Ltd. in Singapore (hereinafter referred JV). The JV was incorporated on 09th April, 2018 which aims at research, development, production, trade and dealing in animal feed ingredients and products for Malaysia and other South Asian countries through its subsidiaries.

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 24th May, 2018 the copies of Audited/ Unaudited 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. Nirmal V. Momaya are retiring by rotation and being eligible offer themselves for reappointment. You are requested to appoint them.

As the present term of appointment of Mr. Ashish S. Dandekar, Managing Director, ends on 31st July, 2018, resolution for renewal of his appointment for the period 01st August, 2018 to 31st July, 2021 is being placed before the members for approval at the ensuing General Meeting.

The Board of Directors at its meeting held on 28th August, 2017 upon recommendation of the Nomination and Remuneration Committee appointed Ms. Anagha S. Dandekar, who is sister of Mr. Ashish S. Dandekar, Managing Director and Promoter, as additional director on the Board of Directors. The term of Ms. Anagha S. Dandekar shall expire at the ensuing 25th Annual General Meeting and it is proposed appointed her as Non-Executive Director on the Board of Directors. Being eligible and offering herself for appointment, resolution is being placed before the members for approval at the ensuing General Meeting.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 24th May, 2018 has approved the appointment of Mr. Arjun S. Dukane as the Executive Director for a period of 3 years w.e.f. 1st June, 2018. Being eligible and offering himself for appointment, resolution is being placed before the members for approval at the ensuing General Meeting.

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

During the year under review, 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. Further on 19th May, 2017, Mr. D. R. Puranik, Executive Director tendered his resignation from directorship on personal grounds. The Board took the note of the same and placed on record its appreciation for their services rendered during their tenure as Executive Director's.

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, 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 is 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 details in relation to 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, 2018, 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, 2018 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 8 (eight) Board Meetings and 6 (six) 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. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166), were appointed as statutory auditors of your Company at the Annual General Meeting held on 21st July, 2017 for a term of five consecutive years.

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”.

Pursuant to resignation of Ms. Leena Dandekar, Executive Director on 10th April, 2017, the seat of woman director on the Board of Directors was vacant. The Nomination and Remuneration Committee after reviewing the applications / recommendations and after review of the desired information seeked from the Company has on 28th August, 2017 recommended to the Board the appointment of Ms. Anagha S. Dandekar, as additional director on the Board of Directors.

The Board of Directors at its meeting held on 28th August, 2017 upon recommendation of the Nomination and Remuneration Committee appointed Ms. Anagha S. Dandekar, as additional director on the Board of Directors. Due to want of desired information for selection and recommendation process and further the availability of directors for conducting the meetings, time has been lapsed for the said appointment.

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 2017-18, the Company has spent entire amount of ₹ 45.50 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 accompanying Financial Statements.

Related Party Transactions

All Related Party Transactions that were entered into during the financial year were on an arm’s length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, 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 details of transaction with related parties are provided in the accompanying financial statements. 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

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, the Company's manufacturing unit situated at Plot D- 2/3, MIDC, Tarapur, District Palghar was been directed by the Regional Officer Maharashtra Pollution Control Board (MPCB) vide letter no. MPCB/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 MPCB vide letter no. MPCB/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, MIDC, Tarapur, District Palghar, Maharashtra with immediate effect.

Accordingly, the manufacturing activities were restarted and after 30 days of successful operations, the aforesaid unit was considered for regular restart by MPCB, with fresh conditions.

Other than above, there are 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.

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	**Ashish S. Dandekar**
Chairman	Managing Director

Place : Mumbai
Dated : 24th May, 2018

ANNEXURE A TO DIRECTORS' REPORT

DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATION, 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:

		ESOP - 2014
a	Options granted	19,38,000
b	Options outstanding at the beginning of the year	9,03,760
c	Exercise price	₹ 67/- & ₹ 96.75/-plus applicable taxes, as may be levied on the Company.
D	Option vested	19,38,000
E	Options exercised during the year	2,78,422
F	Total number of shares arising as a result of exercise of these options	2,78,422
G	Option lapsed/expired/ forfeited	41,350
G	Variation in terms of option	-
H	Money realized by exercise of these options	₹ 1,86,54,274
J	Employee-wise details of options granted to Key Managerial Personnel / Director /Senior Management	Mr. D. R. Puranik – 40000 Mr. A. S. Dukane – 40000 Mr. M. A. Jose – 40000 Mr. J Elias Ricardo Soto Carrillo – 300,000
	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
	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'.	(1.63)

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/reversed to the statement of profit and loss in respect of the options granted aggregated (₹ 4.39) lakhs (previous year ₹ 46.72 lakhs).

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 24th May, 2018

ANNEXURE B TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration 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 2018, generally 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, 2018 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, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   d. The Securities and Exchange Board of India (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,
   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 *except as to delay in appointment of Woman Director beyond time prescribed under the Act*.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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, consents of the members were accorded to the Board under section:

a. 14 of the Act for adoption of new set of Articles of Association at 24th Annual General Meeting held on 21st July, 2017.

b. 42 and 62 of the Act for Preferential issue of equity shares upto ₹ 250 crores under QIP basis at 24th Annual General Meeting held on 21st July, 2017.

c. 42 and 62 of the Act for allotment upto 90 Lakhs Warrants on Preferential Basis at 8th Extra Ordinary General Meeting held on 26th December, 2017.

For **JHR & Associates**
Company Secretaries

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

Place : Thane
Date : 24th May, 2018

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 2017-2018 is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper 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)
FCS: 4317, CP: 2520

Place : Thane
Date : 24th May, 2018

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 2017-18, the Company has spent ₹ 45.50 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.

   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. Abeezar E. Faizullabhoy – Chairman

   Mr. Dilip D. Dandekar – Member

   Mr. Ashish S. Dandekar – Member

3. **Average net profit of the company for last three financial years:** ₹ 2,274.55 Lakhs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹ 45.50 Lakhs

5. **Details of CSR spent during the financial year.**

   a) **Total amount to be spent for the financial year:** ₹ 45.50 Lakhs

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	**Project / Activity**	**Sector**	**State and district**	**Amount outlay (budget) (₹ In Lakhs)**	**Amount spent (₹ In Lakhs)**	**Cumulative expenditure (₹ In Lakhs)**	**Amount spent: Direct or through implementing agency**
1	Development support to people belonging to tribal backward class	Up-liftment Tribal Backward Class	Jashpur, Chattisgarh	9.45	9.45	-	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	6.35	6.35	-	Sangopita –A shelter for care, NGO started in 2003
3	Education, youth empowerment	Education and empowerment of economically backward groups	Mumbai, Maharashtra	14.70	14.70	-	Vivekanada Rock Memorial & Vivekenanda 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
	TOTAL			**45.50**	**45.50**	**-**	

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**

Ashish S. Dandekar	**Abeezar E. Faizullabhoy**	**Dilip D. Dandekar**
Managing Director	(Chairman CSR Committee)	Chairman

Place : Mumbai
Date : 24th May, 2018

ANNEXURE-D TO DIRECTORS' REPORT

PARTICULARS PURSUANT TOSECTION 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;

i. Steam Generation Equipment.

ii. Shift from Light Diesel Oil (LDO) to Furnace Oil (FO).

iii. Additional accessories to Boiler System

iv. 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; ₹ Nil.

(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

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

(iv) the expenditure incurred on Research and Development.

(₹ In Lakhs)

		2017-2018	2016-2017
4.	Expenditure on R&D		
a)	Capital	**13.10**	3.40
b)	Recurring	**188.15**	255.59
c)	Total	**201.25**	258.99
d)	Total R&D Expenditure as a Percentage of total turnover	**0.50%**	0.77 %

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

	2017 - 2018	2016-2017
Foreign exchange outgo	**22,286.02**	16,026.40
Foreign exchange earned	**30,949.69**	23,133.18

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 24th May, 2018

ANNEXURE E TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018
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 (The business activities contributing 10% or more of the total turnover of the Company)

Sr. No.	Name and Description of main Products /services	NIC Code of the Product /service	% to total turnover of the company
1.	BHA	29093090	17.93
2.	TBHQ	29072990	21.04
3.	GUAIACOL BULK	29095010	11.54

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. Add: Level 2, Max City Building, Remy Ollier street, Port-Louis, Mauritius	N.A.	Subsidiary	100%	2(87)
2.	CFS Europe S.p.A Add: 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. Add: 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. Add: 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. Add: 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) Add: 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, Add: 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. Add: 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)
7(d).	INOVEL, S.A.S., Add: 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., Add: Fabio Fiallo number 151, New City, Santo Domingo, National District, Dominican Republic	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
8.	CFS International Trading (Shanghai) Ltd. Add: Room 1610, 16th Floor, No. 158, Liu He Road. Shanghai, China	N.A.	Subsidiary	100%	2(87)
9.	Fine Lifestyle Brands Ltd. Add: 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. Add: 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)
11.	CFS Argentina S.A. Avenue Gaona number 2612 in the town of Ramos Mejia, La Matanza, Province of Buenos Aires, Argentina	N.A.	Step Down Subsidiary	95%	2(87)
12.	CFS Wanglong Flavours (Ningbo) Co. Ltd. No. 19 Langhai North Road, Xiaocao's Town, Yuyao City, Zhejiang Province, People's Republic of China	N.A.	Subsidiary	51%	2(87)
13	CFS Pahang Asia Pte. Ltd. 20 Maxwell Road, #09-17 Maxwell House, Singapore 069113 (Incorporated on 09/04/2018)	N.A.	Subsidiary	51%	2(87)

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

Category-wise Share Holding

Cate-gory 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
		Shareholding	% of Total Shares	Shareholding	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group2**					
(1)	**Indian**					
(a)	Individuals/H.U.F	3,18,29,719	30.69	1,63,13,350	13.46	(17.23)
(b)	Cental/State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	94,23,300	9.09	94,23,300	7.77	(1.31)
(d)	Financial Institutions/Banks	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-
	Sub-Total (A)(1)	**4,12,53,019**	**39.78**	**2,57,36,650**	**21.23**	**(18.55)**

Cate-gory 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
		Shareholding	% of Total Shares	Shareholding	% of Total Shares	
(2)	**Foreign**					
(a)	Non Resident Individuals/Foreign Nationals	11,72,800	1.13	13,40,800	1.11	(0.02)
(b)	Bodies Corporate	-	-	-	-	-
(c)	Institutions	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-
	Sub_Total (A)(2)	**11,72,800**	**1.13**	**13,40,800**	**1.11**	**(0.02)**
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**4,24,25,819**	**40.91**	**2,70,77,450**	**22.34**	**(18.57)**
(B)	**Public Shareholding3**					
(1)	**Institutions**					
(a)	Mutual Fund/UTI	47,46,221	4.58	2,21,77,532	18.29	13.72
(b)	Financial Institutions/Banks	1,18,840	0.11	2,42,401	0.20	0.09
(c)	Central/State Government(s)	-	-	4,80,230	0.40	0.40
(d)	Venture Capital Funds	-	-	-	-	-
(e)	Alternate Investment Funds	-	-	6,16,699	0.51	0.51
(f)	Insurance Companies	-	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-
(h)	Foreign portfolio - corp	78,37,010	7.56	34,16,318	2.82	(4.74)
	Sub-Total (B)(1)	**1,27,02,071**	**12.25**	**2,69,33,180**	**22.22**	**9.97**
(2)	**Non Institutions**					
(a)	Bodies Corporate	80,68,426	7.78	1,51,97,898	12.54	4.76
(b)	Individuals		-		-	
	i) Holding nominal share capital upto ₹ 1 lakh	2,52,87,083	24.38	3,89,08,322	32.09	7.71
	ii) Holding nominal share capital in excess of ₹ 1 lakh	1,31,46,713	12.68	81,40,182	6.71	(5.96)
(c)	Any Other(specify) Individual Non-Resident Individual		-		-	-
	Foreign National	50,700	0.05	44,900	0.04	(0.01)
	Foreign Portfolio - ind	-	-	17,00,057	1.40	1.40
	Non Resident Individuals (Non-Rep)	2,23,278	0.22	3,14,341	0.26	0.04
	Non Resident Individuals (Rep)	6,86,308	0.66	11,72,269	0.97	0.31
	Hindu Undivided Family	11,19,172	1.08	17,40,772	1.44	0.36
	Sub-Total (B)(2)	**4,85,81,680**	**46.84**	**6,72,18,741**	**55.45**	**8.60**
	Total Public shareholding (B)=(B)(1)+(B)(2)	**6,12,83,751**	**59.09**	**9,41,51,921**	**77.66**	**18.57**
	TOTAL (A)+(B)	**10,37,09,570**	**100.00**	**12,12,29,371**	**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)	**10,37,09,570**	**100.00**	**12,12,29,371**	**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	55,73,937	5.37	-	-	-	-	(5.37)
2	Ashish Subhash Dandekar	1,36,36,550	13.15	-	1,38,04,550	11.39	23,24,000	(1.76)
3	Cafco Consultants Limited	14,97,600	1.44	-	14,97,600	1.24	-	(0.21)
4	Camart Industries Ltd	53,19,360	5.13	-	53,19,360	4.39	-	(0.74)
5	D P Dandekar (HUF)	10,08,000	0.97	-	-	-	-	(0.97)
6	Leena Ashish Dandekar	36,96,495	3.56	-	-	-	-	(3.56)
7	Rajani Subhash Dandekar	5,24,800	0.51	-	5,24,800	0.43	-	(0.07)
8	S D Dandekar (HUF)	9,68,000	0.93	-	9,68,000	0.80	-	(0.13)
9	Subhash Digambar Dandekar	8,48,000	0.82	-	10,16,000	0.84	-	0.02
10	Vibha Agencies Pvt. Ltd.	26,06,340	2.51	-	26,06,340	2.15	-	(0.36)
11	Vivek A. Dandekar	55,73,937	5.37	-	-	-	-	(5.37)
12	Anagha S. Dandekar	11,72,800	1.13	-	13,40,800	1.11	-	(0.02)
TOTAL		**4,24,25,819**	**40.91**		**2,70,77,450**	**22.34**		**(18.57)**

Change in Promoters Shareholding (please specify, if there is no change)

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	1,36,36,550	11.25		
	Add : Partition of D P Dandekar (HUF)	1,68,000	0.14		
	At the end of the year			**1,38,04,550**	**11.39**
2	**Subhash D. Dandekar**				
	At the beginning of the year	8,48,000	0.70		
	Add : Partition of D P Dandekar (HUF)	1,68,000	0.14		
	At the end of the year			**10,16,000**	**0.84**
3	**Anagha S.Dandekar**				
	At the beginning of the year	11,72,800	0.97		
	Add : Partition of D P Dandekar (HUF)	1,68,000	0.14		
	At the end of the year			**13,40,800**	**1.11**
4	**Leena Dandekar**				
	At the beginning of the year	36,96,495	3.05		
	Less : Sale in open market	36,96,495	3.05		
	At the end of the year			**-**	**-**
5	**Abha Dandekar**				
	At the beginning of the year	55,73,937	4.60		
	Less : Sale in open market	55,73,937	4.60		
	At the end of the year			**-**	**-**

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
6	**Vivek Dandekar**				
	At the beginning of the year	55,73,937	4.60		
	Less : Sale in open market	55,73,937	4.60		
	At the end of the year			**-**	**-**
7	**D. P. Dandekar (Huf)**				
	At the beginning of the year	10,08,000	0.83		
	Less : dissolution of HUF	10,08,000	0.83		
	At the end of the year			**-**	**-**

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	**SBI MAGNUM MULTICAP FUND**				
	At the beginning of the year	-		-	-
	Purchase of Shares	34,81,905	2.87	34,81,905	2.87
	At the end of the year			**34,81,905**	**2.87**
2	**ICICI PRUDENTIAL MIDCAP FUND**			**-**	**-**
	At the beginning of the year	3370947	2.78	33,70,947	2.78
	At the end of the year			**33,70,947**	**2.78**
3	**ICICI Prudential Multicap Fund**				
	At the beginning of the year	-		-	-
	Purchase of Shares	18,58,200	1.53	18,58,200	1.53
	At the end of the year			**18,58,200**	**1.53**
4	**VANAJA SUNDAR IYER**				
	At the beginning of the year	-		-	-
	Purchase of Shares	2600000	2.14	26,00,000	2.14
	At the end of the year			**26,00,000**	**2.14**
5	**CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMPANY LTD**				
	At the beginning of the year	-		-	-
	Purchase of Shares	24,51,683	2.02	24,51,683	2.02
	At the end of the year			**24,51,683**	**2.02**

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
6	**SBI SMALL AND MIDCAP FUND**				
	At the beginning of the year	-		-	-
	Purchase of Shares	23,00,000	1.90	23,00,000	1.90
	At the end of the year			**23,00,000**	**1.90**
7	**SBI MAGNUM COMMA FUND**				
	At the beginning of the year	-		-	-
	Purchase of Shares	1905628	1.57	19,05,628	1.57
	At the end of the year			**19,05,628**	**1.57**
8	**SBI MAGNUM MULTIPLIER FUND**				
	At the beginning of the year	-		-	-
	Purchase of Shares	18,73,563	1.55	18,73,563	1.55
	At the end of the year			**18,73,563**	**1.55**
9	**URJITA J MASTER**				
	At the beginning of the year	9,40,000		9,40,000	0.78
	Purchase of Shares	5,44,500	0.45	14,84,500	1.22
	At the end of the year			**14,84,500**	**1.22**
10	**MORGAN STANLEY (FRANCE) S.A.**				
	At the beginning of the year	-		-	-
	Purchase of Shares	14,00,057	1.15	14,00,057	1.15
	At the end of the year			**14,00,057**	**1.15**

Shareholding of Directors and Key Managerial Personnel

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	Mr. Ashish S. Dandekar				
	At the beginning of the year	1,36,36,550	11.25	1,36,36,550	11.25
	Partition of D P Dandekar (HUF)	1,68,000	0.14	1,38,04,550	11.39
	At the end of the year			**1,38,04,550**	**11.39**
2	Mr. Dilip D. Dandekar				
	At the beginning of the year	14,27,120	1.18	14,27,120	1.18
	At the end of the year			**14,27,120**	**1.18**
3	Mr. Pramod M. Sapre				
	At the beginning of the year	1,84,990	0.15	1,84,990	0.15
	At the end of the year			**1,84,990**	**0.15**

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
4	Mr. Abeezar E Faizullabhoy				
	At the beginning of the year	1,63,000	0.13	1,63,000	0.13
	At the end of the year			1,63,000	0.13
5	Mr. Sharad M Kulkarni				
	At the beginning of the year	1,61,400	0.13	1,61,400	0.13
	At the end of the year			1,61,400	0.13
6	Mr. Bhargav A Patel				
	At the beginning of the year	1,50,000	0.12	1,50,000	0.12
	At the end of the year			1,50,000	0.12
7	Mr. Atul R. Pradhan				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
8	Mr. Nicola A. Paglietti				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
9	Mr. Nirmal V. Momaya				
	At the beginning of the year	36,01,520	2.97	36,01,520	2.97
	At the end of the year			36,01,520	2.97
10	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
11	Ms. Anagha S. Dandekar				
	At the beginning of the year	11,72,800	0.97	11,72,800	0.97
	Partition of D P Dandekar (HUF)	1,68,000	0.14	13,40,800	1.11
	At the end of the year			13,40,800	1.11
12	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
13	Mr. Rahul D. Sawale				
	At the beginning of the year	-	-	-	-
	ESOP	10,000	0.01	10,000	0.01
	At the end of the year			10,000	0.01

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	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
Change in Indebtedness during the financial year				
* Addition	730.00	-	-	730.00
* Reduction	2,222.95	-	-	2,222.95
Net Change	(1,492.95)	-	-	(1,492.95)
Indebtedness at the end of the financial year				
i) Principal Amount	21,829.85	-	-	21,829.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	67.44	-	-	67.44
Total (i+ii+iii)	**21,897.29**	**-**	**-**	**21,897.29**

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	112.46	1.32	8.05	121.83
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	54.10	-	0.80	54.90
	(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)	18.91	0.23	-	19.14
	Total (A)	185.47	1.55	8.85	195.87
	Ceiling as per the Act				

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

*Mr. D. R. Puranik resigned w.e.f. 19th May, 2017.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		P. M. Sapre	S. M. Kulkarni	A. E. Faizullabhoy	B. A. Patel	N. A. Paglietti	A. R. Pradhan	
1	Independent Directors							
	Fee for attending board/ committee meetings	14.15	15.50	11.95	11.75	3.25	8.25	64.85
	Commission							
	Others, please specify	-	-	-	-	-	-	
	Total (1)	14.15	15.50	11.95	11.75	3.25	8.25	64.85
2	**Other Non-Executive Directors**	**A. S. Deshmukh**	**N. V. Momaya**	**D. D. Dandekar**	**Anagha S. Dandekar@**			
	Fee for attending board/ committee meetings	6.00	7.00	9.35	2.00			24.35
	Commission			-				
	Others, please specify Remuneration	-	-	32.40				32.40
	Total (2)	**6.00**	**7.00**	**41.75**	**2.00**			**56.75**
	Total (B)=(1+2)							**121.60**
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							

@ Appointed as Additional Director w.e.f. 28th August, 2017

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

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	-	14.24	38.08	52.32
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	6.85	2.84	9.69
	(c) Profits in lieu of salary under Section 17(3) Income - tax Act, 1961			-	
2	Stock Option*		10,000	-	10,000
3	Sweat Equity			-	
4	Commission – as% of profit – others, specify				
5	Others, please specify (contribution to PF/Gratuity / Superannuation)		1.23	2.98	4.21
	Total		**22.32**	**43.90**	**66.22**

* 10,000 stock options exercised at ₹ 67 per option.

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

Place : Mumbai
Dated : 24th May, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

The Company's (sometimes referred to as "CFS") strategy of moving closer to the customers is a conscious endeavor by understanding local needs, providing them with reliable products, and enhancing customer service across sectors. Despite several challenges in FY2017-18, CFS was aligned to its business growth goals.

A glimpse of CFS operations in India and other regions in FY2017-18 stated below:

A. Shelf life Solutions:

Food:

With a considerable amount of time invested with customers on increasing awareness on the need for shelf life enhancement have helped the business to cater to appropriate solutions in the Indian market. It showed a modest and steady gain in sale of antioxidants for oils and fats industry.

During the year, CFS expanded its product offering to address the market needs for enhancing shelf life to segments such as oils, fats, bakery, snack foods, beverages, noodles, spices and seasonings etc. The Shelf Life Solutions business in India has shown remarkable growth in FY2017-18 with more than 80% growth compared to FY2016-17. Using Company's core strength of technical expertise, global shelf life solutions experience and support from its state-of-the-art application laboratory has helped in the development of new products and contributed to this substantial growth. CFS will continue its efforts to strengthen the relationship with these industries.

With in-depth understanding of the Shelf Life Solutions business and using technical knowledge, the Company extended its markets to other geographies such as ASEAN (Association of Southeast Asian Nations) and Middle East countries. It also focuses on expanding to other food sectors such as edible oils, processed food and snack foods. The growth is expected to continue in the coming years with focus on expanding customer base and increasing market share. The Shelf Life Solutions business in India, Rest of Asia and Middle East market together showed more than 40% growth in volumes and value and is expected to grow at a similar rate in FY2018-19.

Animal Nutrition:

In FY2017-18, the Company expanded its India Shelf Life Solutions business with the launch of Animal Nutrition portfolio. Using technical expertise and the concept of improving Feed Conversion Ratio [a measure of how well a species convert feed intake into live weight], CFS focused on providing quality nutrition, feed safety, disease control and to better animal performance.

In April 2018, CFS signed a Joint Venture Contract with Pahang Pharma (S) Pte. Ltd., Singapore (Pahang) for incorporating a holding company, shareholding in the proportion of 51:49, named CFS Pahang Asia Pte. Ltd. in Singapore (hereinafter referred JV). The JV aims at research, development, production, trade and dealing in animal feed ingredients and products for Malaysia and other South Asian countries through its subsidiaries. Pahang's strong presence in ASEAN markets along with its technical expertise can bring-in synergy with CFS' capabilities. The portfolio of complementing products gives customer access to a wide, reliable offering.

Continuous improvement projects were conducted to add value to customer's business, to enhance their trust and satisfaction. The Company looked at sourcing reliable suppliers, quality, cost-effective raw materials and ingredients, testing protocols for evaluating shelf life of food and feed samples, performance studies, application support, etc.

B. AROMA INGREDIENTS

The food and flavour segment is consistently and steadily growing. Customers favour catechol route of manufacturing over ONCB route for its nature-identical vanilla flavour i.e. vanillin. It follows an environment -friendly, clean method of producing vanillin. CFS adheres to global standards of safety and quality; most trusted by the food and flavour industry. Today, CFS is one of the global leading vanillin producers and has boosted its presence in the world market catering to food, fragrances, pharmaceuticals, feed sectors etc.

In July 2017, CFS acquired 51% stake in erstwhile Ningbo Wanglong Flavors and Fragrances Company Limited now CFS Wanglong Flavours (Ningbo) Co. Ltd. (Wanglong). Wanglong uses a patented process in its 3,500 sq.m (approx.) dedicated facility in the coastal city of Yuyao, China. CFS has built a robust manufacturing chain with complete traceability in Ravenna (Italy), Tarapur (India) and Yuyao (China) to produce vanillin from catechol. CFS recommenced its vanillin production in September 2018 and scaled-up the capacity. CFS' robust manufacturing chain can provide greater control with assurance of product stability, its steady supply with complete traceability.

The Company's vertical integrated platform boosted the development and production of aroma chemicals for fragrance applications. It has helped to widen its offering to fragrance customers. New R&D projects for specialty chemical products for flavours, fragrances, & allied industries are under development.

C. PERFORMANCE CHEMICALS

During FY2017-18, the Performance Chemicals division focused on deeper market penetration, bringing business growth in existing and newer geographies. The Performance Chemicals business developed customers for newer applications in Pigments & Dyes, Polyurethanes and Agrochemicals industries with growth in volumes compared to FY2016-17. The production capacity for Guaiacol was increased to cater to its vanillin requirement. Overall the business brought a value growth of 38.24%.

Lockheed Martin (LM), a global security and aerospace company headquartered in the United States of America, is engaged in the research, design, development, manufacture, integration and sustainment of Advanced Energy Storage technology. CFS has entered into a long term preferred supply agreement for supply of a specialty chemical, which is required for its energy solution, has now progressed from pilot-to-commercial scale.

II. CFS Subsidiaries:

CFS' global shelf life solutions business focuses on food sectors viz. Fats & Oils, Bakery, Sauces & Dressings, Spices & Seasonings, Meat & Poultry, Snacks & Nuts, etc. The thriving food antioxidants market provides considerable growth opportunities across sectors. As the world's leading vertically integrated producer of TBHQ and BHA, it is well positioned to provide shelf life products to these food sectors. CFS has expanded its shelf life solutions business into other segments such as petfood, rendering, biodiesel, aquaculture, animal nutrition etc., across Asia, Europe, US, Central and South America. Today, CFS delivers not only reliable products but also offers technical solutions in a competitive landscape.

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

Food market for CFS do Brasil had been highly competitive especially with antioxidant straights like TBHQ. It forayed into the market with its traditional and natural antioxidant blends which opened the doors to a wide range of food sectors. In FY2017-18, its strong technical capabilities has won more than 60% of antioxidant business from a key oil producer. CFS do Brasil is very optimistic about creating a sizeable business with both traditional and natural shelf life solutions covering the entire Latin America market in FY2018 – 19.

Brazil is one of the biggest producers of petfood. In the last three years, the market has observed some changes with large petfood brands moving to a "natural" claim. It has allowed CFS to show its expertise to offer and deliver new antioxidant solutions. With enhanced shelf life requirement by the petfood industry, CFS bundled other line of additives for the petfood market in Brazil. During the year, it expanded in other Latin American market to provide solutions for petfood and rendering industry. The recent suspension of Ethoxyquin gave opportunity to present appropriate alternative Shelf Life Solutions. CFS do Brasil was nimble enough to develop and offer solutions that could add more stability to customer's products.

The road ahead is positive for biodiesel industry. Argentina manages to produce biodiesel of excellent quality at a very competitive price and its exports to other continents. It is possible due to foreign investors and large capacity plants located strategically in the most productive ports of the country. Fortunately, the big news for the market arrived when flows from Argentina to EU market resumed in September 2017 following the reduction of antidumping duties. In March 2018, the CFS do Brasil has incorporated a separate entity named CFS Argentina S.A to cater to the customers in Argentinian market.

CFS Argentina developed Xtendra antioxidant formulations for biodiesel producers with the goal to supply to all biodiesel markets. The Company received "No Harm test and Relative Efficiency" certification for its two formulations/products from AGQM (Germany). CFS do Brasil has tapped potential producers of Biodiesel and aims to get substantial market share from both Brazil and Argentina with the priority to get a good price and performance ratio.

Overall, CFS do Brasil focuses on improving brand visibility, providing quality products, ensuring customer service and a sound distribution network with its growing presence in South America.

CFS NORTH AMERICA, LLC (CFS America)

The trend in US continues for consumers opting to shun selective food additives such as synthetic colors, preservatives, stabilizers and emulsifiers, even though there are no evidence of these ingredients provoking any health concerns. While the use of synthetic antioxidants in the U.S. remains much larger than natural, the growth of these ingredients has slowed compared to natural alternatives. CFS America provides several natural alternatives under NaSure brand along with traditional antioxidants. Using our technical strength, CFS America conducted studies in its state-of-the art application laboratory that can support its efforts to penetrate other food sectors such as meat & poultry, snack foods, with new products in the coming year.

Petfood or Rendering is a mature market with the number of North American pet owners remaining unchanged in recent years. However, pet owner demographics are changing and the growth in this market is being driven by humanization and premiumization trends. The U.S. petfood market primarily uses natural antioxidants and CFS America is well poised to offer these products. It has expanded its laboratory capabilities that allows more effective and efficient responses to the needs of North American pet food customers. Additionally, alternative pet food forms have emerged. It has completed a year long study with a leading university that evaluated the need for antioxidants in the new alternative pet food forms. This technical report will support CFS America's efforts to penetrate this rapidly growing petfood market in the FY2018-19.

CFS America launched its Animal Nutrition portfolio in mid 2017-18. It has identified distributors for feed ingredient product lines. It will continue to build on this support system in many parts of the U.S in FY2018-19. With reduction in use of antibiotics and in some cases total elimination, allowed the market to explode with new products. The animal feed market is a potential area for CFS America in FY2018-19.

DRESEN QUIMICA S.A.P.I. DE C.V (CFS DRESEN)

CFS Dresen is a reputed player in the Mexico and Central America region and has been able to position itself as a trusted partner by offering customers with effective products, technical solutions, competitive pricing, customer support and on-time delivery. This combined package as a marketer reflected in its 30% growth in total sales over last year.

With acquisition of 65% stake in Dresen Quimica S.A.P.I de CV in May 2016 strengthened CFS' Animal Nutrition portfolio. Using Dresen's knowledge and technical know-how, it worked on development of products for the livestock in collaboration with other CFS subsidiaries to expand the portfolio in different markets. CFS Dresen will focus on expanding its customer base by adding new customers to grow the businesses, while continuing its efforts to maintain relationship with existing customers. CFS Dresen further focuses on expanding its business in Gautemala, Peru, Colombia and the Caribbean islands.

CFS Dresen's continuous participation in exhibitions and other promotional activities has given a boost to project the global vision of the company. In FY2018-19, it aims to be a trusted provider for food and feed industries.

CFS EUROPE SpA (CFS Europe)

Sale and Distribution of some of the key catechol downstream products has been in line with CFS Europe's goal. FY2017-18 opened up distribution channels for Guethol. Continuous improvement programs to improve efficiencies were undertaken. The Company sees a huge potential for its overall Performance Chemicals business in FY2018-19.

CFS Europe is constructing its blending plant (dry and liquid products) and R&D laboratory closer to its diphenol plant at Ravenna, Italy. The work for setting-up an administrative office and warehousing facility in the same premises is completed. It aims to begin its operations in this financial year with necessary certifications in place.

CFS Europe has begun its new business development activities for shelf life solutions business in food and animal nutrition sectors. Significant portion of efforts would be on new business development projects, to provide technical expertise and quality products to cater to the market needs in FY2018-19.

NEW PROJECT AT SEZ DAHEJ, GUJARAT FOR HYDROQUINONE AND CATECHOL MANUFACTURING

The diphenol manufacturing facility for Hydroquinone and Catechol at Dahej is progressing. The estimated timeline for the completion of plant construction is Q4 of FY2018-19.

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 and approaches it intelligently to reap its rewards and accelerate growth. The Company's expansion strategy includes expansion into various countries around the world. It is the de-risking ability of the Company which makes the difference.

In international markets, the risk associated with currency fluctuation has been mitigated by effective forex management along with judicial use of natural hedge provided by exports against its imports in view of the Company being the net exporter on the currency front.

As regards inflationary pressures and its impacts on the cost of manufacturing gets 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.

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, Mexico and the US.

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

FINANCIAL PERFORMANCE REVIEW:

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

(₹ In Lakhs)

	2017 – 2018	2016 – 2017
Net Sales & Other Income	**41,425.85**	35,043.90
Profit / (Loss) before Interest & Depreciation	**1,498.09**	3,493.58
Interest	**2,398.85**	2,323.91
Depreciation	**906.15**	1,158.97
Profit/(Loss) before exceptional item and tax	**(1,806.91)**	10.70
Less : Exceptional Item	**-**	-
Less: Provision for Tax (Net)	**(389.03)**	89.85
Profit /(Loss) After Tax	**(1,417.88)**	(79.15)
Other Comprehensive Income net of tax	**12.43**	(10.19)
Total Comprehensive Income for the Year	**(1,405.45)**	(89.34)
Balance available for Appropriation		
Appropriations:		
Dividend paid	**-**	464.33
Corporate Dividend Tax	**-**	94.53
General Reserve	**-**	-
Balance Carried Forward	**5,633.14**	6,938.96

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.

CORPORATE SOCIAL RESPONSIBILITY

Food waste is a global sustainability issue that needs to be addressed. When customers buy from CFS, they are looking for more than high-quality and reliable products. That's where the Company plays a vital role in bringing food sustainability by reducing food loss in the manufacturing chain. CFS has identified food segments that need shelf life enhancement and would be working on collaborative application projects to support the cause. It is a conscious effort to reduce food loss and its scarcity; preparing humans for a better future.

As a Corporate, CFS is accountable for effecting social change with its business practices and profits. The Company believes that corporates have the power to solve social issues and bring-in a difference. CFS' involvement in development projects such as environment, healthcare, child education in different states of India helped people to attain a sense of belongingness, to be more self-dependent, and live their life with dignity. CFS has been continuously supporting Shushrusha Citizen's Co-Operative Hospital Limited, Akhil Bhartiya Vanvasi Kalyan Ashram, Sangopita-A Shelter For Care and Vivekananda Kendra in their endeavor to improve quality of life and sustain humanity. During the Financial Year 2017-18, the Company has spent ₹ 45.50 Lacs towards CSR activities.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Employees are face of an organization to its customers. The Company emphasizes on more sensitive approach towards both business and people. It encourages employees to adopt ethical, responsible and transparent practices.

CFS cares for employee wellbeing. With the business spread across internationally, the Company is highly conscious and supports employee and their family's wellness. It's about 'one worry less' in their lives so that it makes them more focused on their jobs and feel secured.

Rapid changes in the increased pace of urbanization have left employees trying hard to pull work-life balance especially with the Company having significant number of women employees. With introduction of flexible working hours, employees face less stress of commute, better time management, provides conducive work environment, reduced absenteeism and made people more involved at work. The Company also believes in giving opportunities for professional and personal growth by handing over responsibilities, giving liberty for decision-making, developing ownership to nurture talent and shape young leaders.

The Company empowers employees with training programmes on introducing newer systems and technology, preparing them for the change. As on 31st March 2018, the Company has 309 permanent employees.

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 24th May, 2018

REPORT ON CORPORATE GOVERNANACE

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, 2018.

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 Chairman	NED	8	12	Yes	Nil	Nil
Mr. Ashish S. Dandekar Managing Director	ED / Promoter	8	8	Yes	Nil	Nil
Mr. Pramod M. Sapre	NED (I)	7	1	Yes	Nil	Nil
Mr. Sharad M. Kulkarni	NED (I)	8	6	Yes	3	3
Mr. Abeezar E. Faizullabhoy	NED (I)	6	3	Yes	Nil	Nil
Mr. Bhargav A. Patel	NED (I)	6	7	Yes	Nil	1
Mr. Nirmal V. Momaya	NED	7	11	Yes	Nil	Nil
Mr. Atul R. Pradhan	NED (I)	8	3	Yes	Nil	Nil
Mr. Nicola A. Paglietti	NED (I)	3	-	Yes	Nil	Nil
Mr. Ajit S. Deshmukh	NED	6	4	Yes	Nil	Nil
Ms. Anagha S. Dandekar*	NED	2	-	No	Nil	Nil
Ms. Leena Dandekar**	ED/Promoter Group	-	-	No	Nil	Nil
Mr. Dattatraya R. Puranik#	ED	2	2	Yes##	Nil	Nil

*Appointment effective from 28th August, 2017.

**Resignation effective from 10th April, 2017.

Resigned w.e.f. 19th May, 2017.

Attended the meeting in the position of Corporate Advisor (as an invitee) and as a Shareholder.

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 and Ms. Anagha S. Dandekar. Also, Mr. Ashish S. Dandekar is brother of Ms. Anagha 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 2017-2018, 8 (eight) Board Meetings were held on the following dates:

Sr. No.	Date	Board Strength	No. of Directors Present
1	20th April, 2017	11	10
2	19th May, 2017	11	9
3	21st July, 2017	10	9
4	28th August, 2017	11	7
5	1st November, 2017	11	10
6	29th November, 2017	11	8
7	26th December, 2017	11	6
8	14th February, 2018	11	11

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/APPOINTED:

(A) Mr. Ajit Shamrao Deshmukh

Mr. Ajit Shamrao Deshmukh possess over 23 years' experience in management and leadership of IT and Investment Banking Industry.

Mr. Deshmukh aged 49 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	Aarav Fragrances and Flavors Private Limited
2	Wizarth Advisors Private Limited
3	igrenEnergi Services Private Limited
4	Equirus Digital Pvt. Ltd.
5	IGE Patrons Software LLP

(B) Mr. Nirmal Vinod Momaya

Mr. Nirmal Vinod Momaya possess over 25 years of professional experience in finance, taxation, audit and management consultancy.

Mr. Momaya aged 51 years, holds Bachelor's degree in Commerce and is a Chartered Accountant.

Mr. Momaya is a founder of "Pagoda Advisors Pvt. Ltd." with a focus on consulting for various businesses. Pagoda Advisors is being involved in several consulting assignments for various businesses like quick service restaurants, FMCG, Pharmaceuticals, Weight Loss & Health Centre's, Chemicals, Engineering, Infrastructure, Bio medical Waste treatment, Real Estate, Agriculture and Luxury Retail. The said Company is also advising your Company on important business and strategic matters since 2009.

He is director in the following Companies/LLP:

Sr. No.	Names of the Companies
1	Smokin Joes Pizza Pvt. Ltd.
2	Smokin Lees Restaurants Pvt. Ltd.
3	Ashar Locker (India) Pvt. Ltd.
4	Fine Lifestyle Brands Ltd.
5	Fine Lifestyle Solutions Ltd.
6	Abana Medisys Pvt. Ltd.
7	Fine Renewable Energy Ltd.
9	Payce Business Solutions Pvt. Ltd.
10	MJ Medical Devices Private Limited
11	Capital Foods Pvt. Ltd.
13	CFS Europe S.p.A
16	Varuna D Jani Brand Holdings Pvt. Ltd.
17	Hod Innovation Labs Pvt. Ltd.
18	Dresen Quimica SAPI De C.V.
19	CFS International Trading (Shanghai) ltd
20	CFS Wanglong Flavours (Ningbo) Co., Ltd.

(C) Mr. Ashish Subhash Dandekar

Mr. Ashish Subhash Dandekar aged 54 years, has done his B. A. in Economics and Management Studies from Temple University, USA. He has wide experience of 30 years in the field of Pharmaceuticals and Fine Chemical Products including Business Planning, Information Systems, Research & Development, Product Development and Marketing.

He is a director in the following Companies:

Sr. No.	Names of the Companies
1	Camart Finance Ltd.
2	Fine Lifestyle Brands Ltd.
3	Fine Lifestyle Solutions Ltd.
4	Vibha Agencies Pvt. Ltd.
5	Focussed Event Management Pvt. Ltd
6	Abana Medisys Pvt. Ltd.
7	Payce Business Solutions Pvt. Ltd.
8	CFCL Mauritius Pvt. Ltd.
9	CFS Europe S.P.A.
10	Dresen Quimica SAPI De C.V.
11	Solentus North America Inc.
12	CFS Antioxidants De Mexico, S.A. De CV
13	CFS International Trading (Shanghai) ltd.
14	CFS Wanglong Flavours (Ningbo) Co., Ltd.
15	MK Falcon Agrotech Pvt. Ltd.

(D) Ms. Anagha Subhash Dandekar

Ms. Anagha Subhash Dandekar aged 51 years is MBA in Finance from the University of South Carolina, USA. She is President and co-founder of Hardware Renaissance, a manufacturer of high end, hand crafted door hardware and accessories.

She is a director in the following Companies:

Sr. No.	Names of the Companies/Bodies Corporate
1	Hardware Renaissance
2	DHC Corporation

(E) Mr. Arjun Sudhakar Dukane

Mr. Arjun Sudhakar Dukane aged 51 years, is a Chemical Engineer (Diploma). He has an overall experience of 31 years in the Chemical Industry out of which he has been associated with the Company for about last 12 years.

He is director in the following Companies:

Sr. No.	Names of the Companies/Bodies Corporate
1	Chemolutions Chemicals Limited
2	Naiknavare Chemicals 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 originally 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 2017-2018, 6 (six) meetings of the Audit Committee were held on the 20th April, 2017, 19th May, 2017, 28th August, 2017, 1st November, 2017, 29th November, 2017 and 14th February, 2018.

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)	6
Mr. Pramod M. Sapre	Member	NED (I)	5
Mr. Abeezar E. Faizullabhoy	Member	NED (I)	5
Mr. Bhargav A Patel	Member	NED (I)	5

The Audit Committee meetings were attended by the Non-Executive Chairman, Independent Directors, the Managing Director and the Chief Financial Officer. The representatives of the Internal Auditor, 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, interalia 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 alongwith rules made thereunder. Besides, in additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power interalia, 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 2017-2018, 4 (four) meetings of the Committee was held on the 19th May, 2017, 21st July, 2017, 28th August, 2017 and 26th December, 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)	3
Mr. Sharad M. Kulkarni	Member	NED (I)	4
Mr. Abeezar E. Faizullabhoy	Member	NED (I)	2
Mr. Bhargav A. Patel	Member	NED (I)	2

Terms of reference:

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

a. 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;

b. Formulation of criteria for evaluation of Independent Directors and the Board;

c. Devising a policy on Board diversity;

d. 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, 2018:

(₹ In Lacs)

Name	Salary	Perquisites #	Commission	Contribution to P.F. and Other Funds	Total
Mr. Ashish S. Dandekar	112.46	54.10	-	18.91	185.47

#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. Re-appointment of Mr. Ashish S. Dandekar is proposed at the ensuing Annual General Meeting.

(B) EXECUTIVE DIRECTOR

Following is the Remuneration details of the Executive Director for the financial year ended 31st March, 2018:

(₹ In Lacs)

Name	Salary	Perquisites #	Contribution to P.F. and Other Funds	Total
Ms. Leena Dandekar	1.32	-	0.23	1.55

#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, 2018:

(₹ In Lacs)

Name	Salary	Commission	Perquisites #	Total
Mr. Dattatraya R. Puranik	8.05	-	0.80	8.85

#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 was entered into with the 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 2017-2018, the Company has paid remuneration (excluding sitting fees) to Mr. Dilip D. Dandekar. The detail of payment is given below:

(₹ In Lacs)

Name	Category	Amount Paid
Mr. Dilip D. Dandekar	NED	32.40

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 2017-18. The details of remuneration (including sitting fees, salaries, arrears, commission and perquisites) of the existing Non-Executive Directors during the year 2017-2018 are given below:

(₹ In Lacs)

Name	Category	Commission / Remuneration	Sitting Fees	Total
Mr. Dilip D. Dandekar	NED (Chairman)	32.40	9.35	41.75
Mr. Sharad M. Kulkarni	NED (I)	-	15.50	15.50
Mr. Pramod M. Sapre	NED (I)	-	14.15	14.15
Mr. Abeezar E. Faizullabhoy	NED (I)	-	11.95	11.95
Mr. Bhargav A. Patel	NED (I)	-	11.75	11.75
Mr. Nirmal V. Momaya	NED	-	7.00	7.00
Mr. Atul R. Pradhan	NED (I)	-	8.25	8.25
Mr. Nicola A. Paglietti	NED (I)	-	3.25	3.25
Mr. Ajit S. Deshmukh	NED	-	6.00	6.00
Ms. Anagha S. Dandekar	NED	-	2.00	2.00

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

Details of Shareholding of Present Non-Executive Director/Independent Directors as on 31st March, 2018.

Presents Directors Name	Shares held
Mr. Dilip D. Dandekar	15,53,120
Mr. Pramod M. Sapre	1,84,990
Mr. Sharad M. Kulkarni	1,61,400
Mr. Abeezar E. Faizullabhoy	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
Ms. Anagha S. Dandekar	13,40,800

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 2017-2018 one (1) meeting was held on 14th February, 2018.

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. Abeezar E. Faizullabhoy	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 SCORES website www.scores.gov.in/Admin and both were solved to the satisfaction of the shareholders.

d) COMPENSATION COMMITTEE:

Composition, meeting and the attendance during the year

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

During the financial year 2017-2018 1 (one) meeting was held on 26th December, 2017.

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. Abeezar 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.

e) 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 2017-2018 1 (one) meeting was held on 14th February, 2018.

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. Abeezar 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:

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy;

b. Recommend the amount of expenditure to be incurred on the CSR activities to the Board;

c. Monitor the Corporate Social Responsibility Policy of the company from time to time.

4. 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 2017-2018 1 (one) meeting was held on 14th February, 2018.

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

a. Review the performance of Non-Independent Directors and the Board as a whole;

b. Review the performance of the Chairperson of the Company, taking into account the views of Executive directors and Non-executive Directors;

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

5. 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
2016-2017	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400020.	21st July, 2017 at 3.30 p.m.
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.

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 and 2 (two) Special Resolutions were passed at the 24th Annual General Meeting for FY 2016-17.

Further, the 8th Extra-ordinary General Meeting of the members was held on 26th December, 2017 at 11:00 a.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 12, K. Dubhash Marg, Fort, Mumbai - 400 001. One Special resolution was passed at the said meeting in relation to preferential allotment of warrants.

6. 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.

7. 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.

8. GENERAL SHAREHOLDER INFORMATION:

As indicated in the Notice to our Shareholders, the 25th Annual General Meeting of the Company will be held on Monday 13th August, 2018 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020.

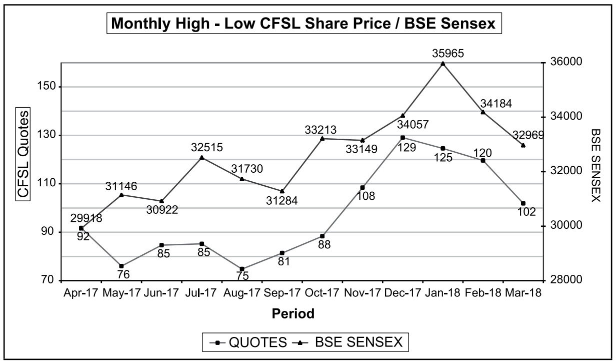
i.	**Financial Calendar**		**Financial Reporting by**
	Financial Year	:	April – March
	Unaudited Results for the quarter ending 30th June, 2018.	:	Mid of August, 2018
	Unaudited Results for the quarter ending 30th September, 2018.	:	Mid of November, 2018
	Unaudited Results for the quarter ending 31st December, 2018.	:	Mid of February, 2019
	Audited Results for the year ending 31st March, 2019.	:	end of May, 2019
ii.	Date of Book Closure	:	7th August, 2018 to 13th August, 2018 (both days inclusive)
iii.	Date of Dividend Payment	:	Not applicable
iv.	Listing of Equity Shares on Stock Exchanges	:	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)
v.	Demat ISIN in CDSL/NSDL	:	INE052I01032

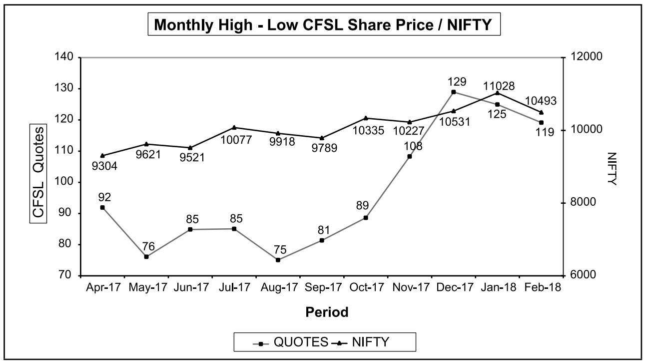
vi. Share Price (High & Low) for the year 2017-2018 at BSE and NSE:-

	BSE		NSE	
Month	**High (₹)**	**Low (₹)**	**High (₹)**	**Low (₹)**
April, 2017	99.95	87.60	94.70	89.95
May, 2017	95.90	74.20	78.70	75.50
June, 2017	93.45	75.00	86.45	83.85
July, 2017	96.00	84.65	86.25	84.65
August, 2017	87.00	72.80	76.20	73.50
September, 2017	88.50	71.00	86.65	81.00
October, 2017	92.40	79.00	90.40	88.00
November, 2017	116.00	82.10	114.00	107.20
December, 2017	139.00	98.70	132.25	126.10
January, 2018	154.70	121.00	128.50	120.85
February, 2018	132.95	104.00	120.90	115.65
March, 2018	123.10	91.50	104.25	100.20

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, 2018.

No. of Equity Shares Held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
Up to 500	23690	72.51	3617745	2.99
501 - 1000	3695	11.31	3173155	2.62
1001 - 2000	2414	7.39	4086860	3.37
2001 – 3000	782	2.39	1982059	1.64
3001 - 4000	522	1.60	1929822	1.59
4001 - 5000	410	1.25	1907959	1.57
5001 - 10000	542	1.66	4151457	3.42
10001 and above	617	1.89	100380314	82.80
TOTAL	32672	100.00	121229371	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, 2018, 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.

The Company has issued 2,78,422 Equity Shares of ₹ 1/- each to its employees under the ESOP Scheme of 2014 at a price of ₹ 67 per Share respectively on 21st September, 2017, 5th October, 2017, 8th December, 2017 and 19th February, 2018.

Pursuant to the approval accorded by the board of directors of the Company, at its meeting held on 29th November, 2017 and the special resolution passed by the shareholders of the Company on 26th December, 2017 for preferential allotment of 90,00,000 warrants and each warrant to be convertible into one equity share of the Company of face value of Re. 1/- (Warrants). on 09th February, 2018, the Company had allotted Warrants on preferential basis, of which 43,38,170 warrants were allotted to MK Falcon Agrotech Private Limited, 43,38,170 warrants were allotted to Pillar Properties Private Limited and 3,23,660 warrants were allotted to Ms. Anagha S. Dandekar (the "Allottees"), at an issue price of ₹ 92.69/- per warrant aggregating to ₹ 8,342.10 Lacs. The Warrants may be exercised by the Allottees at any time before the expiry of 18 (Eighteen) months from the date of allotment of the Warrants i.e. on or before 08th August, 2019. There shall be an issue of 90,00,000 equity shares arising from the exercise of the Warrants and the said equity shares shall rank pari-passu in all respects including dividend, with the existing equity shares of the Company.

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.

R & D Location : N/165 M.I.D.C. Boisar, Tarapur, Dist. Thane 401 506.

xiv. 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

xv. 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.

9. 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	**Ashish S. Dandekar**
Chairman	Managing Director

Place : Mumbai
Dated : 24th May, 2018

ANNEXURE A TO CORPORATE GOVERNANACE 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 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 GOVERNANACE 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

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 March 31, 2018.

For & On behalf of the Board

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 24th May, 2018

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 Limited for the year ended on 31st March, 2018 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

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

Place : Thane
Date : 24th May, 2018

Managing Director and Chief Financial Officer Certificate

To,
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. To the best of our knowledge and belief, there are 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	**Santosh Parab**
Managing Director	Chief Financial Officer

Place : Mumbai
Dated : 24th May, 2018

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
CAMLIN FINE SCIENCES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of CAMLIN FINE SCIENCES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), loss (financial performance including Other Comprehensive Income), cash flows and the changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 including Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 1, 2016 included in these Standalone Ind AS Financial Statements, are based on the previously issued statutory Standalone Financial Statements prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP'), which were audited by the predecessor auditor, whose reports for the year ended March 31, 2017 and March 31, 2016 dated May 19, 2017 and May 23, 2016 respectively expressed an unmodified opinion on the audited Standalone Financial Statements. Management has adjusted these Standalone Financial Statements for the differences in accounting principles adopted by the Company on transition to the Indian Accounting Standards ('Ind AS') which have been approved by the Company's Board of Directors and audited by us.

Emphasis of Matters

We draw attention to Note 5.3 to the Notes to financial results relating to an investment made by the Company in the share capital of Solentus North America Inc., its wholly owned subsidiary company amounting to INR 56.01 Lakhs and to whom it has also advanced a loan aggregating to INR 211.86 Lakhs. The subsidiary has negative net worth as at March 31, 2018 and is dependent upon the Company to enable it to meet its obligations as they become due. In the opinion of the management, the fall in value of the equity shares is temporary and the recoverability of the above loan is dependent on successful implementation of management's future plans in respect of the said subsidiary.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by sub section 3 of Section 143 of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

   e) On the basis of the written representations received from the Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2018 from being appointed as a Director in terms of sub section 2 of Section 164 of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 44(I) (a) to the notes forming part of the Standalone Ind AS Financial Statements;

      ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses was required under the applicable laws 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.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Dated: May 24, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended March 31, 2018.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets -

b) The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the Standalone Ind AS Financial Statements, the lease agreements are in the name of the Company.

ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.

iii. The Company has granted unsecured loans to six companies covered in the register maintained under section 189 of the Act which aggregated INR 3,855.75 lakhs at March 31, 2018.

a) The aforesaid loans have been made to the subsidiaries. According to the information and explanations given to us, and having regards to management representation that the loans given to the subsidiaries of the Company are in the interest of the Company's business, the rate of interest and the other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

b) 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 loans aggregating INR 994.13 lakhs. In respect of the other loans, the same are repayable over a period of 2 to 3 years from the date on which these have been granted without any specific stipulation as to the payment of interest and principal.

c) In respect of the loans referred to in this clause in view of no specific stipulation to payment of interest and principal, we are unable to comment on overdue amount, if any, on such loans.

iv. In our opinion and according to the information and explanations given to us and the records examined by us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given by the Company.

v. As indicated in Note 26.2 to the Standalone Ind AS Financial Statements, the Company has, in respect of the deposits accepted by it, complied with the provisions of section 73 to 76 of the Act read with the rules framed there under. According to the information and explanation given to us, the Company has not accepted deposits during the year ended March 31, 2018. According to the 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.

vi. 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.

vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident

Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2018, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which has not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of Dues	In lakhs	Period to which the amount relates	Forum
Central Excise Act, 1944 and Customs Act, 1962.	Excise Duty	356.02	2013-2014	Commissioner - Central Excise

viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of loans or borrowings from financial institutions, banks or government. The Company has not issued any debentures.

ix. According to the information and explanations given to us, the Company has not raised money through initial public offer or further public offer (including debt instruments) and term loans, hence the provisions of paragraph 3 (ix) of the Order are not applicable.

x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company, has been noticed or reported during the year.

xi. 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.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, reporting under (xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.

xiv. 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 and preferential allotment of warrants (pending conversion into equity shares) 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. There are no private placement of any fully or partly paid convertible debentures.

xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with them. Hence, the provisions of Section 192 of the Act are not applicable.

xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Dated: May 24, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2018.

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 with reference to financial statements of **CAMLIN FINE SCIENCES LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal controls with reference to financial statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Dated: May 24, 2018

STANDALONE BALANCE SHEET

as at March 31, 2018

INR (in Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2(a)	**6,834.83**	7,560.12	8,432.62
Capital Work-in-Progress	2(b)	**1,202.84**	523.93	114.88
Investment Property	3	**207.19**	207.19	207.19
Intangible Assets	4	**115.83**	87.53	284.47
Intangible Assets under development		**781.10**	886.50	-
Financial Assets				
Investments	5	**4,000.71**	3,224.54	671.30
Loans	6	**1,884.96**	2,255.40	1,162.92
Other Financial Assets	7	**-**	419.38	-
Deferred Tax Assets (Net)	8	**168.02**	-	-
Income Tax Assets (Net)	9	**282.86**	246.26	54.70
Other Non-Current Assets	10	**485.40**	504.95	185.26
Total Non-Current Assets		**15,963.74**	**15,915.80**	**11,113.34**
Current Assets				
Inventories	11	**11,481.27**	11,646.09	11,805.57
Financial Assets				
Investments	12	**10,807.63**	1,169.90	-
Trade Receivables	13	**21,142.14**	13,141.47	14,609.57
Cash and Cash Equivalents	14	**179.32**	245.97	242.08
Bank Balances other than Cash and Cash Equivalents	15	**959.83**	1,057.31	1,086.63
Loans	16	**2,340.80**	1,011.50	1,359.91
Other Financial Assets	17	**1,924.45**	1,112.60	981.40
Other Current Assets	18	**2,978.88**	2,066.33	1,859.16
Total Current Assets		**51,814.32**	**31,451.17**	**31,944.32**
TOTAL ASSETS		**67,778.06**	**47,366.97**	**43,057.66**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	19	**1,212.30**	1,037.10	966.66
Other Equity	20	**31,933.54**	16,531.74	11,424.86
Total Equity		**33,145.84**	**17,568.84**	**12,391.52**
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	21	**1,449.86**	1,105.25	2,000.38
Provisions	22	**196.40**	214.43	185.26
Deferred Tax Liabilities (Net)	8	**-**	314.41	217.40
Other Non Current Liabilities	23	**171.06**	70.81	-
Total Non-Current Liabilities		**1,817.32**	**1,704.90**	**2,403.04**
Current Liabilities				
Financial Liabilities				
Borrowings	24	**20,029.44**	22,275.60	17,685.74
Trade Payables	25	**11,419.18**	3,636.36	7,969.15
Other Financial Liabilities	26	**967.22**	1,948.35	1,945.92
Other Current Liabilities	27	**334.83**	172.21	142.41
Provisions	28	**35.86**	32.34	24.94
Current Tax Liabilities (Net)	29	**28.37**	28.37	494.94
Total Current Liabilities		**32,814.90**	**28,093.23**	**28,263.10**
Total Liabilities		**34,632.22**	**29,798.13**	**30,666.14**
TOTAL EQUITY AND LIABILITIES		**67,778.06**	**47,366.97**	**43,057.66**
Significant Accounting Policies	1			

The accompanying notes 1 to 52 form an integral part of the Financial Statements.

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2018

Signatures to the Balance Sheet and Notes to Financial Statements.
For and on behalf of the Board

Dilip D. Dandekar
Chairman
DIN: 00846901

Ashish S. Dandekar
Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Rahul D. Sawale
Company Secretary
ICSI Membership No: ACS 29314

Mumbai, Dated: May 24, 2018

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

INR (in Lakhs)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from Operations	30	**40,502.79**	33,757.90
Other Income	31	**923.06**	1,286.00
Total Income		**41,425.85**	**35,043.90**
EXPENSES			
Cost of Materials Consumed	32	**25,992.08**	20,246.35
Purchases of Stock-in-Trade		**2,366.53**	2,236.11
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	33	**2,051.54**	(2,122.44)
Excise Duty		**214.24**	1,293.48
Employee Benefits Expense	34	**2,089.56**	2,176.32
Finance Costs	35	**2,398.85**	2,323.91
Depreciation and Amortisation Expense	36	**906.15**	1,158.97
Other Expenses	37	**7,213.81**	7,720.50
Total Expenses		**43,232.76**	**35,033.20**
(Loss)/Profit Before Tax		**(1,806.91)**	**10.70**
Tax Expense			
Current tax	8(b)	**-**	38.36
Deferred tax	8(b)	**(389.03)**	51.49
Total Tax Expenses		**(389.03)**	89.85
(Loss) for the Year		**(1,417.88)**	**(79.15)**
Other Comprehensive Income			
Items that will not be subsequently reclassified to Profit or Loss			
Remeasurements of defined benefit plans		**18.66**	(15.22)
Income Tax relating to items that will not be reclassified to Profit or Loss	8(c)	**(6.23)**	5.03
Total Other Comprehensive Income for the Year		**12.43**	**(10.19)**
Total Comprehensive Income for the Year		**(1,405.45)**	**(89.34)**
Earnings per Equity Share (Face value of INR 1 each)	41		
Basic		**(1.67)**	(0.23)
Diluted		**(1.63)**	(0.23)
Significant Accounting Policies	1		

The accompanying notes 1 to 52 form an integral part of the Financial Statements.

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2018

Signatures to the Statement of Profit and Loss and Notes to Financial Statements.
For and on behalf of the Board

Dilip D. Dandekar
Chairman
DIN: 00846901

Ashish S. Dandekar
Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Rahul D. Sawale
Company Secretary
ICSI Membership No: ACS 29314

Mumbai, Dated: May 24, 2018

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

INR (in Lakhs)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Cash Flow from Operating Activities		
(Loss) / Profit before Taxation	**(1,806.91)**	10.70
Adjustment for:		
Depreciation and Amortization Expense	**906.15**	1,158.97
Finance Costs	**2,398.85**	2,323.91
Foreign Exchange loss/(gain) (Unrealised)	**(706.68)**	460.54
Loss on sale of Property, Plant & Equipment and Intangible Assets	**11.59**	6.65
Bad Debt written off	**100.21**	17.40
Advances written off	**36.46**	-
Allowances for Credit Loss	**(323.82)**	216.06
Allowances for Doubtful advances	**(35.23)**	(114.00)
ESOP compensation (reversal) / cost	**(4.39)**	46.72
Provision for Compensated Absences	**(14.51)**	36.57
Interest Income	**(276.55)**	(303.46)
Remeasurements of defined benefit plans	**18.66**	(15.22)
Guarantee Commission Income	**(25.08)**	(7.27)
Recovery of bad debts	**-**	(867.80)
Fair Valuation of Security deposit	**6.30**	6.03
Fair valuation of security deposits (expenses)	**(6.17)**	(6.27)
Dividend Income	**-**	(0.04)
Net gain arising on Financial Assets measured through FVTPL	**(166.75)**	(54.65)
Operating Profit before working capital changes	**112.13**	2,914.84
Adjustment for:		
Increase/(Decrease) in Non Financial Liabilities	**162.62**	29.80
Increase/(Decrease) in Financial Liabilities	**8,064.98**	(4,623.52)
(Increase)/Decrease in Non Financial Assets	**(729.42)**	(253.38)
(Increase)/Decrease in Financial Assets	**(8,155.62)**	(369.17)
Cash generated from operations	**(657.44)**	(5,216.27)
Taxes Paid (Net)	**(36.60)**	(710.52)
Net Cash Flow from/(used in) Operating activities	**(581.91)**	(3,011.95)
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	**(1,507.81)**	(634.85)
Sale of Property, Plant & Equipment and Intangible Assets	**8.89**	5.77
Purchase of Investments	**(622.89)**	(1,523.70)
Purchase of Mutual funds (net)	**(9,470.98)**	(1,115.25)
Interest Received	**107.94**	181.41
Dividend Received	**-**	0.04
Net Cash Flow from/(used in) Investing Activities	**(11,484.85)**	(3,086.58)

STANDALONE STATEMENT OF CASH FLOWS (Contd.)

for the year ended March 31, 2018

INR (in Lakhs)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital (net of issue expenses)	**14,773.73**	5,759.74
Received against Preferential Share Warrants	**2,085.53**	-
Proceeds from / (Repayment of) Long Term Borrowings (net)	**(155.50)**	(1,363.10)
Proceeds from / (Repayment of) Short Term Borrowings (net)	**(2,246.17)**	4,589.86
Interest Paid	**(2,457.48)**	(2,325.26)
Payment of Dividend	**-**	(464.29)
Dividend distribution tax	**-**	(94.53)
Net Cash Flow from Financing Activities	**12,000.11**	6,102.42
Net Increase in Cash & Cash Equivalent	**(66.65)**	3.89
Cash & Cash Equivalent -Opening Balance	**245.97**	242.08
Cash & Cash Equivalent -Closing Balance	**179.32**	245.97

Note :

The above Statement of Cash Flow include INR 45.50 lakhs (Previous Year 2017: INR 72.15 lakh) towards Corporate Social Responsibility (CSR) activities (Refer Note 39).

The accompanying notes 1 to 52 form a integral part of the Financial Statements.

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2018

Signatures to the Statement of Cash Flows and Notes to Financial Statements
For and on behalf of the Board

Dilip D. Dandekar
Chairman
DIN: 00846901

Ashish S. Dandekar
Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Rahul D. Sawale
Company Secretary
ICSI Membership No: ACS 29314

Mumbai, Dated: May 24, 2018

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

a) Equity Share Capital

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the reporting year	**1,037.10**	966.66	958.88
Issued pursuant to Qualified Institutions Placement (QIP)	**172.41**	65.20	-
Issued pursuant to exercise of Employee stock options	**2.79**	5.24	7.78
Changes in equity share capital during the year	**175.20**	70.44	7.78
Balance at the end of the reporting year	**1,212.30**	**1,037.10**	**966.66**

b) Other Equity

INR (in Lakhs)

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium	Employee Stock Option Outstanding	General Reserves	Retained Earnings	Money received against Preferential Share Warrants	
Balance as at April 1, 2016	80.60	1,067.08	93.39	2,532.04	7,651.75	-	11,424.86
(Loss) for the year	-	-	-	-	(79.15)	-	(79.15)
Remeasurement of Defined Benefit Plans	-	-	-	-	(10.19)	-	(10.19)
Total Comprehensive Income for the year	-	-	-	-	**(89.34)**	-	**(89.34)**
Issue of Equity Shares pursuant to Qualified Institutional Placement (QIP)	-	5,502.46	-	-	-	-	5,502.46
Issue of Equity Shares pursuant to Employee Stock Option Plan (ESOP)	-	401.20	-	-	-	-	401.20
QIP Issue expenses	-	(159.16)	-	-	-	-	(159.16)
Dividend on Equity Shares	-	-	-	-	(464.33)	-	(464.33)
Dividend Distribution Tax (DDT)	-	-	-	-	(94.53)	-	(94.53)
Fair valuation of ESOP	-	-	75.17	-	-	-	75.17
Deferred Tax on Expected Credit Loss	-	-	-	-	(106.68)	-	(106.68)
Deferred Tax on QIP issue expenses	-	-	-	-	42.09	-	42.09
Balance as at March 31, 2017	**80.60**	**6,811.58**	**168.56**	**2,532.04**	**6,938.96**	**-**	**16,531.74**
(Loss) for the year	-	-	-	-	(1,417.88)	-	(1,417.88)
Remeasurement of Defined Benefit Plans	-	-	-	-	12.43	-	12.43
Total Comprehensive Income for the year	-	-	-	-	**(1,405.45)**	-	**(1,405.45)**
Issue of Equity Shares pursuant to QIP	-	14,827.60	-	-	-	-	14,827.60
Issue of Equity Shares pursuant to ESOP	-	219.60	-	-	-	-	219.60
QIP Issue expenses	-	(412.83)	-	-	-	-	(412.83)
Deferred tax on QIP issue Expenses	-	-	-	-	99.63	-	99.63
Fair valuation of ESOP	-	-	(12.28)	-	-	-	(12.28)
Receipt on exercise of Preferential Share Options	-	-	-	-	-	2,085.53	2,085.53
Balance as at March 31, 2018	**80.60**	**21,445.95**	**156.28**	**2,532.04**	**5,633.14**	**2,085.53**	**31,933.54**

The accompanying notes 1 to 52 form an integral part of the Financial Statements.

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2018

Signatures to the Statement of Changes in Equity and Notes to Financial Statements.
For and on behalf of the Board

Dilip D. Dandekar
Chairman
DIN: 00846901

Ashish S. Dandekar
Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Rahul D. Sawale
Company Secretary
ICSI Membership No: ACS 29314

Mumbai, Dated: May 24, 2018

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

Note 1:

A. Corporate Information

Camlin Fine Sciences Limited ("the Company") is a public company incorporated under the provisions of the Companies Act, 1956 and domiciled in India having its registered office at WICEL, Plot No. F/11-12, WICEL, Opposite SEEPZ Main Gate, Central Road, Andheri (East), Mumbai – 400 093. Its shares are listed on BSE Limited (BSE) and the National Stock Exchange in India (NSE). The Company is engaged in research, development, manufacturing and marketing of speciality chemicals which are used as antioxidants, industrial chemicals and aroma products.

B. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the year ended March 31, 2018 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows, Statement of Changes in Equity and Notes to Financial Statements.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Indian Generally Accepted Accounting Practices (IGAAP), including Accounting Standards (ASs) specified under Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, as amended, to the extent applicable.

The Financial Statements of the Company for the year ended March 31, 2018 are approved by the Board of Directors on May 24, 2018. These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Company's equity, financial position, financial performance and its cash flows is provided in Note 51

Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

Functional and Presentation Currency

The financial statements are presented in Indian rupee, which is the functional currency of the Company. All financial information has been rounded to the nearest lakhs, unless otherwise indicated.

Basis of Measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for certain financial assets and liabilities, including financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured on the basis of actuarial valuation as required by relevant Ind ASs.

Key Accounting Estimates and Judgements:

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Continuous evaluation is done on the estimation and judgments based on

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities, are included in the following notes:

(i) Determination of the estimated useful lives of property, plant and equipment and intangible assets.

(ii) Recognition and measurement of defined benefit obligations, key actuarial assumptions.

(iii) Fair valuation of employee share options, key assumptions made with respect to expected volatility and dividend yield.

(iv) Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.

(v) Recognition of deferred tax assets.

(vi) Fair value of financial instruments.

(vii) Applicable discount rate.

Measurement of fair values

The Company's accounting policies and disclosures require the financial instruments to be measured at fair values.

The Company has an established control framework with respect to measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusions that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

C. Recent Accounting Developments

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, Revenue from Contract with Customers, Appendix B to Ind AS 21, Foreign currency

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

transactions and advance consideration and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

a. Ind AS 115 – Revenue from Contract with Customers:

As per notification dated March 28, 2018, the Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Amendments Rules, 2018, notifying "Ind AS-115 relating to Revenue from Contracts with Customers" and related amendments to other standards on account of notification of Ind AS 115. Ind AS 115 supersedes Ind AS 18, Revenue. The effective date of adoption of this standard is annual periods beginning on or after April 1, 2018 onwards. The Company is currently evaluating the effect of the above amendments.

b. Appendix B to Ind AS 21 – Foreign Currency transactions and advance consideration:

The appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such asset, expense or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration. The Group is currently evaluating the effect of the above amendments.

D. First time adoption of Ind AS

The Company has prepared the opening Balance Sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from IGAAP to Ind AS as required by Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company. The significant items are as follows:

a. Deemed cost for Property, Plant and Equipment, Investment Property and Intangible Assets:

The Company has elected to measure all its property, plant and equipment and intangible assets at the IGAAP carrying amount as its deemed cost on the date of transition to Ind AS.

b. Deemed cost of Investment in subsidiaries and associate:

The Company has elected to measure investments in subsidiaries and associate at the IGAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e, April 1, 2016.

c. Share based payment:

The Company has elected not to apply Ind AS 102, 'Share-Based Payment' to grants that vested prior to the date of transition to Ind AS. Accordingly, the Company has measured only unvested stock options on the date of transition as per Ind AS 102.

E. Significant Accounting Policies

a. Property, Plant & Equipment

(i) Recognition and Measurement

Property, plant and equipment is initially measured at cost net of tax credit availed less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

When significant parts of Property, Plant and Equipment are required to be replaced, the Company derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly.

(ii) Depreciation

Depreciable amount for property, plant and equipment is the cost of property, plant and equipment less its estimated residual value.

Depreciation is provided on Straight Line Method over the estimated useful lives of the property, plant and equipment prescribed under Schedule II to the Companies Act, 2013 on pro rata basis. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on internal technical evaluation.

Leasehold land is amortised equally over the period of lease.

The estimated useful lives, residual values and depreciation methods are reviewed by the management at each reporting date and adjusted if appropriate.

(iii) Disposal or Retirement

Property, plant and equipment are derecognised either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised in the Statement of Profit and Loss in the year of occurrence.

b. Capital Work In Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset.

c. Investment Property

(i) Recognition and Measurement

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for a currently undetermined future use is also recognised as Investment Property.

An investment property is measured initially at cost of acquisition or construction including transaction cost.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

After initial recognition, the Company measures investment property using cost model and discloses the fair value of investment property in the notes. Fair value is determined based on the evaluation performed by an external independent valuer.

(ii) Derecognition

Investment property is derecognised from the financial statement either on disposal or when no economic benefits are expected from its use or disposal.

The gain or loss arising from disposal of investment property are determined by comparing the proceeds from disposal with the carrying amount of investment property and recognised in the Statement of Profit and Loss in the year of occurrence.

d. Intangible Assets

(i) Initial Recognition

Acquired Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Internally generated intangible assets

Expenditure on research activities is recognised as expenses in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following conditions have been met:

a) It is technically feasible to complete the intangible asset so that it will be available for use or sale.

b) There is an intention to complete the asset.

c) There is an ability to use or sell the asset.

d) The asset will generate future economic benefits.

e) Adequate resources are available to complete the development and to use or sell the asset.

f) The expenditure attributable to the intangible asset during development phase can be measured reliably.

Where no internally generated intangible asset can be recognised, the development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred.

(ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the Straight-Line Method over their estimated useful lives, and is recognised in Statement of profit or loss.

Capitalised ERP software cost, technical know-how and development expenditure of projects / products incurred is amortised over the estimated period of benefits, not exceeding five years on straight line method.

(iii) Derecognition

An item of intangible asset is derecognised either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and recognised in the Statement of Profit and Loss in the period of occurrence.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

e. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

If the recoverable amount of asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expenses in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of an asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

f. Investment in Subsidiaries and Associate

Investment in equity shares of subsidiaries and associate are recorded at cost less accumulated impairment, if any, and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associate, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

g. Financial Instruments

A financial instrument is any contract that gives rise to financial asset of one entity and financial liability or equity instrument of another entity.

I. Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

(i) Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Subsequent measurement and classification

For the purpose of subsequent measurement, the financial assets are classified into three categories:

- Financial assets at amortised cost
- Financial assets at fair value through Other Comprehensive Income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
  on the basis of its business model for managing the financial assets

(iii) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold assets for collecting contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment, if any. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(iv) Financial asset at Fair Value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(v) Financial asset at Fair Value through profit or loss (FVTPL)

A financial asset which are not classified in any of the above categories are measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

(vi) Financial assets as Equity Investments

All equity instruments other than investment in subsidiaries and associate are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. A fair value change on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(vii) Derecognition

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

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

(viii) Impairment of financial assets

The Company applies 'Simplified Approach' for measurement and recognition of impairment loss on the following financial assets and credit exposure:

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

- Financial assets that are debt instruments and are measured at amortised cost e.g. loans, deposits and bank balance
- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

II. Financial Liabilities

(i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

(ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

(iii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

(iv) Financial guarantee contracts

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the amount initially recognised less cumulative amount of income recognised in accordance with Ind AS 18, 'Revenue'.

(v) Derecognition

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

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

IV. Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

h. Inventories

Inventories are valued at lower of cost and net realizable value. Costs are computed on weighted average basis and are net of CENVAT/GST credits.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

Raw materials, packing materials and stores: Cost includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition.

Finished Goods and Work in Progress: In case of manufactured inventories and work in progress, cost includes all costs of purchase, an appropriate share of production overheads based on the normal operating capacity and other costs incurred in bringing the inventories to the present location and condition.

Net Realizable Value: Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

i. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

j. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ii) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(iii) Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements.

k. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is disclosed including excise duty and excluding sales tax/ value added tax (VAT) / Goods and Services Tax (GST).

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Sale of goods

- Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, net of returns and allowances, trade discounts and volume rebates.
- Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading, net of returns and allowances, trade discounts and volume rebates.

(ii) Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

(iii) Interest Income

a) Interest income is recognized using the effective interest rate (EIR) method.

b) Interest income on fixed deposits with banks is recognised on time basis.

(iv) Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

I. Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

(i) Short term employee benefits:

Liabilities for wages, salaries, bonus and medical benefits including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment benefits:

Defined contribution plans

Payments to defined contribution plans for eligible employees in the form of superannuation fund and the Company's contribution to Provident Fund are recognised as an expense in the Statement of Profit and Loss as the related service is provided.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in current and prior periods, after discounting the same. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The defined benefit obligation recognised in the Balance Sheet represent the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any defined benefit asset (negative defined benefit obligation resulting from this calculation) representing the present value of available refunds and reductions in future contributions to the plan is recognised.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

All expenses represented by current service cost, past service cost, if any, and net interest expense / (income) on the net defined benefit liability / (asset) are recognised in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses are recognised immediately in Other Comprehensive Income (OCI).

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

Other long term employee benefits represent liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the service. These liabilities are measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Remeasurements are recognised in the Statement of Profit and Loss in the period in which they arise. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss in the period in which they arise.

m. Share-based payment transactions

Employees Stock Options Plans (“ESOPs”): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under “Employee Stock Options Outstanding”.

n. Borrowing Cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset are capitalized upto the time all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready to its intended use or sale.

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

o. Foreign currency transactions / translations

Transactions in foreign currencies are initially recorded at the functional currency spot rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies and remaining unsettled at the reporting date are translated into the functional currency at the exchange rate prevailing on the reporting date.

Non- monetary items that are measured based on historical cost in a foreign currency are not translated.

Exchange differences arising on settlement of transactions or translation of monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in the previous financial statements are recognised in the Statement of Profit and Loss in the year in which they arise except for exchange differences recognised as a part of qualifying assets.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

p. Leases

Leases of assets, under which substantially all the risks and rewards incidental to ownership of the leased assets, are transferred to the Company are accounted 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. Initial direct costs incurred are added to the amount recognised as an asset. Minimum lease payments are apportioned between finance charges and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. If there is no reasonable certainty that the Company will obtain ownership of the leased asset by the end of the lease term, the leased asset is depreciated over the shorter of the lease term or the estimated useful life of the leased asset.

Leases of assets, under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis over the lease term unless the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

q. Income tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

(i) Current Tax

Current tax is determined as the amount of tax payable or recoverable in respect of taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates that are enacted or substantively enacted at the reporting date.

Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act, 1961. However, credit of such MAT paid is available when the Company is subject to tax as per normal provisions in the future.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are amounts of income taxes in future periods in respect of deductible temporary differences, unused tax losses, and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

MAT (Minimum Alternate Tax) 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 and shown as MAT credit entitlement. The Company reviews carrying amount of MAT credit at each at the reporting date and writes down the same to the extent that there is no longer convincing evidence to the effect that the Company will pay normal income tax during the period.

r. Earnings per Share

Basic earnings per share are computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares outstanding during the year adjusted for the effect of all dilutive potential equity shares.

s. Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

t. Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) which is a single business segment in Fine Chemicals.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

2 (a) Property, Plant & Equipment

INR (in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	As at March 31, 2017	For the year	Deletions	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
Leasehold Land	919.65			**919.65**	29.21	29.21		**58.42**	**861.23**	890.44
Factory & Other Building	580.29			**580.29**	26.00	26.00		**52.00**	**528.29**	554.29
Site Development	27.61			**27.61**	1.54	1.54		**3.08**	**24.53**	26.07
Plant, Equipment & Machinery	5,605.55	112.88		**5,718.43**	675.80	621.85		**1,297.65**	**4,420.78**	4,929.75
Furniture & Fixtures	145.00			**145.00**	51.97	22.45		**74.42**	**70.58**	93.03
Vehicles	162.62		56.33	**106.29**	16.48	27.75	35.87	**8.36**	**97.93**	146.14
ERP Hardware Cost	58.90	21.18	1.60	**78.48**	18.37	18.98	1.58	**35.77**	**42.71**	40.53
R&D Assets										
Equipments & Furniture	771.45	13.10		**784.55**	90.45	90.46		**180.91**	**603.64**	681.00
Building	212.60			**212.60**	13.73	13.73		**27.46**	**185.14**	198.87
Total Property, Plant and Equipment	**8,483.67**	**147.16**	**57.93**	**8,572.90**	**923.55**	**851.97**	**37.45**	**1,738.07**	**6,834.83**	**7,560.12**

INR (in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2016	Additions	Deletions	As at March 31, 2017	As at March 31, 2016	For the year	Deletions	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Leasehold Land	919.65	-	-	919.65	-	29.21	-	29.21	890.44	919.65
Factory & Other Building	580.29	-	-	580.29	-	26.00	-	26.00	554.29	580.29
Site Development	27.61	-	-	27.61	-	1.54	-	1.54	26.07	27.61
Plant, Equipment & Machinery	5,580.30	25.94	0.69	5,605.55	-	676.20	0.40	675.80	4,929.75	5,580.30
Furniture & Fixtures	142.88	2.12	-	145.00	-	51.97	-	51.97	93.03	142.88
Vehicles	154.10	35.67	27.15	162.62	-	31.50	15.02	16.48	146.14	154.10
ERP Hardware Cost	47.14	11.76	-	58.90	-	18.37	-	18.37	40.53	47.14
R&D Assets										
Equipments & Furniture	768.05	3.40	-	771.45	-	90.45	-	90.45	681.00	768.05
Building	212.60	-	-	212.60	-	13.73	-	13.73	198.87	212.60
Total Property, Plant and Equipment	**8,432.62**	**78.89**	**27.84**	**8,483.67**	**-**	**938.97**	**15.42**	**923.55**	**7,560.12**	**8,432.62**

2.a.1 The Company has availed the deemed cost exemption under Ind AS 101 in relation to Property, Plant and Equipment on the date of transition and hence the net carrying amount has been considered as the gross carrying amount on that date. Refer Note 2.2 below for the gross carrying amount and the accumulated depreciation on April 1, 2016 under IGAAP.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

2.a.2 Table showing information regarding gross carrying amount and accumulated depreciation on Property, Plant and Equipment under IGAAP as at April 1, 2016

INR (in Lakhs)

Particulars	As at April 1, 2016		
	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount
Leasehold Land	947.02	27.37	919.65
Factory & Other Building	1,006.92	426.63	580.29
Site Development	37.55	9.94	27.61
Plant, Equipment & Machinery	10,263.65	4,683.35	5,580.30
Furniture & Fixtures	435.22	292.34	142.88
Vehicles	262.61	108.51	154.10
ERP Hardware Cost	180.61	133.47	47.14
R&D Assets			
Equipment & Furniture	908.25	140.20	768.05
Building	229.03	16.43	212.60
Total Property, Plant & Equipment	**14,270.86**	**5,838.24**	**8,432.62**

Freehold Land of INR 207.19 lakhs is regrouped as Investment Property.

2.3 Refer Note 24.1 and 24.2 for information on Property, Plant and Equipment pledged as security for borrowings.

2 (b) Capital Work-in-Progress

INR (in Lakhs)

Particulars	As at March 31, 2018	As at April 1, 2017	As at April 1, 2016
Capital Work-in-Progress	**1,202.84**	523.93	114.88
	1,202.84	**523.93**	**114.88**

2.b.1 Capital Work-in-Progress includes INR 54.88 lakhs (Previous Year March 31, 2017: INR 24.11 lakhs; April 1, 2016: INR Nil), as borrowing costs capitalised during the year. The average capitalisation rate for borrowing cost is 11.26% (Previous Year March 31, 2017: 11.59%; April 1, 2016: Nil).

2.b.2 Refer Note 44(II) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

3 Investment Property

INR (in Lakhs)

Particulars	Gross and Net Carrying Amount			Fair Value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Freehold Land	**207.19**	207.19	207.19	**302.00**	302.00	271.00
	207.19	**207.19**	**207.19**	**302.00**	**302.00**	**271.00**

3.1 The Company has availed the deemed cost exemption in relation to Investment Property on the date of transition and hence the net carrying amount has been considered as the gross carrying amount on that date. The gross carrying amount and net carrying amount as at April 1, 2016 under IGAAP was INR 207.19 lakhs.

3.2 Refer Note 21 and 24 for information on investment property pledged as security for borrowings.

3.3 Fair Value Hierarchy

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and experience in the location and category of the property being valued.

The fair value measurement for investment property has been categorised as Level 3 based on inputs to the valuation technique used.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

3.4 Description of valuation technique used.

The Company obtains independent valuation of its investment property as at each year end. The fair value of the investment property has been derived using 'Selling Price Method'. Under this approach, enquiries are made with local architects, builders, local real estate consultants and other related agencies about the current market rates in area and on that basis, fair market value of the property is ascertained. This approach leads to reasonable estimation of the prevailing market value.

3.5 Reconciliation of Fair Value of Investment Property

INR (in Lakhs)

Particulars	Fair Value Movement		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Freehold Land			
Opening Balance	**302.00**	271.00	271.00
Fair Value Difference	**-**	31.00	-
Closing Balance	**302.00**	**302.00**	**271.00**

4 Intangible Assets

INR (in Lakhs)

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	As at March 31, 2017	For the year	Deletions/ Adjustment	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
ERP Software Cost	56.76	82.48	-	**139.24**	20.24	24.99	-	**45.23**	**94.01**	36.52
Technical Knowhow	170.57	-	-	**170.57**	170.57	-	-	**170.57**	**0.00**	0.00
R & D Process Development	80.20	-	-	**80.20**	29.19	29.19	-	**58.38**	**21.82**	51.01
Total Intangible Assets	**307.53**	**82.48**	**-**	**390.01**	**220.00**	**54.18**	**-**	**274.18**	**115.83**	**87.53**

INR (in Lakhs)

Particulars	Gross Block				Amortisation				Net Block	
	As at April 1, 2016	Additions	Deletions	As at March 31, 2017	As at April 1, 2016	For the year	Deletions	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
ERP Software Cost	33.70	23.06	**-**	56.76	-	20.24	**-**	20.24	36.52	33.70
Technical Knowhow	170.57	**-**	**-**	170.57	-	170.57	**-**	170.57	0.00	170.57
R & D Process Development	80.20	**-**	**-**	80.20	-	29.19	**-**	29.19	51.01	80.20
Total Intangible Assets	**284.47**	**23.06**	**-**	**307.53**	**-**	**220.00**	**-**	**220.00**	**87.53**	**284.47**

4.1 The Company has availed the deemed cost exemption in relation to Intangible Assets on the date of transition and hence the net carrying amount has been considered as the gross carrying amount on that date. Refer Note 4.2 below for the gross carrying amount and the accumulated depreciation on April 1, 2016 under IGAAP.

4.2 Table showing information regarding gross carrying and accumulated amortization on Intangible Assets under IGAAP as at April 1, 2016

INR (in Lakhs)

Particulars	As at April 1, 2016		
	Gross Carrying Amount	Accumulated Amortisation	Net Carrying Amount
ERP Software Cost	162.64	128.94	33.70
Technical Knowhow	1,275.41	1,104.84	170.57
R & D Process Development	87.53	7.33	80.20
Total Intangible Assets	**1,525.58**	**1,241.11**	**284.47**

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

5 Investments

INR (in Lakhs)

Particulars		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
(A)	**Investment in Equity Instruments (Fully Paid) (At Cost) (Refer Note 5.1)**						
	Unquoted						
(i)	**Subsidiaries**						
	CFCL Mauritius Private Limited (of US $ 1 each) (Refer Note 5.2)	**1,32,000**	**59.73**	1,32,000	59.73	1,32,000	59.73
	CFS Do Brasil Industria, Comercio, Importacao E Exportacao De Aditivos Alimenticios LTDA (of Brazilian Real $ 1 each)	**12,50,000**	**331.58**	12,50,000	331.58	12,50,000	331.58
	Solentus North America Inc.(of CAD $ 1 each) (Refer Note 5.3)	**98,600**	**56.01**	98,600	56.01	98,600	56.01
	CFS North America LLC (of USD $ 1 each)	**4,65,000**	**311.51**	4,65,000	311.51	3,15,000	211.62
	CFS Antioxidantes De Mexico S.A.de C.V. (of Mexican Pesos 1 each) (Refer Note 5.4 and Note 5.5)	**34,343**	**1,381.23**	34,343	1,381.23	50	1.91
	CFS Europe S.p.A. (Refer Note 5.6)	**-**	**125.33**		-		-
	Industrias Petrotec de Mexico S.A. de C.V. (Refer Note 5.7)	**-**	**111.61**		83.66	-	-
	Chemolutions Chemicals Limited (of INR10 each) (Refer Note 5.8)	**63,66,503**	**950.00**	63,66,503	950.00	-	-
	CFS International Trading (Shanghai) Ltd. (Refer Note 5.9)		**50.32**		50.32	-	-
	CFS Wanglong Flavors (Ningbo) Company Ltd. (Refer Note 5.10)		**622.89**		-	-	-
	Total (i)		**4,000.21**		**3,224.04**		**660.85**
(ii)	**Associates (Fully Paid) (At Cost)** (Refer Note 5.1)						
	Fine Lifestyle Brand Limited (of INR 10 each)	**2,55,000**	**25.50**	2,55,000	**25.50**	2,55,000	**25.50**
(iii)	**Others (Fully Paid) (At Cost)**						
	Fine Renewable Energy Limited (of INR 10 each)	**51,000**	**5.10**	51,000	5.10	51,000	5.10
	Chemolutions Chemicals Limited (of INR 10 each) (Refer Note 5.8)		**-**		-	99,500	9.95
	Saraswat Co-Operative Bank Limited (of INR 10 each)	**5,000**	**0.50**	5,000	0.50	5,000	0.50
	Total (iii)		**5.60**		**5.60**		**15.55**
(iv)	**Total (i+ii+iii)**		**4,031.31**		**3,255.14**		**701.90**
(v)	Provision for impairment in value of investments (Refer Note 5.11)		**(30.60)**		(30.60)		(30.60)
(vi)	**Net Investments (iv-v)**		**4,000.71**		**3,224.54**	**-**	**671.30**
	Aggregate amount of unquoted investments		**4,031.31**		**3,255.14**	**-**	**701.90**
	Aggregate amount of impairment in value of investments		**30.60**		**30.60**	**-**	**30.60**

5.1 The Company has availed the deemed cost exemption under Ind AS 101 in relation to investments in subsidiaries and associate on the date of transition and hence the net carrying amount has been considered as the deemed cost on that date.

5.2 132,000 (Previous Year March 31, 2017: 132,000; April 1, 2016 : 132,000) Equity Shares pledged in respect of term loan availed by the Company.

5.3 The Company has invested INR 56.01 lakhs (Previous Year March 31, 2017: INR 56.01 lakhs; April 1, 2016: INR 56.01 lakhs) in the share capital of Solentus North America Inc., its wholly owned subsidiary company ("the subsidiary") and given a loans and advances of INR 211.86 lakhs (Previous Year: March 31, 2017: INR 199.66 lakhs; April 1, 2016 INR 160.33 lakhs). The subsidiary has negative net worth as at 31 March 2018 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

5.4 On February 2, 2016, the Company had entered into Share Purchase Agreement with the shareholders of Dresen Quimica S.A.P.I de. C.V. ('Dresen Quimica'), a company registered and situated in Mexico having its five wholly owned subsidiaries in Mexico, Peru, Guatemala, Columbia and Dominican Republic, to acquire 65% of the share capital of Dresen Quimica. Dresen Quimica and its subsidiaries are engaged in the manufacturing and marketing of wide range of antioxidants, adsorbents, acidifying agents, bactericides, binders and mould inhibitors. Accordingly, on May 4, 2016, Company has invested a sum of INR 1,303.15 lakhs equivalent to US$ 1.95 million in its intermediate 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 on the aforesaid loan amounting to US$ 6.435 million. 34,343 Equity Shares (Previous Year: March 31, 2017: 34,343 Equity Shares; April 1, 2016: Nil) pledged in respect of the said term loan availed by CFS de Mexico.

5.5 It includes INR 78.08 lakhs (Previous Year March 31, 2017: INR 78.08 lakhs; April 1, 2016: INR Nil) towards adjustment on account of fair value of financial guarantees issued to a Bank in relation to loan availed by CFS de Mexico.

5.6 INR 125.33 lakhs (Previous Year March 31, 2017: INR Nil; April 1, 2016: INR Nil) towards adjustment on account of fair value of financial guarantees issued to a Bank in relation to loan availed by CFS Europe S.p.A.

5.7 INR 111.61 lakhs (Previous Year March 31, 2017: INR 83.66 lakhs; April 1, 2016: INR Nil) towards adjustment on account of fair value of employee stock options given to an employee of Industrias Petrotec de Mexico S.A. de C.V.

5.8 On March 22, 2017, Company had been allotted 6,267,003 Equity Shares of Chemolutions Chemicals Limited (CCL) of INR 10 each at a premium of INR 5 per Equity Share on conversion of Inter Corporate Deposit of INR 940.05 lakhs. Pursuant to the allotment, CCL has become a subsidiary of the Company with effect from March 22, 2017.

5.9 On April 15, 2016, the Company had incorporated a subsidiary in the free trade zone of China, namely CFS International Trading (Shanghai) Limited. The Company had subscribed US$ 75,000 (April 1, 2016: Nil) as capital.

5.10 The Company had entered into share purchase agreement on December 23, 2016 with Ningbo Wanglong Technology Limited, a company registered in People's Republic of China (PRC) for acquisition of 51% equity stake in CFS Wanglong Flavours (Ningbo) Co. Ltd. (erstwhile Ningbo Wanglong Flavors & Fragrances Co. Ltd.) for its Vanillin manufacturing facility by the Company or its subsidiaries, for a consideration of US$ 6.28 million. The acquisition was completed in current 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 INR 419.38 lakhs, being 10% of the consideration was transferred to an Escrow Account on February 28, 2017.

5.11 The provision for impairment in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited and Fine Lifestyle Brand Limited.

6 Loans

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-Current Loans (Unsecured, considered good)			
Security Deposits	**45.86**	131.09	118.18
Loans to related parties			
Loans to Subsidiaries (Refer Note 6.1 and 16.2)	**1,839.10**	2,124.31	1,044.74
	1,884.96	**2,255.40**	**1,162.92**

6.1 The loans to subsidiaries have been made for general corporate purposes of each subsidiary. These loans are given at rates comparable to the average commercial rate of interest.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

7 Other Financial Assets

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Application money paid towards Securities	-	419.38	-
	-	**419.38**	**-**

7.1 The Company had entered into share purchase agreement on December 23, 2016 with Ningbo Wanglong Technology Limited, a company registered in People's Republic of China (PRC) for acquisition of 51% equity stake in CFS Wanglong Flavours (Ningbo) Co. Ltd. (erstwhile Ningbo Wanglong Flavors & Fragrances Co. Ltd.) for its Vanillin manufacturing facility by the Company or its subsidiaries, for a consideration of US$ 6.28 million. The acquisition was completed in current 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 INR 419.38 lakhs, being 10% of the consideration was transferred to an Escrow Account on February 28, 2017.

8 Deferred Tax Assets (Net)

(a) Movement in Deferred Tax Balances

INR (in Lakhs)

Particulars	Net Balance as at April 30, 2017	Movement during the year			As at March 31, 2018	
		Recognised in Profit or Loss	Recognised in Equity	Recognised directly in (OCI)	Net	Deffered Tax Liabilities
Deferred Tax Asset/ (Liabilities)						
Property, Plant and Equipment and Intangible Assets	(625.20)	62.06	-	-	**(563.14)**	**(563.14)**
Provision for Bad and Doubtful Debts and Advances	178.53	39.00	-	-	**217.53**	**217.53**
QIP issue Expenses	42.09	-	99.63	-	**141.72**	**141.72**
Employee Benefits	57.29	(20.83)	-	(6.23)	**30.23**	**30.23**
Unabsorbed business losses	39.00	299.59	-	-	**338.59**	**338.59**
Disallowances under the Income-Tax Act	5.37	9.21	-	-	**14.58**	**14.58**
Unutilised MAT Credit	14.04	-	-	-	**14.04**	**14.04**
Others	(25.53)				**(25.53)**	**(25.53)**
Deferred Tax Asset/ (Liabilities)	**(314.41)**	**389.03**	**99.63**	**(6.23)**	**168.02**	**168.02**

INR (in Lakhs)

Particulars	Net Balance as at April 1, 2016	Movement during the year			March 31, 2017	
		Recognised in Profit or Loss	Recognised in Equity	Recognised directly in (OCI)	Net	Deffered Tax Liabilities
Deferred Tax Asset/ (Liabilities)						
Property, Plant and Equipment & Intangible Assets	(548.42)	(76.78)	-	-	(625.20)	(625.20)
Provision for Bad and Doubtful Debts and Advances	264.54	20.67	(106.68)	-	178.53	178.53
QIP Issue Expenses	-	-	42.09	-	42.09	42.09
Employee Benefits	56.96	(4.70)	-	5.03	57.29	57.29
Unabsorbed business losses	-	39.00	-	-	39.00	39.00
Disallowances under the Income-Tax Act	9.09	(3.72)	-	-	5.37	5.37
Unutilised MAT Credit	-		-	-	14.04	14.04
Others	0.43	(25.96)	-	-	(25.53)	(25.53)
Deferred Tax Asset/ (Liabilities)	**(217.40)**	**(51.49)**	**(64.59)**	**5.03**	**(314.41)**	**(314.41)**

Deferred Tax Asset has been recognised at INR 338.59 lakhs (Previous Year March 31, 2017 INR 39.00 lakhs) based on the current sale contracts on hand, and the probable future taxable profits based on the budgets of the entity.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

(b) Amount recognised in Profit and Loss

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Current Tax		
In respect of the current year	-	16.20
In respect of prior year	-	36.20
MAT credit utilised (entitlement)	-	(14.04)
	-	**38.36**
Deferred Tax		
Origination and reversal of Tax on Temporary Differences	(389.03)	51.49
Tax expense for the year	**(389.03)**	**89.85**

(c) Amount recognised in Other Comprehensive Income

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Items that will not be subsequently reclassified to Profit and Loss		
Remeasurements of Defined Benefit Plans	6.23	(5.03)
	6.23	**(5.03)**

(d) Reconciliation of Effective Tax Rate

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Profit/ (Loss) Before Tax	(1,806.91)	10.70
Tax rate	33.88%	34.61%
Expected Income Tax Expense	-	3.70
Tax effect of:		
Adjustments recognised in current year in relation to tax of prior years	-	36.20
Property, Plant and Equipment & Intangible Assets	(62.06)	76.78
Provision for Bad and Doubtful Debts and Advances	(39.00)	(20.67)
Employee Benefits	20.83	4.70
Unabsorbed Business Losses	(299.59)	(39.00)
Impact of Fair Valuation of Financial Instruments	-	25.96
Disallowances under the Income-Tax Act	(9.21)	3.72
Surcharge & Cess on book profit		2.16
Total Income Tax Expense	**(389.03)**	**89.85**

9 Income Tax Assets (Net)

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Tax and Tax Deducted at Source (Net)	282.86	246.26	54.70
	282.86	**246.26**	**54.70**

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

10 Other Non-Current Assets

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances (Refer Note 10.1)	**384.82**	361.95	-
Prepaid Expenses	**100.58**	143.00	185.26
	485.40	**504.95**	**185.26**

10.1 Capital Advances include INR 352.20 lakhs (Previous Year March 31, 2017: INR 352.20 lakhs; April 1, 2016 INR Nil) towards Related Parties.

11 Inventories

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Raw material and Components			
	(i) in stock	**3,453.25**	2,674.69	3,813.12
	(ii) in transit	**1,708.84**	652.64	1,759.06
(b)	Work-in-Progress	**3,987.73**	2,379.26	1,891.10
(c)	Finished Goods	**2,098.73**	5,822.24	4,168.78
(d)	Stock-in-Trade	**108.60**	45.10	64.28
(e)	Stores and Spares	**124.12**	72.16	109.23
		11,481.27	**11,646.09**	**11,805.57**

12 Investments

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unquoted, carried at Fair Value Through Profit or Loss			
Investment in Mutual Funds	**10,807.63**	1,169.90	-
	10,807.63	**1,169.90**	**-**
Aggregate amount of Unquoted Investments and Market Vaue thereof	**10,807.63**	**1,169.90**	**-**
Aggregate amount of impairment in value of investments	**-**	**-**	**-**

13 Trade Receivables

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Receivables - Unsecured			
(i) Considered Good	**21,142.14**	13,141.47	14,609.57
(ii) Considered Doubtful	**491.16**	814.98	598.92
Less: Allowance for Doubtful Debts (Refer Note 13.2)	**(491.16)**	(814.98)	(598.92)
	21,142.14	**13,141.47**	**14,609.57**

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

13.1 No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

13.2 Details of allowance for doubtful debts

The Company has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration historical credit loss experience and adjusted for forward looking information. The expected credit loss is based on ageing of the days the receivables are due and the expected credit loss rate. The Company is still pursuing the recovery of the receivables for which allowance is made for doubtful debts.

The movement in allowance for doubtful receivables is as follows:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance as at Beginning of the Year	**814.98**	598.92	265.53
Add: Created during the Year	**-**	216.06	333.39
Less: Released during the Year	**(323.82)**	-	-
Balance as at end of the Year	**491.16**	**814.98**	**598.92**

13.3 The carrying amount of trade receivables include receivables discounted with banks, which are with re-course to the Company. Accordingly, the Company continues to recognise the transferred receivables in its Balance Sheet. The carrying amount of these receivables is INR 1,896.03 lakhs (Previous Year March 31, 2017: INR 912.48 lakhs; April 1, 2016 INR 5,109.82 lakhs). The corresponding carrying amount of associated liabilities are recognised as short term borrowings - (Refer Note 24.2 (b))

14 Cash and Cash Equivalents

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Balances with Banks in Current Accounts	**176.03**	240.72	233.40
(b) Cash on Hand	**3.29**	5.25	8.68
	179.32	**245.97**	**242.08**

15 Bank Balances other than Cash and Cash Equivalents

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Earmarked balances with banks	**28.61**	31.22	27.35
(b) Balances with banks to the extent held as margin money or security against borrowings, guarantees and other commitments which have original maturity period of more than 3 months but less than 12 months.	**931.22**	1,026.09	1,059.28
	959.83	**1,057.31**	**1,086.63**

15.1 Earmarked balances with banks refers to balance carried in designated bank account towards unclaimed dividend.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

16 Loans

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good, Unless otherwise stated				
(a)	Security Deposits	**202.62**	33.22	11.45
(b)	Loans to related parties (Refer Note 16.1,16.2 and 16.3)	**2,016.65**	974.42	1,127.90
(c)	Loans to Employees	**4.79**	2.18	0.94
(d)	Loans to others			
	(i) considered Good	**116.74**	1.68	219.62
	(ii) considered Doubtful	**-**	-	160.60
	Less: Allowance for doubtful loans	**-**	**-**	**(160.60)**
		2,340.80	**1,011.50**	**1,359.91**

16.1 The loans to subsidiaries have been made for general corporate purposes of each subsidiary. These loans are given at rates comparable to the average commercial rate of interest.

16.2 Loans to subsidiaries are as follows

INR (in Lakhs)

Particulars		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
Subsidiaries							
(a)	CFCL Mauritius Private Limited	**994.13**	**994.13**	856.12	1,095.71	1,093.26	1,093.26
(b)	CFS Do Brasil Industria, Comercio, Importacao E Exportacao De Aditivos Alimenticios LTDA	**1,300.88**	**1,300.88**	623.05	637.38	637.38	637.38
(c)	Solentus North America Inc	**162.29**	**162.29**	161.77	161.77	130.25	130.25
(d)	CFS North America LLC	**1,294.38**	**1,337.87**	1,290.29	1,337.88	311.75	311.75
(e)	CFS Antioxidantes De Mexico S.A.DE C.V.	**104.07**	**106.38**	87.53	90.24	-	-
(f)	Chemolutions Chemicals Ltd.	**-**	**79.96**	79.97	1,313.28	-	-
		3,855.75	**3,981.51**	3,098.73	4,636.26	2,172.64	2,172.64

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Disclosed as			
Short Term	**2,016.65**	974.42	1,127.90
Long Term (Refer Note 6)	**1,839.10**	2,124.31	1,044.74
	3,855.75	**3,098.73**	**2,172.64**

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

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

INR (in Lakhs)

Particulars	March 31, 2018		March 31, 2017		As at April 1, 2016	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
Chemolutions Chemicals Ltd.	**-**	**-**	-	-	377.68	411.59

17 Other Financial Assets

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Export Benefits Receivable	**538.47**	549.72	695.18
Insurance Claim Receivable	**63.70**	-	-
Receivable from Subsidiaries			
Interest on loans	**324.25**	**155.64**	**33.59**
Other receivable	**995.79**	**407.24**	**252.63**
Others	**2.24**	**-**	**-**
	1,924.45	**1,112.60**	**981.40**

18 Other Current Assets

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good Unless Otherwise Stated			
Advances to Vendors			
(i) Considered Good	**267.36**	898.12	747.36
(ii) Considered Doubtful	**10.77**	46.00	-
Less: Provision for doubtful advance to Vendors	**(10.77)**	(46.00)	-
Prepaid Expenses	**387.02**	**336.57**	**147.82**
Balance with Gratuity Fund (Refer Note 34.1 (c))	**141.71**	**82.80**	**45.58**
Balance with Government Authorities	**2,176.68**	**678.35**	**918.40**
Others	**6.11**	**70.49**	**-**
	2,978.88	**2,066.33**	**1,859.16**

19 Equity Share Capital

INR (in Lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a)	**Authorised :**			
	150,000,000 Equity Shares of INR 1 each (Previous Year March 31, 2017: 150,000,000 Equity Shares of INR 1 each; April 1, 2016: 150,000,000 Equity Shares of INR 1 each)	**1,500.00**	1,500.00	1,500.00
		1,500.00	1,500.00	1,500.00
b)	**Issued, Subscribed and Paid - up:**			
	121,229,371 Equity Shares of INR 1 each (Previous Year March 31, 2017: 103,709,570 Equity Shares of INR 1 each; April 1, 2016: 96,665,830 Equity Shares of INR 1 each)	**1,212.30**	1,037.10	966.66
		1,212.30	1,037.10	966.66

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

c) During the year, the Company has issued 278,422 Equity Shares (Previous Year March 31, 2017: 524,240 Equity Shares; April 1, 2016: 777,700 Equity Shares) under the Employee Stock Option Scheme, 2014.

d) Reconciliation of number of Shares and amount outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	INR (in Lakhs)	No. of Shares	INR (in Lakhs)	No. of Shares	INR (in Lakhs)
Equity Shares						
Outstanding at the beginning of the year	**103,709,570**	**1,037.10**	96,665,830	966.66	95,888,130	958.88
Add: Issued pursuant to Qualified Institutions Placement (QIP) (Refer Note 19 (h))	**17,241,379**	**172.41**	6,519,500	65.20	-	-
Add: Issued pursuant to exercise of stock options (Refer Note 19(c))	**278,422**	**2.79**	524,240	5.24	777,700	7.78
Outstanding at the end of the year	**121,229,371**	**1,212.30**	**103,709,570**	**1,037.10**	**96,665,830**	**966.66**

e) Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of shares having par value of INR 1 per share. 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 ensuing 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 shareholding.

f) Shareholders holding more than 5% Equity Shares as at the end of the Year

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
(i) Ashish S. Dandekar	**1,38,04,550**	**11.39**	1,36,36,550	13.15	1,36,31,000	14.10
(ii) India Capital Fund Ltd.	**-**	**-**	65,87,107	6.35	34,42,027	3.56
(iii) Abha A. Dandekar	**-**	**-**	55,73,937	5.37	55,73,937	5.77
(iv) Vivek A. Dandekar	**-**	**-**	55,73,937	5.37	55,73,937	5.77
(v) Camart Agencies Ltd.	**-**	**-**	53,19,360	5.13	53,19,360	5.50
	1,38,04,550	**11.39**	**3,66,90,891**	**35.37**	**3,35,40,261**	**34.70**

g) Equity Shares Reserved for Issue Under Options

The Company has 583,988 (Previous Year March 31, 2017: 903,760; As at April 1, 2016: 1,513,500) Equity Shares reserved for issue under Employee Stock Option Scheme as at March 31, 2018 (Refer Note 34.2 (a))

h) Utilisation of the proceeds of Qualified Institutions Placement (QIP)

i. On July 5, 2016, the Company had allotted 6,519,500 Equity Shares of INR 1 each at a premium of INR 84.40 per share amounting to share proceeds of INR 5,567.65 lakhs pursuant to a Qualified Institutions Placement (QIP) under Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

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

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Share issue Expense (adjusted against the Securities Premium Account in terms of Section 52 of the Companies Act, 2013)	**159.16**	159.16	-
Capital expenditure including capital advances	**679.44**	139.06	-
Investments in Subsidiaries	**2,101.29**	1,451.45	-
Loans to Subsidiaries (including advances of INR 702.40 lakhs)	**1,969.13**	1,969.13	-
Foreign consultant fees	**314.22**	314.22	-
Initial Contribution towards acquisition of Ningbo Wanglong Flavors and Fragrances Company Limited	**-**	419.38	-
General Corporate Purposes	**344.41**	-	-
Amount Invested in Units of Mutual Funds	**-**	1,115.25	-
Total funds raised from QIP	**5,567.65**	**5,567.65**	**-**

ii On November 23, 2017, the Company has allotted 17,241,379 Equity Shares of INR 1 each at a premium of INR 86 per share amounting to share proceeds of INR 15,000 lakhs pursuant to a Qualified Institutions Placement (QIP) under Securities and Exchange 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:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Share issue Expense (adjusted against Securities Premium Account in terms of Section 52 of the Companies Act, 2013)	**412.83**	-	-
Capital expenditure including capital advances	**650.03**	-	-
Investments in Subsidiaries*	**1,938.19**		
Loans to Subsidiaries	**666.05**	-	-
General Corporate Purposes	**2,795.90**	-	-
Amount Invested in Units of Mutual Funds	**8,537.00**	-	-
Total funds raised from QIP	**15,000.00**	-	-

*Investments in Subsidiaries amounting to INR 1,938.19 lakhs have been made on April 6, 2018.

20 Other Equity

INR (in Lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017
i)	**Capital Reserve (Refer Note 20.1)**	**80.60**	80.60
ii)	**Securities Premium (Refer Note 20.2)**		
	Opening Balance	**6,811.58**	1,067.08
	Additions during the year	**15,047.20**	5,903.66
	Utilisations during the year	**(412.83)**	(159.16)
	Closing Balance	**21,445.95**	6,811.58
iii)	**Employee Stock Option Outstanding (Refer Note 20.3)**		
	Employee Stock Option		
	Opening Balance	**168.56**	93.39
	Additions during the year	**(12.28)**	75.17
	Utilisations during the year	**-**	-
	Closing Balance	**156.28**	168.56

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

			INR (in Lakhs)
	Particulars	**As at March 31, 2018**	**As at March 31, 2017**
iv)	**General Reserve (Refer Note 20.4)**		
	Opening Balance	**2,532.04**	2,532.04
	Additions during the year	**-**	-
	Closing Balance	**2,532.04**	2,532.04
v)	**Retained Earnings**		
	Opening Balance		7,651.75
	(Loss) /Profit for the year	**6,938.96**	(79.15)
	Deferred tax on QIP Expenses	**(1,417.88)**	42.09
	Deferred tax on ECL	**99.63**	(106.68)
	Remeasurement of Defined Employee Benefit Plan	**-**	(10.19)
	Employee Stock Option Expenses	**12.43**	-
	Dividend paid	**-**	(464.33)
	Tax on dividend paid	**-**	(94.53)
	Closing Balance	**5,633.14**	6,938.96
vi)	**Money received against Preferential Share Warrants (Refer Note 20.5)**		
	Opening Balance	**-**	-
	Additions during the year	**2,085.53**	-
	Closing Balance	**2,085.53**	-
		31,933.54	16,531.74

Nature and Purpose of Reserves:

20.1 Capital Reserve

Pursuant to preferential issue to promoter group during financial year ended March 31, 2008, promoters and entities belonging to 'Promoter Group' were issued 1,550,000 warrants, to be converted to one ordinary share of the Company against payment of cash. These warrants were exercisable at INR 52 each. As per SEBI Guidelines, an amount equivalent to 10% of the price that is INR 5.20 per warrant had been received from the concerned individuals / entities on allotment of these warrants. The Applicants had not exercised the option on these warrants within the stipulated period and hence the options had lapsed. As per the SEBI Guidelines and terms of issue, the advance received against these warrants of INR 80.60 lakhs was forfeited by the Company and transferred to Capital Reserve.

20.2 Securities Premium

The Securities premium account has been created to record the premium on issue of Equity Shares. This reserve is utilised in writing off the expenses incurred towards Qualified Institutions Placement accordance with Section 52 of the provisions of the Companies Act, 2013.

20.3 Employee Stock Option Outstanding

The Company has Employee Stock Option Scheme under which options to subscribe to the Company's shares have been given to certain employees of the Company. This reserve is used to recognise the value of equity settled share based payments provided to the employees, including Key Management Personnel, as a part of their remuneration.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

20.4 General Reserve

General Reserve is created from time to time by way of transfer of profits from Retained Earnings.

20.5 Money received against Preferential Share Warrants

At the EOGM held on December 26, 2017, the shareholders have approved an issue of 9,000,000 warrants at a price of INR 92.69 each on a preferential basis to certain proposed allottees aggregating to INR 8,342.10 lakhs. 25% of the price was to be subscribed initially and the balance 75% of the consideration shall be paid at the time of allotment of Equity Shares pursuant to exercise of option against each such warrant by the proposed allottees. Each warrant will be converted into 1 equity share at the face value of INR 1 and premium of INR 91.69 on or before the end of 18 months from the date of allotment of warrants. Accordingly, the initial 25% of the warrant price amounting to INR 2,085.53 lakhs was received on February 8, 2018 and warrants were issued to the proposed allottees on February 9, 2018.

21 Borrowings

INR (in Lakhs)

Particulars		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Non-current	**Current**	Non-current	Current	Non-current	Current
I	**Term Loans**						
(a)	**From Banks -Secured**						
(i)	In Foreign Currency (Refer Note 21.1)	**-**	**-**	-	-	147.67	500.23
		-	**-**	-	-	147.67	500.23
(ii)	In Rupees (Refer Note 21.2)	**1,449.86**	**350.56**	1,105.25	850.67	1,852.71	818.41
		1,449.86	**350.56**	1,105.25	850.67	1,852.71	818.41
		1,449.86	**350.56**	1,105.25	850.67	2,000.38	1,318.64

21.1 Term Loans from Banks in Foreign Currency

INR Nil (Previous Year March 31, 2017: INR Nil; April 1, 2016: INR 147.67 lakhs) secured by first pari passu charge on all movable and immovable assets of the Company, both present and future. Further secured by second pari passu charge on current assets of the Company, both present and future.

21.2 Term Loans from Banks in Rupees

(a) INR 695.17 lakhs (Previous Year March 31, 2017: INR Nil; April 1, 2016: INR Nil) secured by first pari passu charge on all movable and immovable assets of the Company, both present and future other than assets which are exclusively charged to other lenders. Further, secured by second pari passu charge on current assets of the Company, both present and future to be shared with other lenders. The loan is repayable in 72 monthly instalments starting from 24th month from the date of first disbursement of term loan. The current interest rate is 12.35%.

(b) INR 750.00 lakhs (Previous Year March 31, 2017: INR 1,083.33 lakhs; April 1, 2016: INR 1,416.67 lakhs) secured by a first pari passu charge on entire fixed assets of the Company, both present and future other than assets which are exclusively charged to other lenders. Further secured by second pari passu Charge on the entire current assets of the Company, both present and future. The loan is repayable in 21 equal quarterly instalments commencing after a moratorium period of two years from the date of first disbursement. The current interest rate is 10.80%.

(c) INR Nil (Previous Year March 31, 2017: INR Nil; April 1, 2016, INR 414.30 lakhs) secured by first pari passu charge on all the fixed assets of the Company, both present and future. Further secured by second pari passu Charge on the entire Current assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

(d) INR 4.69 lakhs (Previous Year March 31, 2017: INR 21.92 lakhs; April 1, 2016: INR 21.74 lakhs) secured by hypothecation of vehicles. The loan is repayable in tenure of five to seven years. The current interest rate ranges from 11.50% to 12.50%.

22 Provisions

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Employee Benefits			
Compensated Absences	**196.40**	214.43	185.26
	196.40	214.43	185.26

23 Other Non-Current Liabilities

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unearned premium on financial guarantees given to subsidiaries	**171.06**	70.81	-
	171.06	70.81	-

24 Borrowings

INR (in Lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I	**Loans repayable on demand**			
(a)	**From Banks -Secured**			
	Working capital loans (Refer Note 24.1)	**16,364.75**	19,259.89	10,968.46
II	**Other Short Term Borrowings**			
(a)	**From Banks -Secured**			
	Working capital loans (Refer Note 24.2)	**3,664.69**	3,015.71	6,717.28
		20,029.44	22,275.60	17,685.74

24.1 Loans repayable on demand - Secured

INR 16,364.75 lakhs (Previous Year March 31, 2017: INR 19,259.89 lakhs; April 1, 2016: INR 10,968.46 lakhs) on account of cash credit availed from banks and are secured by first pari passu charge over Company's current assets, both present and future. Further, secured by second pari passu charge on all movable and immovable fixed assets of the Company, both present and future. The current interest rates range from 10.50% to 11.80%.

24.2 Other Short Term Borrowings - Secured

(a) INR 1,768.66 lakhs (Previous Year March 31, 2017: INR 2,103.23 lakhs; April 1, 2016, INR 1,607.46 lakhs) towards External Commercial Borrowings (ECB) availed from banks and is secured by security stated against Note 24.1. The current interest rates range from 3.81% to 4.81%

(b) INR 1,896.03 lakhs (Previous Year March 31 2017: INR 912.48 lakhs; April 1, 2016: INR 5,109.82 lakhs) towards Export Bill Discounting (EBD) availed from banks and is secured by security stated against Note 24.1. The current interest rates range from 3.25%.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

25 Trade Payables

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Due to Micro and Small Enterprises (Refer Note 45)	**45.88**	49.67	-
(b)	Due to creditors other than above	**11,373.30**	3,586.69	7,969.15
		11,419.18	3,636.36	7,969.15

26 Other Financial Liabilities

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of foreign currency debt (Refer Note 21.1)	**-**	-	500.23
Current maturities of long-term debt (Refer Note 21.2)	**350.56**	850.67	818.41
Interest accrued but not due on borrowings	**67.44**	71.19	48.43
Unpaid / Unclaimed dividends (Refer Note 26.1)	**24.30**	26.77	22.90
Share Application money received for allotment of securities and due for refund	**0.38**	0.38	0.38
Deposits	**5.02**	7.58	7.88
Unclaimed Interest on public deposit	**2.53**	2.68	2.68
Unclaimed public deposit (Refer Note 26.2)	**4.10**	5.35	5.35
Payable towards purchase of property, plant and equipment	**20.67**	780.21	41.68
Other outstanding liabilities	**492.22**	203.52	497.98
	967.22	1,948.35	1,945.92

26.1 There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

26.2 The unclaimed fixed deposits of INR 4.10 lakhs outstanding at March 31, 2018 (Previous Year March 31, 2017: INR 5.35 lakhs; April 1, 2016, INR 5.35 lakhs) 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.

27 Other Current Liabilities

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Dues	**325.63**	143.50	128.98
Others	**9.20**	28.71	13.43
	334.83	172.21	142.41

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

28 Provisions

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Employee Benefits			
Compensated absences	**35.86**	32.34	24.94
	35.86	32.34	24.94

29 Current Tax Liabilities (Net)

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Tax (Net)	**28.37**	28.37	494.94
	28.37	28.37	494.94

30 Revenue from Operations

INR (in Lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	**Sale of Products (including excise duty)**		
	Finished goods	**37,400.19**	30,853.43
	Traded goods	**2,506.78**	2,467.06
		39,906.97	33,320.49
(b)	**Other Operating Revenues**		
	Export Incentives	**590.12**	423.50
	Job Work Income	**-**	5.09
	Sale of Scrap	**5.70**	8.82
		595.82	437.41
		40,502.79	33,757.90

30.1 Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise and Value Added Tax (VAT) have been subsumed into GST. In accordance with Indian Accounting Standard 18 on Revenue and Schedule III of the Companies Act, 2013 unlike excise duty, GST and VAT are not part of revenue. Accordingly, the figures for the year ended March 31, 2018, is not strictly relatable to the previous year. The following additional information is provided to facilitate such understanding:

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations (A)	**40,502.79**	33,757.90
Excise duty on sale (B)	**214.24**	1,293.48
Revenue from operations excluding excise duty on sale (A) - (B)	**40,288.55**	32,464.42

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

31 Other Income

INR (in Lakhs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	**Interest income On**		
	Bank Deposits	**68.20**	72.34
	Loans to subsidiaries	**202.05**	149.76
	Other financial assets carried at amortised cost	**6.30**	81.36
		276.55	303.46
(b)	**Dividend Income From**		
	Current Investment	**-**	0.04
		-	0.04
(c)	**Other Non-Operating Income**		
	Guarantee Commission Income	**25.08**	7.27
	Gain on foreign exchange transactions and translation	**279.13**	-
	Income from investment measured at FVTPL (Refer Note 31.1)	**337.17**	102.90
	Recovery of advance written off (Refer Note 31.2)	**-**	867.80
	Miscellaneous Income	**5.13**	4.53
		646.51	982.50
		923.06	1,286.00

31.1 Income from Investment measured at FVTPL includes fair valuation impact of INR 166.75 lakhs (Previous Year March 31, 2017: INR 54.65 lakhs)

31.2 Board of Directors of the Company had approved conversion of advance amounting to INR.940.05 lakhs into equity share capital of Chemolutions Chemicals Limited (CCL). Pursuant to this capitalisation CCL had issued 62,67,003 equity shares of INR 10 each at a share premium of INR 5 per equity share amounting to INR 940.05 lakhs. Accordingly, Company had reinstated the advance to CCL written off in earlier years aggregating INR 867.80 lakhs.

32 Cost of Materials Consumed

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material and Packing Material Consumed		
Opening Inventories	**3,327.32**	5,572.17
Add: Purchases	**27,826.85**	18,001.50
Less: Closing Inventories	**(5,162.09)**	(3,327.32)
	25,992.08	20,246.35

33 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Inventories		
Finished Goods	**5,822.24**	4,168.78
Stock-in-Trade	**45.10**	64.28
Work-in-Progress	**2,379.26**	1,891.10
	8,246.60	6,124.16
Closing Inventories		
Finished Goods	**2,098.73**	5,822.24
Stock-in-Trade	**108.60**	45.10
Work-in-Progress	**3,987.73**	2,379.26
	6,195.06	8,246.60
	2,051.54	(2,122.44)

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

34 Employee Benefits Expense

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and Wages (Refer Note 34.1(a))	**1,869.94**	1,904.91
Contributions to -		
Provident Funds and other Funds (Refer Note 34.1 (b))	**118.04**	123.94
Gratuity Fund (Refer Note 34.1(c))	**31.90**	17.33
Share based payments to Employees (Employee Stock Option Plan) (Refer Note 34.2)	**(4.39)**	46.72
Staff Welfare Expenses	**91.28**	100.74
	2,106.77	2,193.64
Less:		
Reimbursement of expenses	**(17.21)**	(17.32)
	2,089.56	2,176.32

34.1 Employee Benefit Plans

(a) Other long term employment benefits

Leave encashment is payable to the employees of the Company due to death, retirement, superannuation or resignation. Employees are entitled to encash leave while serving in the Company. The leave encashment benefit is payable to all the eligible employees of the Company at the rate of daily salary as per current accumulation of leave days.

The Privilege leave encashment liability and amount charged to Statement of Profit and Loss determined on actuarial valuation using basis projected unit credit method are as under:.

(i) Provisions in Balance Sheet:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Short term	**35.86**	32.34	24.94
Long Term	**196.40**	214.43	185.26
	232.26	246.77	210.20

(ii) Recognised in Statement of Profit and Loss

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Expenses	**(14.51)**	36.57

(b) Defined Contribution Plans:

The contributions to the Provident Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. Under the plan, the Company has contributed INR 118.04 lakhs (Previous Year March 31, 2017: INR 123.94 lakhs).

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

(c) Defined Benefit Plans:

The Company makes contributions to the Group Gratuity cum Life Assurance Schemes administered by the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The Scheme provides for payment as under:

(i) On normal retirement / early retirement / resignation:

As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

(ii) On death in service:

As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and present value of defined benefit obligation of gratuity was carried out as at March 31, 2018. The present value of defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The following table 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:

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I	**Change in the Present Value of Projected Benefit Obligation**			
	Present Value of Benefit Obligation at the beginning of the Year	**303.36**	273.40	225.75
	Interest Cost	**21.84**	22.04	18.06
	Current Service Cost	**24.72**	21.00	17.33
	Past Service Cost	**13.15**	-	-
	Benefits paid from the Fund	**(17.67)**	(21.64)	(11.86)
	Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	**(13.47)**	18.40	(1.20)
	Actuarial (Gains) / Losses on Obligations - Due to Experience	**5.62**	(9.84)	25.32
	Present Value of Benefit Obligation at the end of the Year	**337.55**	303.36	273.40
II	**Change in the Fair Value of Plan Assets**			
	Fair Value of Plan Assets at the beginning of the Year	**386.16**	318.98	256.70
	Interest Income	**27.80**	25.71	20.53
	Contributions by the Employer	**72.15**	69.77	35.99
	Benefits paid from the Fund	**(17.67)**	(21.64)	(11.86)
	Return on Plan Assets, excluding Interest Income	**10.82**	(6.66)	17.62
	Fair Value of Plan Assets at the end of the Year	**479.26**	386.16	318.98
III	**Net Asset / (Liability) recognised in Balance Sheet.**			
	Present value of defined benefit obligation at the end of the year	**(337.55)**	(303.36)	(273.40)
	Fair value of plan assets at the end of the year	**479.26**	386.16	318.98
	Net Asset / (Liability) at the end of the year	**141.71**	82.80	45.58

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
IV	**Expenses recognised in the Statement of Profit and Loss**			
	Current Service Cost	**24.71**	21.00	-
	Net Interest Cost	**(5.96)**	(3.67)	-
	Past Service Cost (See note below)	**13.15**	-	-
	Expenses recognised in the Statement of Profit and Loss	**31.90**	17.33	-
	During the year, the Company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from INR 10 lakhs to INR 20 lakhs. Change in liability due to this scheme change is recognised as past service cost during the current financial year.			
V	**Expenses recognised in the Other Comprehensive Income (OCI)**			
	Actuarial (Gains) / Losses on Obligation for the year	**(7.84)**	8.55	24.12
	Return on Plan Assets, excluding Interest Income	**(10.82)**	6.66	(17.62)
	Net (Income) / Expense for the year recognised in OCI	**(18.66)**	15.21	6.50
VI	**Actuarial assumptions considered**			
(i)	Discount rate	**7.78%**	7.20%	8.06%
(ii)	Expected return on plan assets	**7.78%**	7.20%	8.06%
(iii)	Salary escalation rate	**5.00%**	5.00%	5.00%
(iv)	Rate of employee turnover	**2.00%**	2.00%	2.00%
(v)	Mortality Table	**Indian Assured Lives Mortality (2006-2008)**	Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)
	The assumptions of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors.			
VII	**Category of asset as at the end of the year**			
	Insurer Managed Funds (100%)			
	(Fund is managed by LIC as per guidelines of Insurance Regulatory and Development Authority. Category-wise composition of plan assets is not available).			

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
VIII	**Maturity profile of Benefit Payments**			
(i)	Year 1	**34.92**	11.88	17.83
(ii)	Year 2	**31.12**	28.66	8.36
(iii)	Year 3	**27.70**	29.65	33.99
(iv)	Year 4	**50.15**	25.72	29.20
(v)	Year 5	**26.76**	37.68	25.20
(vi)	Years 6 -10	**144.29**	135.61	137.66
(vii)	Years 11 and above	**347.22**	325.88	-
	Maturity Analysis of benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.			
IX	**Sensitivity Analysis of Projected Benefit Obligation for Significant Assumptions**			
	Projected Benefit Obligation on Current Assumptions	**337.55**	303.36	273.40
	1% increase in Discount Rate	**(21.01)**	(21.20)	(18.69)
	1% decrease in Discount Rate	**23.89**	24.19	21.20
	1% increase in Salary Escalation Rate	**24.31**	24.48	21.64
	1% decrease in Salary Escalation Rate	**(21.73)**	(21.81)	(19.38)
	1% increase in Rate of Employee Turnover	**4.43**	3.45	4.42
	1% decrease in Rate of Employee Turnover	**(4.97)**	(3.88)	(4.93)

The sensitivity analysis have been determined based on reasonably possible changes in the respective assumptions occurring at the end of the reporting year, holding all other variables constant. The sensitivity analysis presented above may not be representative of the actual change in the Projected Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Projected Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

34.2 Employee Stock Option Scheme

The Company has granted options on December 30, 2014 and February 12, 2016 to its eligible employees of Group under "Camlin Fine Sciences Employees Stock Option Scheme, 2014" (ESOS 2014) approved by the Board of Directors, Shareholders and Remuneration Committee. The options granted under these schemes are equity settled. The details of the scheme are summarised below:

Particulars	Options granted on		Total
	30-Dec-14	12-Feb-16	
Options granted	16,38,000	3,00,000	19,38,000
Exercise Price	67.00	96.75	
Market Price of shares as on grant date	67.00	96.75	
Basis of Exercise Price	At Market Price		
Vesting Period	50% on Expiry of 12 months from the date of grant		
	50% on Expiry of 24 months from the date of grant		

a) Details of option granted are as under:

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (INR.)	No. of Options	Weighted Average Exercise Price (WAEP) (INR.)	No. of Options	Weighted Average Exercise Price (WAEP) (INR.)
	March 31, 2018		March 31, 2017		April 1, 2016	
Options outstanding at the beginning of the year	**9,03,760**	**76.88**	15,13,500	72.90	16,21,000	67.00
Options granted during the year#	**-**	**N.A**	-	N.A	3,00,000	96.75
Options exercised during the year	**2,78,422**	**67.00**	5,24,240	67.00	3,35,500	67.00
Options expired / forfeited during the year	**41,350**	**67.00**	85,500	67.00	72,000	67.00
Options outstanding at the end of the year	**5,83,988**	**82.28**	9,03,760	76.88	15,13,500	72.90
Exercisable at the end of the year	**5,83,988**	**82.28**	9,03,760	76.88	15,13,500	72.90
Other Information:						
Average of exercise price of options outstanding at the end of the year (INR)	**67.00 to 96.75**		67.00 to 96.75		67.00 to 96.75	
Average Share price during the year (INR)	**96.75**		97.00		97.92	
Weighted average remaining contractual life of the option outstanding at the end of the year	**1.25 years**		1.25 years		2.25 years	
Weighted average fair value of the options as on date of grant (granted during the year)	**N.A.**		N.A.		37.20	
Option pricing model used	**Black-Scholes Option Pricing Model**					
# the options are granted to an employee of Industrias Petrotec de Mexico S.A de C.V						

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

Assumptions used in arriving at fair value of options are as under:

Particulars	Granted on December 30, 2014	Granted on February 12, 2016	Description of input used
Risk free interest rate	8.29%	7.27%	Based on yield to maturity on zero coupon government securities maturing after 1 year.
Expected life of stock options	1 to 2 years	1 to 2 years	Period for which options are expected to be alive
Expected volatility	69.72%	80.36%	Volatility is a measure of the amount by which a price is expected to fluctuate during a period based on the historic data.
Expected dividend yield	10.81%	1.86%	The dividends declared by the Company in the past and its share price.
Price of share on the date of granting of options	67.00	96.75	Fair market value
The fair value of options:			
1st Vesting	15.85	31.43	
2nd Vesting	19.56	42.98	

Total expenses arising from share based payment transaction recognised in the Statement of Profit and Loss as part of employee benefit expense is INR (4.39) lakhs. (Previous Year March 31, 2017: INR 46.71 lakhs).

35 Finance Costs

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense	**2,411.23**	2,193.49
Other Borrowing Cost	**42.50**	154.53
Total Finance Costs	**2,453.73**	2,348.02
Less: Capitalised to Capital Work in Progress	**(54.88)**	(24.11)
	2,398.85	2,323.91

36 Depreciation and Amortisation Expenses

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Property, Plant and Equipment (Refer Note 2(a))	**851.97**	938.97
Amortisation on Intangible Assets (Refer Note 4)	**54.18**	220.00
	906.15	1,158.97

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

37 Other Expenses

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of Stores and Spares	**154.77**	205.25
Power and Fuel	**1,535.09**	1,314.90
Rent (Refer Note 42)	**255.50**	292.76
Rates and Taxes	**30.82**	16.39
Insurance	**282.45**	253.90
Repairs to Plant and Equipment	**161.72**	209.04
Repairs other than above	**48.58**	45.97
Sub-Contract Charges	**939.86**	636.52
Labour Charges	**474.93**	470.44
Advertisement and Sales Promotion	**297.19**	913.19
Transport and Forwarding Charges	**482.85**	375.37
Commission / Discount / Service Charges on Sales	**636.44**	362.81
Travelling and Conveyance	**562.28**	559.10
Directors' Fees	**89.20**	56.85
Auditor's Remuneration (Refer Note 38)		
Amount paid to Auditors	**42.59**	55.44
Less: Amount debited to Securities Premium	**(15.00)**	(15.15)
	27.59	40.29
Legal & Professional Fees	**445.08**	368.89
Bad Debt written off	**100.21**	17.40
Advances written off	**36.46**	-
Allowances for Credit Loss	**(323.82)**	216.06
Allowances for Doubtful advances	**(35.23)**	(114.00)
Loss on Property, Plant & Equipment discarded	**11.59**	6.65
Loss on foreign currency transactions and translation	**-**	420.54
Corporate Social Responsibility Contribution (Refer Note 39)	**45.50**	72.15
Bank Charges	**241.88**	235.31
Miscellaneous Expenses	**749.03**	817.29
	7,249.97	7,793.07
Less:		
Reimbursement of Expenses	**(36.16)**	(72.57)
	7,213.81	7,720.50

38 Amount paid to Auditors *

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit Fees	**25.00**	13.75
Tax Audit Fees	**-**	3.45
Taxation Matters	**-**	3.19
Certification	**16.99**	31.15
Other Services	**-**	3.23
Reimbursement of Expenses	**0.60**	0.67
Total	**42.59**	55.44

* The above amounts are net of applicable taxes.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

39 Corporate Social Responsibility

The Company has spent INR 45.50 lakhs during the financial year (Previous Year March 31, 2017: INR 72.15 lakhs) as per the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII thereof, towards Corporate Social Responsibility (CSR) activities.

a) Gross amount required to be spent by the Company during the year - INR 45.50 lakhs (Previous Year March 31, 2017: INR 72.15 lakhs)

b) Amount spent during the year on:

INR (in Lakhs)

Particulars		Amount spent in cash	Amount yet to be paid in cash	Total Amount
Year ending March 31, 2018				
(i)	Construction / Acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above	45.50	-	45.50
Year ending March 31, 2017				
(i)	Construction / Acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above	72.15	-	72.15

40 Research and Development Expenses

Total revenue expenditure on Research and Development (R&D) eligible for weighted deduction under section 35(2AB) of the Income Tax Act, 1961 aggregates to INR 188.15 lakhs (Previous Year March 31, 2017: INR 255.59 lakhs). The details are as below:

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue expenditure eligible u/s 35(2AB)		
Salaries and Incentives	**121.01**	146.95
Travelling & Conveyance	**11.13**	21.31
Laboratory Expenses	**19.59**	49.46
Other Expenses	**36.42**	37.87
	188.15	255.59

41 Earnings Per Share

a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

i) Loss attributable to ordinary shareholders (Basic)

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(Loss) as per Statement of Profit and Loss	**(1,417.88)**	(79.15)
Less: QIP Issue expenses debited to Securities Premium	**(412.83)**	(159.16)
(Loss) attributable to ordinary shareholders of the Company	**(1,830.71)**	(238.31)

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

ii) Weighted average number of ordinary shares (Basic)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Number of Equity Shares at the beginning of the year	**10,37,09,570**	9,66,65,830
Add: Effect of shares issued during the year	**60,93,528**	48,22,644
Add: Effect of share options exercised	**95,089**	94,616
	10,98,98,187	10,15,83,090
Basic Earnings Per Share (Amount in INR)	**(1.67)**	(0.23)

b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

i) Loss attributable to ordinary shareholders (Diluted)

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(Loss) as per Statement of Profit and Loss	**(1,417.88)**	(79.15)
Less: QIP Issue expenses debited to Securities Premium	**(412.83)**	(159.16)
(Loss) attributable to ordinary shareholders of the Company	**(1,830.71)**	(238.31)

ii) Weighted average number of ordinary shares (Diluted)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Weighted Average number of Equity Shares outstanding (Basic)	**10,98,98,187**	10,15,83,090
Add: Potential equity shares under ESOP scheme	**1,22,814**	2,20,651
Add: Potential equity shares under Preferential Warrants granted	**20,78,020**	-
	11,20,99,021	10,18,03,741
Diluted Earnings Per Share (Amount in INR)	**(1.63)**	(0.23)

42 Leases

Assets taken on operating lease:

The Company's significant leasing arrangements are in respect of operating leases for premises (Commercial, Residential, Warehouses, etc). Lease expenditure for operating leases is recognised on a straight line basis over the period of lease. The leasing 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 security deposits have been given. The particulars of the premises taken on operating lease are as under:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Future minimum lease payments under operating leases			
Not later than 1 year	**194.75**	197.91	187.47
Later than 1 year and not later than 5 years	**227.49**	369.76	415.60
Later than 5 years	**-**	-	-
	422.24	567.67	603.07

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

43 Segment Reporting

As per the requirements of Ind AS 108 on "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements.

44 Contingent Liabilities and Commitments

				INR (in Lakhs)
Particulars		**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
I	**Contingent liabilities**			
a)	**Claims for Excise Duties, Taxes and Other Matters**			
i)	In respect of Income Tax matter	**16.25**	-	-
ii)	In respect of VAT / CST and Excise Matter	**356.02**	732.44	732.44
b)	**In respect of Bank guarantees issued to VAT, Excise and Custom Authorities**	**205.77**	393.26	374.30
c)	**Guarantees given on behalf of Subsidiaries**			
	In respect of corporate guarantees issued against the borrowings of:			
	i) CFS Europe S.p.A.			
	Loan balance outstanding in respect of the above guarantee	**1,900.00**	1,900.00	1,900.00
	Loan balance outstanding in respect of the above guarantee is INR 3,499.36 lakhs (Previous Year March 31, 2017: Nil; April 1, 2016 Nil)	**13,008.82**	-	-
	Loan balance outstanding in respect of the above guarantee is INR 3,862.26 lakhs (Previous Year March 31, 2017: Nil; April 1, 2016: Nil)			
	ii) CFS Antioxidantes De Mexico S.A.DE C.V.	**4,185.59**	4,456.08	-
	Loan balance outstanding in respect of the above guarantee is INR 3,804.84 lakhs (Previous Year March 31, 2017: INR 3,645.39 lakhs; April 1, 2016: Nil)			
	iii) Chemolutions Chemicals Limited	**50.00**	50.00	-
	Loan balance outstanding in respect of the above guarantee is INR 41.23 lakhs (Previous Year March 31, 2017: INR 25.55 lakhs; April 1, 2016: Nil)			
d)	**In respect of corporate guarantees issued against the contractor's payment obligations and supply of material**			
	i) CFS Europe S.p.A. - Subsidiary Company	**4,560.80**	2,911.17	3,157.01
	Contractors payment obligations outstanding in respect of the above guarantee is INR 1951.90 Lakhs (Previous Year March 31, 2017: INR 3,258.52 lakhs; April 1, 2016: INR 1,132.85 lakhs)			
II	**Commitments**			
	Value of contracts (net of advance) remaining to be executed on capital account not provided for#	**733.83**	725.00	5.48

#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 FINANCIAL STATEMENTS for the year ended March 31, 2018

45 Details of dues to Micro and Small Enterprises as defined under 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 collected by the Management. This has been relied upon by the auditors. The credit period varies as per the contractual terms with suppliers. No interest is generally charged by the suppliers. The disclosure relating to Micro and Small Enterprises is as under:

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a)	Principle amount remaining unpaid beyond due date, to suppliers as at the end of accounting year	**35.96**	43.80	Nil
b)	Interest due thereon remaining unpaid to suppliers as at the end of accounting year	**1.23**	2.27	Nil
c)	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 accounting year	**Nil**	Nil	Nil
d)	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.	**8.69**	3.60	Nil
e)	Amount of interest accrued and remaining unpaid at the end of accounting year.	**9.92**	5.87	Nil
f)	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 of MSMED Act, 2006.	**Nil**	Nil	Nil
g)	Balance as at the year end	**45.88**	49.67	Nil

46 Related Party disclosures

I List of Related Parties as required by Ind AS 24,"Related Party Disclosures", are given below:

i Related parties where control exists

Subsidiaries

CFCL Mauritius Private Limited

CFS Do Brasil Industria, Comercio, Importacao De Exportacao De Aditivos Alimenticios LTDA (herein after referred as "CFS do Brazil")

Solentus North America Inc

CFS North America LLC

CFS Antioxidantes S.A. De.C.V.

CFS International Trading (Shanghai) Limited (since April 15, 2016)

Chemolutions Chemicals Limited (Since March 22, 2017)

CFS Wanglong Flavors (Ningbo) Company Ltd.(Since July 12, 2017)

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

Step down subsidiaries

CFS Europe S.P.A.

Dresen Quimica S.A.P.I. De.C.V. (Since May 4, 2016)

Industrias Petrotec de Mexico S.A.De.C.V. (Since May 4, 2016)

Britec S.A. (Since May 4, 2016)

Inovel S.A.S (Since May 4, 2016)

Nuvel S.A.C (Since May 4, 2016)

Grinel S.R.L (Since May 4, 2016)

ii Associate

Fine Lifestyle Brands Limited

iii Key Management Personnel (KMP)

Mr. Dilip D. Dandekar - Non Executive Director (Chairman)

Mr. Ashish S. Dandekar - Managing Director

Ms. Leena Dandekar - Executive Director (upto April 5, 2017)

Ms. Anagha Dandekar - Additional Director (from August 28, 2017)

Mr. Nirmal V. Momaya - Non Executive Director

Mr. Ajit S. Deshmukh - Non Executive Director

Mr. Sharad M. Kulkarni - Non Executive Director (Independent)

Mr. Pramod M. Sapre - Non Executive Director (Independent)

Mr. Abeezar E, Faizullabhoy - Non Executive Director (Independent)

Mr. Bhargav A. Patel - Non Executive Director (Independent)

Mr. Atul R. Pradhan - Non Executive Director (Independent)

Mr. Nicola A. Paglietti - Non Executive Director (Independent)

Mr. Dattatraya Puranik - Executive Director & CFO till February 9, 2017 and thereafter Executive Director till May 19, 2017

Mr. Santosh Parab - Chief Financial Officer (from February 10, 2017)

Mr. Rahul Sawale - Company Secretary

iv Relatives of Key Management Personnel

Mr. Subhash D. Dandekar - Management Consultant / Relative of Managing Director

Mrs. Rajani S. Dandekar - Management Consultant / Relative of Managing Director

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

v Entities where control / significant influence by KMPs and their relatives exist and with whom transactions have taken place

Fine Lifestyle Solutions Limited

Focussed Event Management Private Limited

Vibha Agencies Private Limited

Abana Medisys Private Limited

Pagoda Advisors Private Limited

HSA Advocates

Hardware Renaissance, USA w.e.f August 28, 2017

MK Falcon Agrotech Private Limited

Pillar Properties Private Limited

V R Momaya & Associates

vi Post-employment benefit plan

Camlin Fine Sciences Limited Group Gratuity Scheme

II The details of transactions with related parties during the year are given below:

INR (in Lakhs)

Sr. No	Nature of Transactions	Name of Related Party	For the year ended March 31, 2018	For the year ended March 31, 2017
1	**Sale of products**	CFS Europe S.P.A	**3,836.09**	2,729.59
		CFS do Brazil	**1,231.51**	931.96
		CFS North America LLC	**1,362.20**	692.63
		Dresen Quimica S.A.P.I. De.C.V.	**1,424.57**	1,914.16
		INOVEL S.A.S.	**58.06**	-
		Chemolutions Chemicals Limited	**22.77**	-
			7,935.20	6,268.34
2	**Consumable Sale**	Chemolutions Chemicals Limited	**13.47**	-
			13.47	-
3	**Services availed:**			
	(a) Reimbursement of IT services	CFS Europe S.P.A	**19.34**	30.24
		CFS do Brazil	**10.45**	17.90
		CFS North America LLC	**4.84**	8.95
		Dresen Quimica S.A.P.I. De.C.V.	**18.72**	32.79
			53.35	89.88
	(b) Job work charges paid	Chemolutions Chemicals Limited	**288.11**	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

Sr. No	Nature of Transactions	Name of Related Party	For the year ended March 31, 2018	For the year ended March 31, 2017
4	**Purchase of goods**	CFS Europe S.P.A	**15,347.16**	9,521.80
		Chemolutions Chemicals Limited	**124.86**	3.37
		CFS Wanglong Flavors (Ningbo) Company Ltd	**1,651.83**	-
		Dresen Quimica S.A.P.I. De.C.V.	**2.38**	-
			17,126.23	9,525.17
5	**Commission paid**	CFS do Brazil	**87.72**	124.13
		CFS International Trading (Shanghai) Ltd	**61.63**	-
			149.35	124.13
6	**Interest received**	CFS do Brazil	**67.09**	53.98
		Solentus North America Inc	**13.55**	12.74
		CFS North America LLC	**108.07**	78.85
		CFS Antioxidantes S.A. De.C.V.	**8.30**	3.58
		Chemolutions Chemicals Limited	**4.81**	1.23
			201.82	150.38
7	**Financial Guarantee Income**	CFS Antioxidantes S.A. De.C.V.	**7.80**	7.27
		CFS Europe S.P.A	**17.28**	-
			25.08	7.27
8	**Loans given**	CFS do Brazil	**675.86**	-
		Solentus North America Inc	**-**	33.60
		CFS North America LLC		917.08
		CFS Antioxidantes S.A. De.C.V.	**16.26**	87.53
			692.12	1,038.21
9	**Material advance given**	CFS Europe S.P.A	**-**	2,623.72
		CFS do Brazil	**-**	64.84
			-	2,688.56
10	**Purchase of technology**	CFS Europe S.P.A	**-**	704.66
			-	704.66
11	**Investment (including impact of financial guarantee & ESOP to an employee of Group Company)**	CFS North America LLC	**-**	99.89
		CFS Antioxidantes S.A. De.C.V.	**-**	1,379.32
		Chemolutions Chemicals Limited	**-**	940.05
		CFS Europe S.P.A	**125.33**	
		CFS International Trading (Shanghai) Limited	**-**	50.32
		CFS Wanglong Flavors (Ningbo) Company Ltd	**622.89**	-
			748.22	2,469.58

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

Sr. No	Nature of Transactions	Name of Related Party	For the year ended March 31, 2018	For the year ended March 31, 2017
12	**Guarantees given / renewed on behalf of related party**	CFS Europe S.P.A (Against borrowings of CFS Europe S.P.A.)	**1,900.00**	1,900.00
		CFS Europe S.P.A (Against contractors payment obligations and supply of material)	**4,560.80**	2,911.17
		CFS Antioxidantes S.A. De.C.V.	**4,185.59**	4,456.08
		CFS Wanglong Flavors (Ningbo) Company Ltd	**13,008.82**	-
		Chemolutions Chemicals Limited	**50.00**	50.00
			23,705.21	9,317.25
13	**Management Consultancy**	Mr. Subhash D. Dandekar	**6.35**	6.00
		Mrs. Rajani S. Dandekar	**5.40**	5.40
		V.R. Momaya & Associates	**0.94**	2.42
		Pagoda Advisors Private Limited	**56.30**	56.70
			68.99	70.52
14	**Rent received**	Abana Medisys Private Limited	**0.01**	0.01
		Fine Renewable Energy Limited	**0.01**	0.01
		Chemolutions Chemicals Limited	**0.01**	0.01
			0.03	0.03
15	**Compensation paid to Key Management Personnel**	**Short term employee benefits (including bonus and value of perquisites)***		
		Mr. Ashish S. Dandekar	**185.47**	185.09
		Mr. Dilip D. Dandekar	**32.40**	30.60
		Ms. Leena Dandekar	**1.55**	93.87
		Mr. Dattatraya Puranik	**8.85**	66.96
		Mr. Santosh Parab	**43.90**	5.78
		Mr. Rahul Sawale	**22.32**	17.81
			294.49	400.11
		Sitting fees paid to Non-Executive Directors		
		Mr. Dilip D. Dandekar	**9.35**	6.35
		Mr. Nirmal V. Momaya	**7.00**	5.00
		Mr. Ajit S. Deshmukh	**6.00**	5.00
		Mr. Sharad M. Kulkarni	**15.50**	10.75
		Mr. Pramod M. Sapre	**14.15**	9.95
		Mr. Abeezar E, Faizullabhoy	**11.95**	11.45
		Mr. Bhargav A. Patel	**11.75**	11.25
		Mr. Atul R. Pradhan	**8.25**	5.25
		Mr. Nicola A. Paglietti	**3.25**	8.75
		Ms. Anagha Dandekar	**2.00**	-
			89.20	73.75
16	**Contribution paid to the Group Gratuity Scheme**	Camlin Fine Sciences Limited Group Gratuity Scheme	**72.15**	69.77

*The compensation to Key Managerial Personnel figures does not include provisions for encashable leave, gratuity, premium paid for group medical and accident insurance and share based payments.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

III The details of outstanding with related parties as at year end are given below:

Sr. No	Nature of transactions	Name of Related party	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1	**Trade Receivable**	CFS Europe S.P.A	**5,430.35**	2,984.97	1,486.61
		CFS do Brazil	**2,636.56**	2,092.78	1,300.18
		Dresen Quimica S.A.P.I. De.C.V.	**956.68**	1,064.33	-
		CFS North America LLC	**2,195.54**	884.98	630.28
			11,219.13	7,027.06	3,417.07
2	**Trade Payable**	CFS Europe S.P.A	**5,831.80**	712.55	2,403.84
		CFS Wanglong Flavors (Ningbo) Company Ltd	**792.04**	-	-
		Dresen Quimica S.A.P.I. De.C.V.	**2.41**	-	-
		Chemolutions Chemicals Ltd	**36.49**	-	-
			6,662.74	712.55	2,403.84
3	**Other Payable**	CFS do Brazil	**72.56**	81.93	61.99
		CFS International Trading (Shanghai) Limited	**-**	16.61	-
			72.56	98.54	61.99
4	**Payable on purchase of technology**	CFS Europe S.P.A	**-**	692.48	-
			-	692.48	-
5	**Loan and Advances Receivable**	CFCL Mauritius Private Limited	**994.13**	856.12	1,093.26
		CFS do Brazil	**1,300.88**	623.05	637.38
		Solentus North America Inc	**162.29**	161.77	130.25
		CFS North America LLC	**1,294.38**	1,290.29	311.75
		CFS Antioxidantes De Mexico S.A. De C.V.	**104.07**	87.53	-
		Chemolutions Chemicals Ltd	**-**	79.97	-
			3,855.75	3,098.73	2,172.64
6	**Interest Receivable**	CFS do Brazil	**119.64**	62.22	18.60
		Solentus North America Inc	**34.67**	23.03	14.99
		CFS North America LLC	**159.87**	67.41	-
		CFS Antioxidantes De Mexico S.A. De C.V.	**10.07**	2.98	-
			324.25	155.64	33.59
7	**Other Receivable**	CFS Europe S.P.A	**646.66**	50.17	-
		CFS do Brazil	**149.04**	135.46	118.37
		Solentus North America Inc	**14.90**	14.85	15.20
		CFS North America LLC	**141.05**	133.35	116.69
		CFS Antioxidantes De Mexico S.A. De C.V.	**31.26**	31.16	-
		Dresen Quimica S.A.P.I De C.V.	**11.04**	42.00	-
		CFS Wanglong Flavors (Ningbo) Company Ltd	**1.84**	-	-
			995.79	406.99	250.26
8	**Capital Advance**	Chemolutions Chemicals Ltd	**352.20**	352.20	-
9	**Material Advance given**	CFS Europe S.P.A	**-**	242.37	434.99
		CFS do Brazil	**-**	64.84	-
			-	307.21	434.99
10	**Rent Receivable**	Abana Medisys Private Limited	**0.39**	0.38	0.36
		Fine Renewable Energy Limited	**0.01**	0.01	0.03
		Fine Lifestyle Brands Limited	**-**	-	0.26
			0.40	0.39	0.65

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

47 Financial instruments – Fair values and risk management

a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

INR (in Lakhs)

March 31, 2018	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit and Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	1,839.10	1,839.10	-	-	-	-
Deposits	-	45.86	45.86	-	-	-	-
Current							
Investments	10,807.63		10,807.63	-	10,807.63	-	10,807.63
Trade Receivables	-	21,142.14	21,142.14	-	-	-	-
Cash and cash equivalents	-	179.32	179.32	-	-	-	-
Bank balances other than above	-	959.83	959.83	-	-	-	-
Loans	-	2,138.18	2,138.18	-	-	-	-
Deposits	-	202.62	202.62	-	-	-	-
Other Financial Assets	-	1,924.45	1,924.45	-	-	-	-
	10,807.63	**28,431.50**	**39,239.13**	**-**	**10,807.63**	**-**	**10,807.63**
Financial Liabilities							
Non Current							
Borrowings	-	1,449.86	1,449.86	-	-	-	-
Current							
Borrowings	-	20,029.44	20,029.44	-	-	-	-
Trade Payables	-	11,419.18	11,419.18	-	-	-	-
Current maturities of long term borrowings	-	350.56	350.56	-	-	-	-
Other Financial Liabilities	-	616.66	616.66	-	-	-	-
	-	**33,865.70**	**33,865.70**	**-**	**-**	**-**	**-**

INR (in Lakhs)

March 31, 2017	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit and Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	2,124.31	2,124.31	-	-	-	-
Deposits	-	131.09	131.09	-	-	-	-
Current							
Investments	1,169.90	-	1,169.90	-	1,169.90	-	1,169.90
Trade Receivables	-	13,141.47	13,141.47	-	-	-	-
Cash and Cash Equivalents	-	245.97	245.97	-	-	-	-
Bank Balances other than above	-	1,057.31	1,057.31	-	-	-	-
Loans	-	978.28	978.28	-	-	-	-
Deposits	-	33.22	33.22	-	-	-	-
Other Financial Assets	-	1,112.60	1,112.60	-	-	-	-
	1,169.90	**18,824.25**	**19,994.15**	**-**	**1,169.90**	**-**	**1,169.90**

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

March 31, 2017	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit and Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities							
Non Current							
Borrowings	-	1,105.25	1,105.25	-	-	-	-
Current							
Borrowings	-	22,275.60	22,275.60	-	-	-	-
Trade Payables	-	3,636.36	3,636.36	-	-	-	-
Current maturities of long term borrowings	-	850.67	850.67	-	-	-	-
Other Financial Liabilities	-	1,097.68	1,097.68	-	-	-	-
	-	28,965.56	28,965.56	-	-	-	-

INR (in Lakhs)

April 1, 2016	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit and Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	1,044.74	1,044.74	-	-	-	-
Deposits	-	118.18	118.18	-	-	-	-
Current							
Trade receivables	-	14,609.57	14,609.57	-	-	-	-
Cash and cash equivalents	-	242.08	242.08	-	-	-	-
Bank Balances other than above	-	1,086.63	1,086.63	-	-	-	-
Loans	-	1,348.46	1,348.46	-	-	-	-
Deposits	-	11.45	11.45	-	-	-	-
Other Financial Assets	-	981.40	981.40	-	-	-	-
	-	19,442.51	19,442.51	-	-	-	-
Financial Liabilities							
Non Current							
Borrowings	-	2,000.38	2,000.38	-	-	-	-
Current							
Borrowings	-	17,685.74	17,685.74	-	-	-	-
Trade Payables	-	7,969.15	7,969.15	-	-	-	-
Current maturities of long term borrowings	-	1,318.64	1,318.64	-	-	-	-
Other Financial Liabilities	-	627.28	627.28	-	-	-	-
	-	29,601.19	29,601.19	-	-	-	-

b) Fair value hierarchy

The fair value of financial instruments as referred to in note (a) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1 - Quoted prices (unadjusted) for identical assets and liabilities in an active markets.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

c) Measurement of Fair Value

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. The following methods and assumptions were used to estimate the fair values:

(i) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of mutual funds. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

(ii) The Management assesses that fair values of trade receivables, cash and cash equivalents, other bank balances, loans, trade payables, current borrowings, other current liabilities and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(iii) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

d) Risk Management Framework

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risks. Market risks comprise currency risk and interest rate risk. The Company's Senior Management and Key Management Personnel have the ultimate responsibility for managing these risks. The Management has a process to identify and analyse the risks faced by the Company, to set appropriate risk limits and to control and to monitor risks and adherence to these limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. Further, Audit Committee undertakes regular reviews of Risk Management Controls and Procedures.

(i) Credit risk

Credit risk is the risk that a customer or counterparty fails to meet its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and financial instruments.

Trade Receivables

Credit risk from trade receivables is managed by establishing credit limits, credit approvals and monitoring creditworthiness of the customers. Outstanding customer receivables are regularly monitored. The Company has computed credit loss allowances based on Expected Credit Loss Model, which excludes transactions with subsidiaries.

The ageing of trade receivables is as follows:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Outstanding for less than one year	**10,161.10**	6,450.75	11,283.91
Others	**199.96**	563.38	323.48
	10,361.06	7,014.13	11,607.39
Less: - Allowance for doubtful debts	**(491.16)**	(814.98)	(598.92)
	9,869.90	6,199.15	11,008.47

Investments in Mutual Funds, Term Deposits and Bank Balances

The Company's exposure in term deposits with banks and investments in Mutual Funds is limited, as the counterparties are highly rated banks and financial institutions.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

(ii) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The following tables detailed the Company's remaining contractual maturities of financial liabilities as at the reporting date with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

INR (in Lakhs)

March 31, 2018	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings	**1,449.86**	**1,449.86**		**434.83**	**765.45**	**249.58**
Current						
Borrowings	**20,029.44**	**20,029.44**	**20,029.44**	**-**	**-**	**-**
Trade Payables	**11,419.18**	**11,419.18**	**11,419.18**	**-**	**-**	**-**
Current maturities of long term borrowings	**350.56**	**350.56**	**350.56**	**-**	**-**	**-**
Other Financial Liabilities	**616.66**	**616.66**	**616.66**	**-**	**-**	**-**
Financial Guarantee	**-**	**23,705.21**	**23,705.21**	**-**	**-**	**-**
	33,865.70	**57,570.91**	**56,121.05**	**434.83**	**765.45**	**249.58**

INR (in Lakhs)

March 31, 2017	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings	1,105.25	1,105.25	-	350.55	754.70	-
Current						
Borrowings	22,275.60	22,275.60	22,275.60	-	-	-
Trade Payables	3,636.36	3,636.36	3,636.36	-	-	-
Current maturities of long term borrowings	850.67	850.67	850.67	-	-	-
Other Financial Liabilities	1,097.68	1,097.68	1,097.68	-	-	-
Financial Guarantee	-	9,317.25	9,317.25	-	-	-
	28,965.56	**38,282.81**	**37,177.56**	**350.55**	**754.70**	**-**

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

April 1, 2016	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings	2,000.38	2,000.38	-	683.46	1,224.90	92.02
Current						
Borrowings	17,685.74	17,685.74	17,685.74	-	-	-
Current maturities of long term borrowings	1,318.64	1,318.64	1,318.64	-	-	-
Trade Payables	7,969.15	7,969.15	7,969.15	-	-	-
Other Financial Liabilities	627.28	627.28	627.28	-	-	-
Financial Guarantee	-	5,057.01	5,057.01	-	-	-
	29,601.19	**34,658.20**	**32,657.82**	**683.46**	**1,224.90**	**92.02**

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(iii) Currency Risk

The Company's operations result in it being exposed to foreign currency risk on account of trade receivables, trade payables, borrowings and lendings. The foreign currency risk may affect the Company's income and expenses, or its financial position and cash flows. The objective of the Company's Management of foreign currency risk is to maintain these risk within acceptable parameters, while optimising returns.

The Company's exposure to foreign currency risk denominated monetary assets and liabilities at the end of the reporting period expressed in INR (in lakhs), is as follows:

Particulars	March 31, 2018		March 31, 2017	
	Monetary Assets	Monetary Liabilities	Monetary Assets	Monetary Liabilities
USD	**18,144.36**	**(5,330.62)**	11,955.64	(2,228.43)
EURO	**6,072.39**	**(6,568.74)**	3,066.64	(2,374.58)
	24,216.75	**(11,899.36)**	15,022.28	(4,603.01)

The following significant exchange rates have been applied during the year:

Particulars			Year end spot rate as at	
			March 31, 2018	March 31, 2017
USD / INR			65.0441	64.8386
EUR / INR			80.6222	69.2476

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Company's profit or loss before tax and equity as at 31st March 2018 and 31st March 2017:

Particulars	Impact on profit before tax*		Impact on equity*	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
USD / INR increase by 5%	**389.62**	**324.01**	389.62	324.01
USD / INR decrease by 5%	**(389.62)**	**(324.01)**	(389.62)	(324.01)
EUR / INR increase by 5%	**(16.52)**	**23.05**	(16.52)	23.05
EUR / INR decrease by 5%	**16.52**	**(23.05)**	16.52	(23.05)

* Holding all other variable constant.

(iv) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of change in market interest rates relates primarily to its borrowings. The Company's borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period is as follows:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Liabilities			
Variable rate instruments			
Borrowings			
Term Loans (including current maturities)	**1,800.42**	1,955.92	3,319.02
Fixed rate instruments			
Borrowings			
Cash Credit	**16,364.75**	19,259.89	10,968.46
Other short term loans	**3,664.69**	3,015.71	6,717.28
	21,829.86	24,231.52	21,004.76
Financial Assets			
Fixed rate instruments			
Fixed Deposits	**1,207.94**	1,027.05	1,059.28
Security Deposits	**198.83**	196.94	164.05
	1,406.77	1,223.99	1,223.33

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Company by the amounts indicated in the table below. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

Particulars	Profit or Loss INR (in Lakhs)	
	100 BP increase	100 BP decrease
March 31, 2018		
Financial Liabilities		
Variable rate instruments		
Borrowings	**(218.65)**	218.65
Cash flow sensitivity (net)	**(218.65)**	218.65
March 31, 2017		
Financial Liabilities		
Variable rate instruments		
Borrowings	**(242.32)**	242.32
Cash flow sensitivity (net)	**(242.32)**	242.32

The Company does not have any additional impact on equity other than the impact on retained earnings.

48 Capital Management

The primary objective of the Company's capital management is to maintain an efficient capital structure and to maximise shareholder's value. The Management seeks to maintain a balance between higher returns that is achieved by raising funds through equity and the advantages by a sound capital position.

The Company monitors capital using a ratio of 'Net Debt to Equity'. For this purpose, Capital includes issued capital and all other equity reserves. Net Debt is defined as total borrowings less cash & bank balances and other current investments.

The Company's Net Debt to Equity ratios are as follows:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Long Term Borrowings	**1,449.86**	1,105.25	2,000.38
Short Term Borrowings	**20,029.44**	22,275.60	17,685.74
Current maturities of Long Term Debts	**350.56**	850.67	1,318.64
Gross Debt	**21,829.86**	24,231.52	21,004.76
Less : Cash & Cash Equivalents	**179.32**	245.97	242.08
Less : Bank balances other than above	**959.83**	1,057.31	1,086.63
Less : Current Investments	**10,807.63**	1,169.90	-
Net Debt	**9,883.08**	21,758.34	19,676.05
Total Equity	**33,145.84**	17,568.84	12,391.52
Net Debt to Equity Ratio	**0.30**	1.24	1.59

49 Disclosures u/s 186(4) of the Companies Act, 2013

a Details of investments made are disclosed under Note 5.

b Details of Loans given to subsidiaries, associates, firms/companies in which directors are interested are disclosed in Note:16.1, 16.2 and 16.3.

c Details of Guarantee given on behalf are disclosed in Note: 44(I)(c) and (d).

50 Disclosures made in terms of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

The disclosure for Loans, Investments and Guarantees refer note 49. Further, there are no advances given by the company.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

51 First Time Adoption of Ind AS

Reconciliation of Equity and Statement of Profit and Loss

(A) Reconciliation of equity as at March 31, 2017 and April 1, 2016

INR (in Lakhs)

Particulars	Notes	March 31, 2017 (IGAAP)	Adjustment on transition to Ind AS	As at March 31, 2017 (Ind AS)	March 31, 2016 (IGAAP)	Adjustment on transition to Ind AS	As at April 1, 2016 (Ind AS)
ASSETS							
Non-Current Assets							
Property, Plant and Equipment		7,560.12	-	7,560.12	8,432.62		8,432.62
Capital Work-in-Progress	1	499.82	24.11	523.93	114.88	-	114.88
Investment Property	2	207.19	-	207.19	207.19		207.19
Intangible Assets		87.53	-	87.53	284.47	-	284.47
Intangible Assets under development		886.50	-	886.50	-	-	-
Financial Assets							
Investments		3,062.80	161.74	3,224.54	671.30	-	671.30
Loans	3	2,272.43	(17.03)	2,255.40	1,187.92	(25.00)	1,162.92
Other Financial Assets		419.38	-	419.38	-	-	-
Deferred Tax Assets (Net)				-			-
Income Tax Assets (Net)		246.26	-	246.26	54.70	-	54.70
Other Non-Current Assets		489.48	15.47	504.95	161.54	23.72	185.26
Total Non-Current Assets		15,731.51	184.29	15,915.80	11,114.62	(1.28)	11,113.34
Current Assets							
Inventories		11,646.09	-	11,646.09	11,805.57	-	11,805.57
Financial Assets							
Investments	4	1,115.25	54.65	1,169.90	-	-	-
Trade Receivables	5 & 6	12,718.43	423.04	13,141.47	9,833.15	4,776.42	14,609.57
Cash and Cash Equivalents		245.97	-	245.97	242.08	-	242.08
Bank Balances other than Cash and Cash Equivalents		1,057.31	-	1,057.31	1,086.63	-	1,086.63
Loans	3	1,013.49	(1.99)	1,011.50	1,359.96	(0.05)	1,359.91
Other Financial Assets		1,112.60	-	1,112.60	981.40	-	981.40
Other Current Assets	3	2,064.36	1.97	2,066.33	1,859.11	0.05	1,859.16
Total Current Assets		30,973.51	477.67	31,451.17	27,167.90	4,776.42	31,944.32
TOTAL ASSETS		46,705.02	661.96	47,366.97	38,282.52	4,775.14	43,057.66
EQUITY AND LIABILITIES							
EQUITY							
Equity Share Capital		1,037.10	-	1,037.10	966.66	-	966.66
Other Equity		16,786.56	(254.82)	16,531.74	11,128.37	296.49	11,424.86
Total Equity		17,823.66	(254.82)	17,568.84	12,095.03	296.49	12,391.52
LIABILITIES							
Non-Current Liabilities							
Financial Liabilities							
Borrowings		1,105.25	-	1,105.25	2,000.38	-	2,000.38
Provisions		214.43	-	214.43	185.26	-	185.26
Deferred Tax Liabilities (Net)		380.92	(66.50)	314.41	324.51	(107.11)	217.40
Other Non Current Liabilities		-	70.81	70.81	-	-	-
Total Non-Current Liabilities		1,700.60	4.31	1,704.90	2,510.15	(107.11)	2,403.04
Current Liabilities							
Financial Liabilities							
Borrowings	5	21,363.13	912.47	22,275.60	12,575.92	5,109.82	17,685.74
Trade Payables		3,636.36	-	3,636.36	7,969.15	-	7,969.15
Other Financial Liabilities		1,948.35	-	1,948.35	1,945.92	-	1,945.92
Other Current Liabilities		172.21	-	172.21	142.41	-	142.41
Provisions		32.34	-	32.34	549.00	(524.06)	24.94
Current Tax Liabilities (Net)		28.37	-	28.37	494.94	-	494.94
Total Current Liabilities		27,180.76	912.47	28,093.23	23,677.34	4,585.76	28,263.10
Total Liabilities		28,881.36	916.78	29,798.13	26,187.49	4,478.65	30,666.14
TOTAL EQUITY AND LIABILITIES		46,705.02	661.96	47,366.97	38,282.52	4,775.14	43,057.66

As the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

(B) Reconciliation of statement of Profit and Loss for the year ended March 31, 2017

INR (in Lakhs)

Particulars	Notes	For the Year Ended March 31, 2017 (IGAAP)	Adjustment on transition to Ind AS	For the year ended March 31, 2017 (Ind AS)
INCOME				
Revenue from Operations	8	32,464.42	1,293.48	33,757.90
Other Income	3, 4, 13	1,218.06	67.94	1,286.00
Total Income		33,682.48	1,361.42	35,043.90
EXPENSES				
Cost of Materials Consumed		20,246.35	-	20,246.35
Purchases of Stock-in-Trade		2,236.11	-	2,236.11
Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress		(2,122.44)	-	(2,122.44)
Excise Duty	8	-	1,293.48	1,293.48
Employee Benefits Expense	9&10	2,144.81	31.51	2,176.32
Finance Costs	1	2,348.02	(24.11)	2,323.91
Depreciation and Amortization Expense		1,158.97	-	1,158.97
Other Expenses	3&6	7,558.16	162.34	7,720.50
Total Expenses		33,569.98	1,463.22	35,033.20
(Loss)/Profit Before Tax		112.50	(101.80)	10.70
Tax Expense				
Current tax		38.36	-	38.36
Deferred tax	12	70.44	(18.95)	51.49
Total Tax Expenses		108.80	(18.95)	89.85
Profit/(Loss) for the Year		3.70	(82.85)	(79.15)
Other Comprehensive Income				
Items that will not be subsequently reclassified to Profit or Loss				
Remeasurements of defined benefit plans	9	-	(15.22)	(15.22)
Income Tax relating to items that will not be reclassified to Profit or Loss	12	-	5.03	5.03
Total Other Comprehensive Income		-	(10.19)	(10.19)
Total Comprehensive Income for the Year		3.70	(93.04)	(89.34)

As the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

Notes to the Reconciliations:

1 Capitalisation of borrowing costs on qualifying asset

Borrowing costs incurred towards qualifying asset have been capitalised to capital Work-in-Progress.

2 Recognition of investment property

Under Indian GAAP, there was no requirement to present investment property separately and the same was included under property, plant and equipment. Under Ind AS, investment property is required to be presented separately in the balance sheet. Accordingly, the carrying value of investment property as at April 1, 2016 and March 31, 2017 under Indian GAAP has been reclassified to a separate line item in Balance Sheet.

3 Discounting of Financial Assets

Under IGAAP, interest free rent deposits given was carried at cost. Under Ind AS, such interest free deposit are measured at fair value . Difference between fair value and deposit amount is recognised as "Deferred Lease Expense" at initial recognition and amortised over the period of lease on straight line basis. Deposit is measured at amortised cost subsequently by recognising interest income.

4 Fair valuation of Investments

Under IGAAP, current investments were measured at lower of cost or NRV (Net Realisable Value). Under Ind AS, these financial assets have been classified as FVTPL investments. Ind AS requires such investments to be measured at fair value.

5 Bills of exchange discounted with banks

Under IGAAP, trade receivables derecognised by way of bills of exchange were shown as contingent liability since there is a recourse clause. Under Ind AS, the trade receivables have been restated with corresponding recognition of short term borrowings.

6 Impairment of Trade Receivables

Under IGAAP, the Company has created provision for impairment of receivables based on provision matrix. Under Ind AS, the impairment allowance has been determined based on Expected Credit Loss (ECL) model.

7 Proposed Dividend

Under IGAAP, proposed dividends including Dividend Distribution Tax (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

8 Revenue

Under IGAAP, revenue from sale of products was presented excluding excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as part of expenses.

9 Re-measurement of Employee Defined Benefit Plans

Under IGAAP, re-measurement of defined benefit plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefit expenses in the Statement of Profit and Loss. Under Ind AS, such re-measurement of defined benefit plans, along with related tax effects are recognised in Other Comprehensive Income (OCI).

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

10 Employee Stock Option Plan (ESOP)

Under IGAAP, intrinsic value of employee stock option plan was recognised as expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of options determined using an appropriate pricing model at the date of grant. Further, employee stock options granted to employees of subsidiary have also been recognised as an investment based on the fair value of options granted to them.

11 Impact on Cash Flow

The transition from Previous GAAP to Ind AS has no material impact on the statement of cash flow except bank overdraft which has been considered as part of cash and cash equivalents.

12 Deferred Taxes on Ind AS adjustments

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of the balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. In addition, various transitional adjustments led to temporary differences. The Company has accounted for such differences.

13 Financial guarantees

Under Ind AS, the Company has recognised fair value of financial guarantees provided to its subsidiary companies. The fair value of such financial guarantee has been recognised as additional investment in subsidiaries. The financial guarantee to subsidiaries are amortised over the tenure of loan. The impact of amortisation of fair value of financial guarantee has been recognised under Other Income in the Statement of Profit and Loss.

52 Previous years' figures have been regrouped / restated wherever necessary to conform to current year's classification.

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2018

Signatures to the Notes to Financial Statements
For and on behalf of the Board

Dilip D. Dandekar
Chairman
DIN: 00846901

Ashish S. Dandekar
Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Rahul D. Sawale
Company Secretary
ICSI Membership No: ACS 29314

Mumbai, Dated: May 24, 2018

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

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 INR 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 Limited	Apr 17 to Mar 18	EUR	80.26	59.73	(54.80)	9.24	997.83	993.53	-	(14.46)	-	(14.46)	-	100%
2	CFS Europe S.p.A.	Apr 17 to Mar 18	EUR	80.26	1,612.40	5,222.38	27,410.70	24,782.81	4,206.89	27,710.91	(1,685.01)	380.50	(1,304.49)	-	100%
3	CFS Do Brasil Importacao E Exportacao De Aditivos Alimenticios LTDA.	Apr 17 to Mar 18	BRL	19.69	331.58	(1,391.79)	3,764.27	4,824.48	-	2,521.90	(655.74)	133.12	(522.62)	-	100%
4	Solentus North America Inc	Apr 17 to Mar 18	CAD	50.44	56.01	(260.40)	9.57	213.96	-	-	(9.87)	-	(9.87)	-	100%
5	CFS North America LLC	Apr 17 to Mar 18	USD	65.04	311.51	(2,363.02)	1,952.52	4,004.03	-	1,782.58	(1,375.13)	625.73	(749.40)	-	100%
6	CFS Antioxidantes De Mexico S.A.de C.V.	Apr 17 to Mar 18	MXP	3.58	1,303.15	209.46	14.94	4,240.28	5,737.95	-	(140.03)	(17.46)	(157.50)	-	100%
7	CFS International Trading (Shanghai) Ltd	Apr 17 to Mar 18	CNY	10.35	50.32	(74.40)	6.13	30.21	-	15.50	(47.84)	-	(47.84)	-	100%
8	Dresen Quimica, S.A.P.I. de C.V.	Apr 17 to Mar 18	MXP	3.58	2,801.92	4,251.95	7,872.74	2,540.81	1,721.95	13,874.69	2,491.05	(719.55)	1,771.50	-	65%
9	Industrias Petrotec de Mexico, S.A. de C.V.	Apr 17 to Mar 18	MXP	3.58	3.91	135.97	290.94	151.05	-	1,718.30	39.71	(13.47)	26.24	-	65%
10	Inovel, S.A.S.	Apr 17 to Mar 18	MXP	3.58	80.15	306.01	819.14	432.98	-	1,422.10	230.07	(70.40)	159.66	-	65%
11	Nuvel, S.A.C.	Apr 17 to Mar 18	MXP	3.58	30.48	926.81	1,473.15	515.87	-	2,136.37	190.39	(56.11)	134.28	-	65%
12	Britec, S.A.	Apr 17 to Mar 18	MXP	3.58	30.65	426.65	614.42	157.12	-	1,212.23	67.78	-	67.78	-	65%
13	Grinel, S.R.L.	Apr 17 to Mar 18	MXP	3.58	1.47	-	1.47	-	-	-	-	-	-	-	65%
14	Chemolutions Chemicals Ltd.	Apr 17 to Mar 18	INR	1.00	676.70	(376.95)	397.48	97.73	-	413.63	124.08	(32.89)	91.19	-	94.08%
15	CFS Wanglong Flavors (Ningbo) Co.Ltd.*	July 12, 2017 to Mar 18	CNY	10.35	7,798.63	198.12	13,538.88	5,542.13	-	8,880.73	(372.79)	90.43	(282.36)	-	51%

* The Company holds 7.65% stake and CFS Europe S.p.A, holds 43.35% stake in CFS Wanglong Flavours (Ningbo) Co. Ltd.

Part "B": Associates and Joint Ventures

1	Name of Associate	Fine Lifestyle Brands Limited
2	Latest audited Balance Sheet Date	31-03-2018
3	Shares of Associate held by the company on the Year end	
	Number of Shares	2,55,000
	Amount of Investment in Associate	25,50,000
	Extend of Holding %	49.04%
4	Description of how there is Significant Influence	Control of 49.04% of Equity Share Capital
5	Reason why the Associate is not consolidated	NA
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (INR in lakhs)	9.33
7	Profit for the Year	
	i. Considered in Consolidation (INR in lakhs)	17.16
	ii. Not Considered in Consolidation (INR in lakhs)	-
8	Names of associates or joint ventures which are yet to commence operations	NA

Signatures to the Balance Sheet and Notes to Financial Statements
For and on behalf of the Board

Dilip D. Dandekar
Chairman
DIN: 00846901

Ashish S. Dandekar
Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Rahul D. Sawale
Company Secretary

Mumbai, Dated: May 24, 2018

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
CAMLIN FINE SCIENCES LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **CAMLIN FINE SCIENCES LIMITED** ("the Holding Company"), its subsidiaries, (the Holding Company and its subsidiaries collectively referred to as "the Group"), and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows, the consolidated Statement of Changes in Equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in the terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies and of its associates are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and its associate for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Ind AS 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 Ind AS Financial Statements.

We believe that the audit evidence obtained by us and audit evidence obtained by another auditor in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the considerations of the report of other auditors on separate financial statements and on other financial information of the subsidiaries and associate, the aforesaid Consolidated Ind AS 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 (financial position) of the Group and its associate as at March 31, 2018, and their consolidated loss (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

1. The comparative consolidated financial information of the Company for the year ended March 31, 2017 and the transition date opening Consolidated Balance Sheet as at April 1, 2016 included in these Consolidated Ind AS Financial Statements, are based on the previously issued statutory Consolidated Financial Statements prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP'), which were audited by the predecessor auditor, whose reports for the year ended March 31, 2017 and March 31, 2016 dated May 19, 2017 and May 23, 2016 respectively expressed an unmodified opinion on those audited Consolidated Financial Statements. Management has adjusted these Consolidated Financial Statements for the differences in accounting principles adopted by the Company on transition to the Indian Accounting Standards ('Ind AS') which have been approved by the Company's Board of Directors and audited by us.

2. We did not audit the financial statements of eleven subsidiaries incorporated outside India and a subsidiary in India, whose financial statements reflect total revenue of INR 55,945.94 lakhs, total assets of INR 62,001.27 lakhs and net cash flows amounting to Rs. 1,852.15 lakhs and for an associate whose share of net profit of INR 17.16 lakhs, as considered in the Consolidated Ind AS Financial Statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

3. In case of subsidiaries located outside India, the financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries have been audited by other auditors under generally accepted auditing standards 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 ("Indian Accounting Standards"). We have audited these conversion adjustments made by the Company's management. Our conclusion in so far as it relates to the amounts and disclosures of such subsidiaries located outside India is based on the report of the other auditors and the conversion adjustments made by the management of the Company and audited by us. Our opinion is not modified in respect of this matter.

4. The financial statements of three subsidiaries, whose financial statements reflects the Group's share of total revenue of INR 1,798.08 lakhs, total assets of INR 2,961.42 lakhs and net cash flows amounting to Rs. 3.21 lakhs for the year ended March 31, 2018 as considered in Consolidated Ind AS Financial Statements, are not audited as of the date of this report and have been included in the Consolidated Ind AS Financial Statements on the basis of Unaudited Management Accounts. Our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial information. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of another auditor on separate financial statements and the other financial information of the subsidiary, as noted in the 'other matter' paragraph, we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the report of the other auditor;

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

e) On the basis of the written representations received from the Directors of the Group Companies and associate company incorporated in India as on March 31, 2018, and taken on record by the Board of Directors of the respective Group Companies and associate company incorporated in India, none of the Directors of the Group Companies, are disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and associate incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group and it's associate has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS Financial Statements – Refer Note 42 (I) (a) & (b) in the notes forming part of the Consolidated Ind AS Financial Statements;

ii. The Group did not have any long term contracts including derivative contracts for which material foreseeable losses was required under the applicable laws 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 Group and its associate company incorporated in India.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Dated: May 24, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the consolidated Ind AS financial statements for the year ended March 31, 2018.

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 with reference to financial statements of **CAMLIN FINE SCIENCES LIMITED** ("the Holding Company") and its subsidiary companies and its associate as of March 31, 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matter paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Group and its associate incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group and its associate incorporated in India has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal controls with reference to financial statements criteria established by the Group and its associate incorporated in India, 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.

Other Matters

Our aforesaid report under Section 143(3)(1) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Financial Statements insofar as it relates to a subsidiary and an associate company, which are companies incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Dated: May 24, 2018

CONSOLIDATED BALANCE SHEET

as at March 31, 2018

INR (in Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2(a)	**20,661.85**	15,162.54	12,581.70
Capital Work-in-Progress	2(b)	**1,285.28**	762.35	2,506.46
Investment Property	3	**207.19**	207.19	207.19
Goodwill		**4,462.86**	3,791.71	-
Intangible Assets	4	**2,477.88**	926.95	1,238.49
Intangible Assets under development		**76.44**	-	-
Investment in Associate	5	**19.24**	2.08	0.37
Financial Assets				
Investments	6	**714.25**	714.25	109.05
Loans	7	**65.66**	163.72	152.55
Other Financial Assets	8	**-**	419.38	-
Deferred Tax Assets (Net)	9	**3,958.16**	2,409.70	1,673.85
Income Tax Assets (Net)	10	**680.74**	247.60	54.70
Other Non-Current Assets	11	**485.40**	504.95	185.26
Total Non-Current Assets		**35,094.95**	25,312.42	18,709.62
Current Assets				
Inventories	12	**23,901.90**	19,779.54	17,331.55
Financial Assets				
Investments	13	**10,807.63**	1,169.90	-
Trade Receivables	14	**20,534.78**	14,489.15	15,747.95
Cash and Cash Equivalents	15	**3,847.62**	2,065.32	803.01
Bank Balances other than Cash and Cash Equivalents	16	**960.86**	1,058.27	1,086.63
Loans	17	**343.83**	45.70	232.32
Other Financial Assets	18	**622.96**	549.72	695.18
Other Current Assets	19	**5,535.29**	2,781.93	2,091.17
Total Current Assets		**66,554.87**	41,939.53	37,987.81
TOTAL ASSETS		**1,01,649.82**	67,251.95	56,697.43
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	20	**1,212.30**	1,037.10	966.66
Other Equity	21	**35,903.97**	20,221.14	17,140.00
Non-Controlling Interests	22	**6,221.73**	1,761.48	-
Total Equity		**43,338.00**	23,019.72	18,106.66
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	23	**11,024.49**	5,131.61	2,144.81
Provisions	24	**196.40**	214.43	185.26
Deferred Tax Liabilities (Net)	9	**-**	314.41	217.40
Total Non-Current Liabilities		**11,220.89**	5,660.45	2,547.47
Current Liabilities				
Financial Liabilities				
Borrowings	25	**24,678.60**	26,989.57	23,103.77
Trade Payables	26	**17,779.01**	7,840.25	9,412.91
Other Financial Liabilities	27	**3,057.34**	2,264.04	2,072.54
Other Current Liabilities	28	**847.13**	481.05	330.38
Provisions	29	**700.48**	576.25	628.84
Current Tax Liabilities (Net)	30	**28.37**	420.62	494.86
Total Current Liabilities		**47,090.93**	38,571.78	36,043.30
Total Liabilities		**58,311.82**	44,232.23	38,590.77
TOTAL EQUITY AND LIABILITIES		**1,01,649.82**	67,251.95	56,697.43
Significant Accounting Policies	1			
The accompanying notes 1 to 51 form an integral part of the Financial Statements				

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2018

Signatures to the Consolidated Balance Sheet and Notes to Financial Statements
For and on behalf of the Board

Dilip D. Dandekar
Chairman
DIN: 00846901

Ashish S. Dandekar
Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Rahul D. Sawale
Company Secretary
ICSI Membership No: ACS 29314

Mumbai, Dated: May 24, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

INR (in Lakhs)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from Operations	31	**72,276.17**	54,686.90
Other Income	32	**1,155.81**	1,451.07
Total Income		**73,431.98**	56,137.97
EXPENSES			
Cost of Materials Consumed	33	**39,382.78**	29,284.06
Purchases of Stock-in-Trade		**3,096.56**	141.80
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	34	**(234.87)**	(3,374.99)
Excise Duty		**215.76**	1,293.85
Employee Benefits Expense	35	**7,286.57**	6,109.03
Finance Costs	36	**2,835.39**	2,691.45
Depreciation and Amortisation Expense	37	**2,665.42**	2,180.29
Other Expenses	38	**21,274.16**	18,415.89
Total Expenses		**76,521.77**	56,741.38
(Loss) Before share of Profit/(Loss) of Associate		**(3,089.79)**	(603.41)
Share of Profit of Associate (Net of tax)		**17.16**	1.71
(Loss) Before Tax		**(3,072.63)**	(601.70)
Tax Expenses			
Current tax	9	**857.11**	776.89
Deferred tax	9	**(1,532.52)**	(934.67)
Total Tax Expenses		**(675.41)**	(157.78)
(Loss) for the Year		**(2,397.22)**	(443.92)
Other Comprehensive Income			
(A) Items that will not be subsequently reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plans		**18.66**	(15.22)
Income Tax relating to items that will not be reclassified to Profit or Loss		**(6.23)**	5.03
Total (A)		**12.43**	(10.19)
(B) Items that will be reclassified subsequently to Profit or Loss			
Exchange differences in translating the financial statements of foreign operations		**1,828.71**	(798.84)
Income Tax relating to items that will be reclassified to Profit or Loss		**(604.63)**	264.12
Total (B)		**1,224.08**	(534.72)
Total Other Comprehensive Income for the Year (A)+(B)		**1,236.51**	(544.91)
Total Comprehensive Income for the Year		**(1,160.71)**	(988.83)
(Loss) for the Year attributable to:			
Owners of the Company		**(2,964.31)**	(1,117.43)
Non-Controlling Interests		**567.09**	673.51
Total Other Comprehensive Income for the Year attributable to:			
Owners of the Company		**1,236.51**	(544.91)
Non-Controlling Interests		**-**	-
Total Comprehensive Income for the Year attributable to:			
Owners of the Company		**(1,727.80)**	(1,662.34)
Non-Controlling Interests		**567.09**	673.51
Earnings per Equity Share (Face Value INR 1 each)			
Basic	40	**(3.07)**	(1.26)
Diluted		**(3.01)**	(1.25)
Significant Accounting Policies	1		
The accompanying notes 1 to 51 form an integral part of the Financial Statements			

As per our Report of even date.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2018

Signatures to the Consolidated Statement of Profit & Loss and Notes to Financial Statements
For and on behalf of the Board

Dilip D. Dandekar
Chairman
DIN: 00846901

Ashish S. Dandekar
Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Rahul D. Sawale
Company Secretary
ICSI Membership No: ACS 29314

Mumbai, Dated: May 24, 2018

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

INR (in Lakhs)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Cash flow from Operating Activities		
Loss Before Taxation	**(3,089.79)**	(603.41)
Adjustment for:		
Depreciation and Amortisation	**2,665.42**	2,180.29
Finance Costs	**2,835.39**	2,691.45
Foreign Exchange loss/(gain) (Unrealised)	**(1,092.01)**	435.04
Loss on sale of Property, Plant & Equipment and Intangible Assets	**5.70**	2.92
Provision for Gratuity	**31.90**	(15.22)
Provision for Compensated Absences	**106.20**	(23.42)
ESOP compensation cost	**23.56**	130.37
Allowance for Credit Loss	**(99.87)**	443.31
Bad debts written off	**100.21**	17.40
Bad Advances written off	**36.46**	-
Provision for doubtful advances	**-**	-
Allowance for Doubtful Advances	**(35.23)**	(114.00)
Interest Income	**(82.67)**	(155.22)
Dividend Income	**-**	(0.04)
Net gain arising on Financial Assets measured through FVTPL	**(166.75)**	(54.65)
Recovery of bad debts	**-**	(867.80)
Gain on valuation of put option liability	**(238.31)**	-
Operating Profit before working capital changes	**1,000.21**	4,067.02
Adjustment for :		
Increase/(Decrease) in Non Financial Liabilities	**366.08**	150.67
Increase/(Decrease) in Financial Liabilities	**10,397.63**	(1,758.64)
(Increase)/Decrease in Non Financial Assets	**(6,834.53)**	(2,982.49)
(Increase)/Decrease in Financial Assets	**(5,456.27)**	690.01
Cash generated from operations	**(1,527.09)**	(3,900.45)
Taxes Paid (Net)	**(1,014.01)**	(1,035.90)
Net Cash Flow from/(used in) Operating activities	**(1,540.89)**	(869.33)
Cash flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	**(1,926.69)**	(3,079.38)
Sale of Property, Plant & Equipment and Intangible Assets	**24.41**	11.75
Sale/ (Purchase) of non-current investments (Associate)	**(17.16)**	(1.71)
Purchase of Mutual Funds (net)	**(9,470.98)**	(1,115.25)
Maturity of / (Investment in) Fixed Deposits	**94.80**	32.23
Interest received	**82.67**	155.22
Acquisitions of Subsidiaries (Net)	**(3,646.35)**	(3,898.00)
Initial contribution towards Share Purchase Agreement with Ningbo Wanglong Technology Ltd	**-**	(419.38)
Dividend Received	**-**	0.04
Net Cash Flows from/(used in) Investing Activities	**(14,859.30)**	(8,314.48)

CONSOLIDATED STATEMENT OF CASH FLOWS (Contd.)

for the year ended March 31, 2018

INR (in Lakhs)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital (net of issue expenses)	**14,773.71**	5,759.73
Received against Preferential Share Warrants	**2,085.53**	-
Proceeds from / (Repayment of) Long Term Borrowings (net)	**6,506.38**	2,632.48
Proceeds from / (Repayment of) Short Term Borrowings (net)	**(2,310.97)**	3,885.81
Interest Paid	**(2,872.16)**	(2,627.28)
Payment of Dividend	**-**	(464.39)
Dividend Distribution Tax	**-**	(94.52)
Net Cash Flow from Financing Activities	**18,182.49**	9,091.83
Net Increase/(Decrease) in Cash & Cash Equivalents	**1,782.30**	(91.96)
Cash & Cash Equivalents at the beginning of the year	**2,065.32**	803.01
Cash received on acquisition of Subsidiary	**-**	1,354.27
Cash & Cash Equivalents at the end of the year	**3,847.62**	2,065.32

Notes :

The above Statement of Cash Flow include INR 45.50 lakhs (Previous Year 2017: INR 72.15 lakhs) towards Corporate Social Responsibility (CSR) activities (Refer Note 38).

The accompanying notes 1 to 51 form a integral part of the Financial Statements.

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2018

Signatures to the Statement of Cash Flows and Notes to Financial Statements
For and on behalf of the Board

Dilip D. Dandekar
Chairman
DIN: 00846901

Ashish S. Dandekar
Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Rahul D. Sawale
Company Secretary
ICSI Membership No: ACS 29314

Mumbai, Dated: May 24, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

a) Equity Share Capital

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the reporting Year	**1,037.10**	966.66	958.88
Issued pursuant to Qualified Institutions Placement (QIP)	**172.41**	65.20	-
Issued pursuant to exercise of Employee Stock Options	**2.79**	5.24	7.78
Changes in equity share capital during the Year	**175.21**	70.44	7.78
Balance at the end of the reporting Year	**1,212.30**	1,037.10	966.66

INR (in Lakhs)

Particulars	Reserves and Surplus						Money received against Preferential Share Warrants	Foreign Currency Translation Reserve (FCTR)	Total before Non - Controlling Interest	Non-Controlling Interest	Total after Non - Controlling Interest
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Employee Stock Option Outstanding	General Reserves	Retained Earnings					
Balance as at April 1, 2016	134.52	1,080.63	1,067.08	93.39	2,534.88	12,116.05	-	113.45	17,140.00	-	17,140.00
(Loss) for the Year	-	-	-	-	-	(1,117.43)	-	-	(1,117.43)	-	(1,117.43)
Remeasurement of Defined Benefit Plans	-	-	-	-	-	(10.19)	-	-	(10.19)	-	(10.19)
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	-	(798.84)	(798.84)	-	(798.84)
Total Comprehensive Income for the Year	-	-	-	-	-	(1,127.63)	-	(798.84)	(1,926.46)	-	(1,926.46)
Issue of Equity Shares pursuant to Qualified Institutions Placement (QIP)		-	5,502.46						5,502.46		5,502.46
Issue of Equity Shares pursuant to exercise of Employee Stock Options		-	401.20						401.20		401.20
QIP Issue Expenses		-	(159.16)						(159.16)		(159.16)
Dividend on Equity Shares				-		(464.34)			(464.34)		(464.34)
Dividend Distribution Tax (DDT)				-		(94.52)			(94.52)		(94.52)
Fair valuation of Employee Stock Option Plan (ESOP)				75.17					75.17		75.17
Deferred Tax on Expected Credit Loss Adjustments						(106.68)			(106.68)		(106.68)
Deferred Tax on QIP Issue expenses						42.09			42.09		42.09
Deferred Tax on Consolidation Adjustments						(188.62)			(188.62)		(188.62)
Changes in Non-Controlling Interest	-	-	-	-	-	-	-	-	-	1,761.48	1,761.48
Balance as at March 31, 2017	**134.52**	**1,080.63**	**6,811.58**	**168.56**	**2,534.88**	**10,176.36**	**-**	**(685.39)**	**20,221.14**	**1,761.48**	**21,982.62**
(Loss) for the year	-	-	-	-		(2,964.31)	-	-	(2,964.31)	-	(2,964.31)
Remeasurement of Defined Benefit Plans	-	-	-	-	-	12.43	-	-	12.43	-	12.43
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	-	1,828.71	1,828.71		1,828.71
Other movements					(1.25)				(1.25)		(1.25)
Total Comprehensive Income for the year	-	-	-	-	(1.25)	(2,951.88)	-	1,828.71	(1,124.42)	-	(1,124.42)
Issue of Equity Shares pursuant to QIP	-	-	14,827.60	-	-	-	-	-	14,827.60	-	14,827.60
Issue of Equity Shares pursuant to ESOP	-	-	219.60	-	-	-	-	-	219.60	-	219.60
QIP Issue Expenses	-	-	(412.83)	-	-	-	-	-	(412.83)	-	(412.83)
Deferred Tax on QIP Issue expenses	-	-	-	-	-	99.63	-	-	99.63	-	99.63
Fair valuation of ESOP	-	-	-	(12.28)	-	-	-	-	(12.28)	-	(12.28)
Receipt on exercise of Preferential Share Warrants	-	-	-	-	-	-	2,085.53	-	2,085.53	-	2,085.53
Changes in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	4,460.25	4,460.25
Balance as at March 31, 2018	**134.52**	**1,080.63**	**21,445.95**	**156.28**	**2,533.63**	**7,324.11**	**2,085.53**	**1,143.32**	**35,903.97**	**6,221.73**	**42,125.70**

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2018

Signatures to the Statement of Changes in Equity and Notes to Financial Statements
For and on behalf of the Board

Dilip D. Dandekar
Chairman
DIN: 00846901

Ashish S. Dandekar
Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Rahul D. Sawale
Company Secretary
ICSI Membership No: ACS 29314

Mumbai, Dated: May 24, 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

1 Significant Accounting Policies

A. Group Overview:

Camlin Fine Sciences Limited ("the Holding Company") including its subsidiaries and associate collectively referred to as ("the Group") is engaged primarily in the business of research, development, manufacturing and marketing of speciality chemicals which are used as antioxidants, industrial chemicals and pharmaceuticals. The Holding Company is incorporated and domiciled in India having its registered office at WICEL, Plot No. F/11-12, WICEL, Opposite SEEPZ Main Gate, Central Road, Andheri (East), Mumbai – 400 093. Its shares are listed on BSE Limited (BSE) and the National Stock Exchange in India (NSE).

B. Basis of Preparation of Consolidated Financial Statements

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. The Group's Financial Statements for the year ended March 31, 2018 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

For all periods up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with Indian Generally Accepted Accounting Practices (IGAAP), including Accounting Standards (ASs) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, as amended, to the extent applicable.

The Financial Statements of the Group for the year ended March 31, 2018 are approved by the Board of Directors on May 24, 2018. These financial statements are the Group's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Group's equity, financial position, financial performance and its cash flows is provided in Note No. 50.

Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

Functional and Presentation Currency

The financial statements are presented in Indian rupee, which is the functional currency of the Holding Company. All financial information has been rounded to the nearest lakhs, unless otherwise indicated.

Basis of Measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for certain financial assets and liabilities, including financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured on the basis of actuarial valuation as required by relevant Ind ASs.

Key Accounting Estimates and Judgements:

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Management believes that the estimates used in preparation of the financial

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

statements are prudent and reasonable. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities, are included in the following notes:

(i) Determination of the estimated useful lives of property, plant and equipment and intangible assets.

(ii) Recognition and measurement of defined benefit obligations, key actuarial assumptions.

(iii) Fair valuation of employee share options, key assumptions made with respect to expected volatility and dividend yield.

(iv) Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.

(v) Recognition of deferred tax assets.

(vi) Fair value of financial instruments.

(vii) Applicable discount rate.

Measurement of fair values

The Group's accounting policies and disclosures require the financial instruments to be measured at fair values.

The Group has an established control framework with respect to measurement of fair values. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusions that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

C. Recent Accounting Developments

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, Revenue from Contract with Customers, Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Group from 1st April, 2018. The Group will be adopting the amendments from their effective date.

a. Ind AS 115 – Revenue from Contract with Customers:

As per notification dated March 28, 2018, the Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Amendments Rules, 2018, notifying "Ind AS-115 relating to Revenue from Contracts with Customers" and related amendments to other standards on account of notification of Ind AS 115. Ind AS 115 supersedes Ind AS 18, Revenue. The effective date of adoption of this standard is annual periods beginning on or after April 1, 2018 onwards. The Group is currently evaluating the effect of the above amendments.

b. Appendix B to Ind AS 21 – Foreign Currency transactions and advance consideration:

The appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such asset, expense or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration. The Group is currently evaluating the effect of the above amendments.

D. First time adoption of Ind AS

The Group has prepared the opening Balance Sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from IGAAP to Ind AS as required by Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Group. The significant items are as follows:

a. Business combination Exemption:

The Group has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, 'Business Combinations' to business combinations consummated prior to the date of transition. Accordingly, the Group has not restated any past business combinations.

b. Deemed cost for Property, Plant and Equipment, Investment Property and Intangible Assets:

The Group has elected to measure all its property, plant and equipment, Investment Property and intangible assets at the IGAAP carrying amount as its deemed cost on the date of transition to Ind AS.

c. Deemed cost of Investment in subsidiaries and associate:

The Group has elected to measure investments in subsidiaries and associate at the IGAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2016.

d. Share based payment:

The Group has elected not to apply Ind AS 102, 'Share-Based Payment' to grants that vested prior to the date of transition to Ind AS. Accordingly, the Group has measured only unvested stock options on the date of transition as per Ind AS 102.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

E. Significant Accounting Policies

a. Business combination

The Group accounts for each business combination (other than common control transactions) by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as of the applicable acquisition date at excess of the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (measured at fair value) of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised as capital reserve on consolidation.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Put options issued to non-controlling interests are recognised as a liability and the subsequent changes in fair value of the put option liability are recognised in Consolidated Statement of Profit and Loss.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Common control transactions are accounted for based on pooling of interests method where the assets and liabilities of the acquiree are recorded at their existing carrying values, the identity of reserves of the acquiree is preserved and the difference between consideration and the face value of the share capital of the acquiree is adjusted with capital reserve on consolidation.

The financial information in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements irrespective of the actual date of the combination.

b. Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of Profit & Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Statement of profit or loss. Subsequently, it is accounted for as an equity-accounted investee depending on the level of influence retained.

c. Associates

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

d. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

e. Acquisition of non-controlling interests

Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the Holding company. The associated cash flows are classified as financing activities. No goodwill is recognised as a result of such transaction

f. Basis of Consolidation

I. Principles of consolidation

(i) The consolidated financial statements relate to Camlin Fine Sciences Limited, its subsidiaries and an associate.

(ii) Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over a subsidiary.

(iii) The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are fully eliminated while preparing these consolidated financial statements.

(iv) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.

(v) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their policies in line with the Group's accounting policies.

II. Investments in Associate

An associate is an entity over which the Group has significant influence. Investment in associate is accounted by using the equity method of accounting, after initially being recognised at cost.

g. Property, Plant & Equipment

(i) Recognition and Measurement

Property, plant and equipment is initially measured at cost net of tax credit availed less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

When significant parts of Property, Plant and Equipment are required to be replaced, the Group recognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly.

(ii) Depreciation

Depreciable amount for property, plant and equipment is the cost of property, plant and equipment less its estimated residual value.

Depreciation is provided on Straight Line Method over the estimated useful lives of the property, plant and equipment prescribed under Schedule II to the Companies Act, 2013 on pro rata basis. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on internal technical evaluation.

Leasehold land is amortised equally over the period of lease.

The estimated useful lives, residual values and depreciation methods are reviewed by the management at each reporting date and adjusted if appropriate.

(iii) Disposal or Retirement

Property, plant and equipment are derecognised either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised in the Consolidated Statement of Profit and Loss in the year of occurrence.

h. Capital Work In Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset.

i. Investment Property

(i) Recognition and Measurement

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for a currently undetermined future use is also recognised as Investment Property.

An investment property is measured initially at cost of acquisition or construction including transaction cost.

fter initial recognition, the Group measures investment property using cost model and discloses the fair value of investment property in the notes. Fair value is determined based on the evaluation performed by an external independent valuer.

(ii) Derecognition

Investment property is derecognised from the financial statement either on disposal or when no economic benefits are expected from its use or disposal.

The gain or loss arising from disposal of investment property are determined by comparing the proceeds from disposal with the carrying amount of investment property and recognised in the Consolidated Statement of Profit and Loss in the year of occurrence.

j Intangible Assets

(i) Initial Recognition

Acquired Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Internally generated intangible assets

Expenditure on research activities is recognised as expenses in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following conditions have been met:

a) It is technically feasible to complete the intangible asset so that it will be available for use or sale.

b) There is an intention to complete the asset.

c) There is an ability to use or sell the asset.

d) The asset will generate future economic benefits.

e) Adequate resources are available to complete the development and to use or sell the asset.

f) The expenditure attributable to the intangible asset during development phase can be measured reliably.

Where no internally generated intangible asset can be recognised, the development expenditure is recognised in the Consolidated Statement of Profit and Loss in the period in which it is incurred.

(ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the Straight-Line Method over their estimated useful lives, and is recognised in Consolidated Statement of profit or loss.

Capitalised ERP software cost, technical know-how and development expenditure of projects / products incurred is amortised over the estimated period of benefits, not exceeding five years on straight line method.

(iii) Derecognition

An item of intangible asset is derecognised either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and recognised in the Consolidated Statement of Profit and Loss in the period of occurrence.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

k. Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

If the recoverable amount of asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expenses in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of an asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

l Investment in Associate (equity accounted investees)

Investment in associate is accounted by using the equity method of accounting, after initially being recognised at cost. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in associate, the difference between net disposal proceeds and the carrying amounts are recognized in the Consolidated Statement of Profit and Loss.

m Financial Instruments

A financial instrument is any contract that gives rise to financial asset of one entity and financial liability or equity instrument of another entity.

I. Financial Assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

(i) Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Subsequent measurement and classification

For the purpose of subsequent measurement, the financial assets are classified into three categories:

- Financial assets at amortised cost
- Financial assets at fair value through Other Comprehensive Income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

on the basis of its business model for managing the financial assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

(iii) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold assets for collecting contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment, if any. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

(iv) Financial asset at Fair Value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from equity to'other income' in the Consolidated Statement of Profit and Loss.

(v) Financial asset at Fair Value through profit or loss (FVPTL)

A financial asset which are not classified in any of the above categories are measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Consolidated Statement of Profit and Loss.

(vi) Financial assets as Equity Investments

All equity instruments other than investment in associate are initially measured at fair value; the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. A fair value change on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(vii) Derecognition

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

(viii) Impairment of financial assets

The Group applies 'Simplified Approach' for measurement and recognition of impairment loss on the following financial assets and credit exposure:

- Financial assets that are debt instruments and are measured at amortised cost e.g. loans, deposits and bank balance
- Trade receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

II. Financial Liabilities

(i) Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost.

(ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

(iii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised.

(iv) Financial guarantee contracts

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the amount initially recognised less cumulative amount of income recognised in accordance with Ind AS 18, 'Revenue'. The fair values of guarantees in relation to loans to subsidiaries are accounted as part of the cost of investment.

(v) Derecognition

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

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

IV. Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

n. Inventories

Inventories are valued at lower of cost and net realizable value. Costs are computed on weighted average basis and are net of CENVAT/GST credits.

Raw materials, packing materials and stores: Cost includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition.

Finished Goods and Work in Progress: In case of manufactured inventories and work in progress, cost includes all costs of purchase, an appropriate share of production overheads based on the normal operating capacity and other costs incurred in bringing the inventories to the present location and condition. Excise duty is included in the valuation of finished goods inventory.

Net Realizable Value: Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

o. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

p Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ii) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(iii) Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

q. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is disclosed including excise duty and excluding sales tax/ value added tax (VAT) / Goods and Services Tax (GST).

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Sale of goods

- Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, net of returns and allowances, trade discounts and volume rebates.

- Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading, net of returns and allowances, trade discounts and volume rebates.

(ii) Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

(iii) Interest Income

a) Interest income is recognized using the effective interest rate (EIR) method.

b) Interest income on fixed deposits with banks is recognised on time basis.

(iv) Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

r. Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

(i) Short term employee benefits:

Liabilities for wages, salaries, bonus and medical benefits including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment benefits:

Defined contribution plans

Payments to defined contribution plans for eligible employees in the form of superannuation fund and the Company's contribution to Provident Fund are recognised as an expense in the Consolidated Statement of Profit and Loss as the related service is provided.

Defined benefit plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in current and prior periods, after discounting the same. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. The defined benefit obligation recognised in the Balance Sheet represent the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any defined benefit asset (negative defined benefit obligation resulting from this calculation) representing the present value of available refunds and reductions in future contributions to the plan is recognised.

All expenses represented by current service cost, past service cost, if any, and net interest expense / (income) on the net defined benefit liability / (asset) are recognised in the Consolidated Statement of Profit and Loss. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses are recognised immediately in Other Comprehensive Income (OCI).

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

Other long term employee benefits represent liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the service. These liabilities are measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Re-measurements are recognised in the Statement of Profit and Loss in the period in which they arise. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss in the period in which they arise.

s. Share-based payment transactions

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

t. Borrowing Cost

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset are capitalized upto the time all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready to its intended use or sale.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

u. Foreign currency transactions / translations

Transactions in foreign currencies are initially recorded at the functional currency spot rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies and remaining unsettled at the reporting date are translated into the functional currency at the exchange rate prevailing on the reporting date.

Non- monetary items that are measured based on historical cost in a foreign currency are not translated.

Exchange differences arising on settlement of transactions or translation of monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in the previous financial statements are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise except for exchange differences recognised as a part of qualifying assets.

In case of foreign operations whose functional currency is different from the Holding Company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognised in Other Comprehensive Income / (Loss) and accumulated within equity as a part of Foreign Currency Translation Reserve (FCTR). When a foreign operation is disposed of, in part of in full, the relevant amount in FCTR is transferred to the Consolidated Statement of Profit and Loss.

v. Leases

Leases of assets, under which substantially all the risks and rewards incidental to ownership of the leased assets, are transferred to the Group are accounted 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. Initial direct costs incurred are added to the amount recognised as an asset. Minimum lease payments are apportioned between finance charges and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. If there is no reasonable certainty that the Group will obtain ownership of the leased asset by the end of the lease term, the leased asset is depreciated over the shorter of the lease term or the estimated useful life of the leased asset.

Leases of assets, under which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis over the lease term unless the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

w. Income tax

Income tax expense comprises current and deferred tax. It is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

(i) Current Tax

Current tax is determined as the amount of tax payable or recoverable in respect of taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates that are enacted or substantively enacted at the reporting date.

Minimum Alternate Tax (MAT) is accounted as current tax when the Group is subjected to such provisions of the Income Tax Act, 1961. However, credit of such MAT paid is available when the Group is subject to tax as per normal provisions in the future.

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

a) has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are amounts of income taxes in future periods in respect of deductible temporary differences, unused tax losses, and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

MAT (Minimum Alternate Tax) 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 the said is created by way of credit to the Consolidated Statement of Profit and Loss and shown as MAT credit entitlement. The Group reviews carrying amount of MAT credit at each at the reporting date and writes down the same to the extent that there is no longer convincing evidence to the effect that the Group will pay normal income tax during the period.

x. Earnings per Share

Basic earnings per share are computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares outstanding during the year adjusted for the effect of all dilutive potential equity shares.

y. Dividend

The Group recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Group on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

z. Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) which is a single business segment in Fine Chemicals.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

2 (a) Property, Plant & Equipment

INR (in Lakhs)

Particulars	Gross Block						Depreciation						Net Block	
	As at April 1, 2017	Additions	Assets acquired in Business Combinations	Deletions	Other Adjustments#	As at March 31, 2018	As at April 1, 2017	For the year	Relating to assets acquired in Business Combinations	Deletions	Other Adjustments#	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Freehold Land	111.14	-	-	-	18.25	**129.39**	-	-	-	-	-	**-**	**129.39**	111.14
Leasehold Land	923.68	-	267.86	-	-	**1,191.54**	29.21	33.23	-	-	4.03	**66.47**	**1,125.07**	894.47
Leasehold Improvement	151.82	33.20	-	-	70.89	**255.91**	33.19	12.44	-	-	19.94	**65.57**	**190.34**	118.63
Factory & Other Building	1,433.09	-	1,103.44	-	241.66	**2,778.19**	13.73	129.22	-	-	94.10	**237.05**	**2,541.14**	1,419.36
Site Development	55.10	-	-	-	(1.41)	**53.69**	8.64	4.15	-	-	(0.34)	**12.45**	**41.24**	46.46
Plant, Equipment & Machinery	11,764.94	909.73	4,186.31	-	3,061.17	**19,922.15**	525.77	1,734.60	-	-	2,224.67	**4,485.04**	**15,437.11**	11,239.17
Furniture & Fixtures	336.66	15.99	-	-	37.52	**390.17**	166.38	41.33	-	-	(4.30)	**203.41**	**186.76**	170.28
Vehicles	319.02	33.08	-	80.02	18.48	**290.56**	108.20	57.17	-	49.93	14.82	**130.26**	**160.30**	210.82
ERP Hardware Cost	85.51	26.79	-	1.60	1.43	**112.13**	27.81	26.23	-	1.58	(2.05)	**50.41**	**61.72**	57.70
R&D Assets														
Equipment & Furniture	786.09	13.10	-	-	(16.93)	**782.26**	90.45	90.46	-	-	(2.29)	**178.62**	**603.64**	695.64
Building	212.60	-	-	-	-	**212.60**	13.73	13.73	-	-	-	**27.46**	**185.14**	198.87
Total Property, Plant and Equipment	16,179.65	1,031.89	5,557.61	81.62	3,431.06	**26,118.59**	1,017.11	2,142.56	-	51.51	2,348.58	**5,456.74**	**20,661.85**	15,162.54

INR (in Lakhs)

Particulars	Gross Block						Depreciation						Net Block	
	As at April 1, 2016	Additions	Assets acquired in Business Combinations	Deletions	Other Adjustments#	As at March 31, 2017	As at April 1, 2016	For the year	Relating to assets acquired in Business Combinations	Deletions	Other Adjustments#	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Freehold Land	-	111.14	-	-	-	**111.14**	-	-	-	-	-	**-**	**111.14**	-
Leasehold Land	923.68	-	-	-	-	**923.68**	-	29.21	-	-	-	**29.21**	**894.47**	923.68
Leasehold Improvement	11.14	134.51	-	-	6.17	**151.82**	-	28.44	-	-	4.75	**33.19**	**118.63**	11.14
Factory & Other Building	839.03	662.02	-	-	(67.96)	**1,433.09**	-	61.17	-	-	(47.44)	**13.73**	**1,419.36**	839.03
Site Development	27.62	-	-	-	27.48	**55.10**	-	4.29	-	-	4.35	**8.64**	**46.46**	27.62
Plant, Equipment & Machinery	9,393.59	3,373.04	351.94	2.96	(1,350.67)	**11,764.94**	-	1,326.83	215.86	0.47	(1,016.45)	**525.77**	**11,239.17**	9,393.59
Furniture & Fixtures	139.51	68.96	127.28	0.06	0.97	**336.66**	-	69.35	96.51	0.01	0.53	**166.38**	**170.28**	139.51
Vehicles	190.73	43.53	115.22	27.15	(3.31)	**319.02**	-	57.01	66.98	15.02	(0.77)	**108.20**	**210.82**	190.73
ERP Hardware Cost	61.11	19.79	4.73	-	(0.12)	**85.51**	-	23.17	4.57	-	0.07	**27.81**	**57.70**	61.11
R&D Assets												**-**		
Equipment & Furniture	782.69	3.40	-	-	-	**786.09**	-	90.45	-	-	-	**90.45**	**695.64**	782.69
Building	212.60	-	-	-	-	**212.60**	-	13.73	-	-	-	**13.73**	**198.87**	212.60
Total Property, Plant and Equipment	12,581.70	4,416.39	599.17	30.17	(1,387.44)	**16,179.65**	-	1,703.65	383.92	15.50	(1,054.96)	**1,017.11**	**15,162.54**	12,581.70

Other adjustments includes foreign exchange translation differences.

2.a.1 The Group has availed the deemed cost exemption under Ind AS 101 in relation to Property, Plant and Equipment on the date of transition and hence the net carrying amount has been considered as the gross carrying amount on that date. Refer Note 2.a.2 below for the gross carrying amount and the accumulated depreciation on April 1, 2016 under IGAAP.

2.a.2 Table showing information regarding gross carrying amount and accumulated depreciation on Property, Plant and Equipment and Intangible Assets under IGAAP as at April 1, 2016

INR (in Lakhs)

Particulars	As at April 1, 2016		
	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount
Leasehold Land	947.02	23.34	923.68
Leasehold Improvement	48.48	37.34	11.14
Factory & Other Building	1,878.84	1,039.81	839.03
Site Development	37.55	9.93	27.62
Plant, Equipment & Machinery	27,845.26	18,451.67	9,393.59
Furniture & Fixtures	434.16	294.65	139.51
Vehicles	305.23	114.50	190.73
ERP Hardware Cost	203.06	141.95	61.11
R&D Assets			
Equipment & Furniture	925.18	142.49	782.69
Building	229.03	16.43	212.60
Total Property, Plant and Equipment	32,853.81	20,272.11	12,581.70

Freehold Land of INR 207.19 lakhs is regrouped as Investment Property

2.a.3 Refer Note 23 and Note 25 for information on Property, Plant and Equipment pledged as security for borrowings.

2 (b) Capital Work-in-Progress

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Work-in-Progress	**1,285.28**	762.35	2,506.46
	1,285.28	762.35	2,506.46

2.b.1 Capital Work-in-Progress includes INR 54.88 lakhs (Previous Year March 31, 2017: INR 24.11 lakhs; April 1, 2016: INR Nil), as borrowing costs capitalised during the year. The average capitalisation rate for borrowing cost is 11.26% (Previous Year March 31, 2017: 11.59%; April 1, 2016: Nil).

2.b.2 Refer Note 42 (II) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

3 Investment Property

INR (in Lakhs)

Particulars	Gross and Net Carrying Amount			Fair Value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Freehold Land	**207.19**	207.19	207.19	302.00	302.00	271.00
	207.19	207.19	207.19	302.00	302.00	271.00

3.1 The Group has availed the deemed cost exemption under Ind AS 101 in relation to Investment Property on the date of transition and hence the net carrying amount has been considered as the gross carrying amount on that date. The gross carrying amount and net carrying amount as at April 1, 2016 under IGAAP was INR 207.19 lakhs.

3.2 Refer Note 23 and Note 25 for information on investment property pledged as security for borrowings.

3.3 Fair Value Hierarchy

The fair value of investment property has been determined by external independent property valuer, having appropriate recognised professional qualification and experience in the location and category of the property being valued. The fair value measurement for investment property has been categorised as Level 3 based on inputs to the valuation technique used.

3.4 Description of valuation technique used.

The Group obtains independent valuation of its investment property as at each year end. The fair value of the investment property has been derived using 'Selling Price Method'. Under this approach, enquiries are made with local architects, builders, local real estate consultants and other related agencies about the current market rates in area and on that basis, fair market value of the property is ascertained. This approach leads to reasonable estimation of the prevailing market value.

3.5 Reconciliation of Fair Value of Investment Property

INR (in Lakhs)

Particulars	Fair Value Movement		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Freehold Land			
Opening Balance	**302.00**	271.00	271.00
Fair Value Difference	**-**	31.00	-
Closing Balance	**302.00**	302.00	271.00

4 Intangible Assets

INR (in Lakhs)

Particulars	Gross Block						Amortisation						Net Block	
	As at April 1, 2017	Additions	Assets acquired in Business Combinations	Deletions	Other Adjustments#	As at March 31, 2018	As at April 1, 2017	For the year	Relating to assets acquired in Business Combinations	Deletions	Other Adjustments#	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
ERP Software Cost	65.78	90.86	-	-	3.21	**159.85**	21.82	28.04	-	-	3.35	**53.21**	**106.64**	43.96
Technical Know-How	103.47	-	-	-	-	**103.47**	103.46	-	-	-	0.01	**103.47**	**-**	0.01
Development Expenditure	942.50	93.01	-	-	210.38	**1,245.89**	110.53	326.46	-	-	175.87	**612.86**	**633.03**	831.97
R & D Process Development	80.20	-	-	-	-	**80.20**	29.19	29.19	-	-	-	**58.38**	**21.82**	51.01
Patents	-	-	1,855.55	-	-	**1,855.55**	-	139.17	-	-	-	**139.17**	**1,716.38**	-
Total Intangible Assets	1,191.95	183.87	1,855.55	-	213.59	**3,444.96**	265.00	522.86	-	-	179.23	**967.09**	**2,477.87**	926.95

INR (in Lakhs)

Particulars	Gross Block						Amortisation						Net Carrying Amount	
	As at April 1, 2016	Additions	Relating to assets acquired in Business Combinations	Deletions	Other Adjustments#	As at March 31, 2017	As at April 1, 2016	For the year	Relating to assets acquired in Business Combinations	Deletions	Other Adjustments#	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
ERP Software Cost	33.90	31.29	-	-	0.59	65.78	-	21.62	-	-	0.20	21.82	43.96	33.90
Technical Know-How	103.47	-	-	-	-	103.47	-	103.46	-	-	-	103.46	0.01	103.47
Development Expenditure	1,020.92	84.09	-	-	(162.51)	942.50	-	322.37	-	-	(211.84)	110.53	831.97	1,020.92
R & D Process Development	80.20	-	-	-	-	80.20	-	29.19	-	-	-	29.19	51.01	80.20
Total Intangible Assets	1,238.49	115.38	-	-	(161.92)	1,191.95	-	476.64	-	-	(211.64)	265.00	926.95	1,238.49

Other adjustments includes foreign exchange translation differences.

4.1 The Group has availed the deemed cost exemption under Ind AS 101 in relation to Intangible Assets on the date of transition and hence the net carrying amount has been considered as the gross carrying amount on that date. Refer Note 4.2 below for the gross carrying amount and the accumulated amortisation on April 1, 2016 under IGAAP .

4.2 Table showing information regarding gross carrying amount of assets and accumulated amortisation on Intangible Assets under IGAAP as at April 1, 2016

INR (in Lakhs)

Particulars	As at April 1, 2016		
	Gross Carrying Amount	Accumulated Amortisation	Net Carrying Amount
ERP Software Cost	162.97	129.07	33.90
Technical Know-How	562.37	458.90	103.47
Development Expenditure	2,091.65	1,070.73	1,020.92
R & D Process Development	87.53	7.33	80.20
Total Intangible Assets	2,904.52	1,666.03	1,238.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

5 Investment in Associate

INR (in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments (Fully paid, accounted as per Equity method) (Refer Note 5.1)						
Unquoted						
Fine Lifestyle Brand Limited (of INR 10 each)	**255,000**	**19.24**	255,000	2.08	255,000	0.37
Aggregate amount of unquoted investments		**19.24**		2.08		0.37
Aggregate amount of impairment in value of investments	**-**	**-**	-	-	-	-

5.1 The Group has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in associate as recognised in the financial statements as at the date of transition to Ind ASs and use that as its deemed cost.

6 Investments

INR (in Lakhs)

Particulars		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments (Fully Paid) (At cost) (Refer Note 6.1)							
Unquoted							
(i)	**Subsidiaries**						
	Dresen Quimica, S.A.P.I de C.V (Refer Note 6.2)	**-**	**615.15**	-	615.15	-	-
(ii)	**Others**						
	Fine Renewable Energy Limited (of INR 10 each)	**51,000**	**5.10**	51,000	5.10	51,000	5.10
	Chemolutions Chemicals Limited (of INR 10 each) (Refer Note 6.3)	**-**	**-**	-	-	99,500	9.95
	Ravenna Servizi Industrial Consortium (of EUR 1 each)	**1,41,783**	**98.60**	1,41,783	98.60	1,41,783	98.60
	Saraswat Co-Operative Bank Limited (of INR 10 each)	**5,000**	**0.50**	5,000	0.50	5,000	0.50
			719.35		719.35		114.15
Provision for impairment in value of investments (Refer Note 6.4)			**(5.10)**		(5.10)		(5.10)
			714.25		714.25	-	109.05
Aggregate amount of unquoted investments			**714.25**		714.25	-	109.05
Aggregate amount of impairment in value of investments			**5.10**		**5.10**	-	**5.10**

6.1 The Group has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments as recognised in the financial statements as at the date of transition and use that as its deemed cost.

6.2 INR 615.15 lakhs (Previous Year March 31, 2017: INR 615.15 lakhs; April 1, 2016: INR Nil) towards adjustment on account of fair value of put option given to other shareholder of Dresen Quimica S.A.P.I. de C.V.

6.3 On March 22, 2017, Company had been allotted 6,267,003 Equity Shares of Chemolutions Chemicals Limited (CCL) of INR 10 each at a premium of INR 5 per Equity Share on conversion of Inter Corporate Deposit of INR 940.05 lakhs. Pursuant to the allotment, CCL has become a subsidiary of the Company with effect from March 22, 2017.

6.4 The provision for impairment in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

7 Loans

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Security Deposits	**65.66**	163.72	152.55
	65.66	**163.72**	**152.55**

8 Other Financial Assets

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Application money paid towards securities	**-**	419.38	-
	-	**419.38**	-

8.1 The Company had entered into share purchase agreement on December 23, 2016 with Ningbo Wanglong Technology Limited, a company registered in People's Republic of China (PRC) for acquisition of 51% equity stake in CFS Wanglong Flavours (Ningbo) Co. Ltd. (erstwhile Ningbo Wanglong Flavors & Fragrances Co. Ltd.) for its Vanillin manufacturing facility by the Company or its subsidiaries, for a consideration of US$ 6.28 million. The acquisition was completed in current 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 INR 419.38 lakhs, being 10% of the consideration was transferred to an Escrow Account on February 28, 2017.

9 Deferred Tax Assets / (Liabilities) (Net)

a) Movement in Deferred Tax Balances

Particulars	As at April 1, 2017		Movement during the year			March 31,2018	
	Deferred Tax Assets	Deferred Tax Liabilities	Recognised in Consolidated Statement of Profit and Loss	Recognised in Equity	Recognised in OCI	Deferred Tax Assets	Deferred Tax Liabilities
Deferred Tax Asset/ (Liabilities)							
Property, Plant and Equipment & Intangible Assets	23.14	(625.20)	65.07	-	-	**(536.99)**	**(563.15)**
Provision for Bad and Doubtful Debts and Advances	236.50	178.53	80.32	-	-	**495.35**	**217.53**
QIP Issue Expenses	-	42.09	-	99.63		**141.72**	**141.72**
Employee Benefits	-	56.96	(20.83)	-	-	**36.13**	**36.13**
Remeasurement of Defined Benefit Plan	-	0.33	-		(6.23)	**(5.90)**	**(5.90)**
Unabsorbed business losses	1,342.83	39.00	1,530.72	-	-	**2,912.55**	**338.60**
Disallowances under the Income-Tax Act	-	5.37	9.21	-	-	**14.58**	**14.58**
R&D Costs	146.63	-	(75.12)	-	-	**71.51**	**-**
Deductible costs for cash	252.11	-	0.73	-	-	**252.84**	**-**
Consolidation adjustments	464.08	-	(57.68)	-	-	**406.40**	**-**
Unutilised MAT Credit	-	14.04	-	-	-	**14.04**	**14.04**
Others	6.10	(25.53)	-	-	-	**(19.43)**	**(25.53)**
Exchange Differences	(61.69)	-	-	-	-	**175.35**	**-**
Deferred Tax Asset/ (Liabilities)	**2,409.70**	**(314.41)**	**1,532.42**	**99.63**	**(6.23)**	**3,958.16**	**168.02**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

Particulars	As at April 1, 2016		Movement during the year			As at March 31, 2017	
	Deferred Tax Assets	Deferred Tax Liabilities	Recognised in Consolidated Statement of Profit and Loss	Recognised in Equity	Recognised in OCI	Deferred Tax Assets	Deferred Tax Liabilities
Deferred Tax Asset/ (Liabilities)							
Property, Plant and Equipment & Intangible Assets	0.54	(548.42)	(54.18)	-	-	23.14	(625.20)
Provision for Bad and Doubtful Debts and Advances	194.36	264.54	62.81	(106.68)	-	236.50	178.53
QIP Issue Expenses	-	-	-	42.09	-	-	42.09
Employee Benefits	-	56.96	-	-	-	-	56.96
Remeasurement of Defined Benefit Plan	-	-	(4.70)	-	5.03	-	0.33
Unabsorbed business losses	1,071.91	-	309.92	-	-	1,342.83	39.00
Disallowances under the Income-Tax Act	-	9.09	(3.72)	-	-	-	5.37
R&D Costs	-	-	146.63	-	-	146.63	-
Deductible costs for cash	205.21	-	46.90	-	-	252.11	-
Consolidation Adjustments	188.62	-	464.08	(188.62)	-	464.08	-
Unutilised MAT Credit	-	-		-	-	-	14.04
Others	13.21	0.43	(33.07)	-	-	6.10	(25.53)
Exchange Differences	-	-	-	-	-	(61.69)	-
Deferred Tax Asset/ (Liabilities)	1,673.85	(217.40)	934.67	(253.21)	5.03	2,409.70	(314.41)

Deferred Tax Asset has been recognised at INR 2,912.55 lakhs (Previous Year March 31, 2017 INR 1,381.83 lakhs) based on the current sale contracts on hand, and the probable future taxable profits based on the budgets of the Group.

b) Income tax recognised in Profit and Loss

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax		
In respect of the current year	**966.26**	754.73
In respect of prior year	**7.40**	36.20
MAT credit utilised (entitlement)	**(116.55)**	(14.04)
	857.11	776.89
Deferred tax		
Origination and reversal of Tax on Temporary Differences	**(1,532.52)**	(934.67)
Total	**(675.41)**	(157.78)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

c) Amount recognised in Other Comprehensive Income

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Items that will not be subsequently reclassified to Profit and Loss		
Remeasurements of defined benefit plans	**6.23**	(5.03)
Items that will be subsequently reclassified to Profit and Loss		
Exchange differences on translation of financial statements of foreign subsidiaries	**604.63**	(264.12)
Total	**610.86**	(269.15)

d) Reconciliation of Effective Tax Rate

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(Loss) Before Tax	**(3,089.80)**	(603.43)
Statutory Indian Income Tax rate	**33.38%**	34.61%
Expected Income Tax Expense	**-**	-
Tax effect of:		
Adjustments recognised in current year in relation to tax of prior years	**7.40**	36.20
Effect of tax provision at subsidiaries	**849.71**	738.54
Property, Plant and Equipment & Intangible Assets	**(65.07)**	54.18
Provision for Doubtful Debts and Advances	**(39.00)**	(62.81)
Employee Benefits	**20.83**	4.70
Unabsorbed business losses	**(1,497.02)**	(309.92)
Disallowances under the Income-Tax Act	**(9.94)**	(36.07)
Research and Development Expenses	**-**	(146.63)
Consolidation Adjustments	**57.68**	(464.08)
Surcharge & Cess on Book Profit	**-**	2.15
Others	**-**	25.96
Total Income Tax Expense	**(675.41)**	(157.78)

10 Income Tax Assets (Net)

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Tax and Tax Deducted at Source (Net)	**680.74**	247.60	-
	680.74	**247.60**	**-**

11 Other Non-Current Assets

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances	**384.82**	361.95	-
Prepaid Expenses	**100.58**	143.00	185.26
	485.40	**504.95**	**185.26**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

12 Inventories

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Raw material and Components			
	(i) in stock	**5,468.98**	4,634.13	4,779.80
	(i) in transit	**2,808.70**	-	772.46
(b)	Work-in-Progress	**7,926.31**	4,893.44	4,572.80
(c)	Finished goods	**5,712.43**	8,813.88	5,239.44
(d)	Stock in Trade	**1,152.98**	849.54	1,369.62
(e)	Stores and Spares	**832.50**	588.55	597.43
		23,901.90	**19,779.54**	**17,331.55**

13 Investments

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unquoted, carried at Fair Value Through Profit and Loss			
Investment in Mutual Funds	**10,807.63**	1,169.90	-
	10,807.63	1,169.90	-
Aggregate amount of Unquoted Investments and Market Value thereof	**10,807.63**	1,169.90	-
Aggregate amount of impairment in value of Investments	**-**	-	-

14 Trade receivables

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured			
(i) Considered Good	**20,534.78**	14,489.15	15,747.95
(ii) Considered Doubtful	**1,927.47**	1,843.06	1,493.66
Less: Allowance for Doubtful Debts (Refer Note 14.2)	**(1,927.47)**	(1,843.06)	(1,493.66)
	20,534.78	**14,489.15**	**15,747.95**

14.1 No trade or other receivable are due from Directors or other officers of the Group either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

14.2 Details of allowance for Doubtful Debts

The Group has used practical expedient by computing expected credit loss allowance for trade receivables by taking into consideration historical credit loss experience and adjusted for forward looking information. The expected credit loss is based on ageing of the days the receivables are due and the expected credit loss rate. The Group is still pursuing the recovery of the receivables for which allowance is made for doubtful debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

The movement in allowance for doubtful debts is as follows:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance as at Beginning of the Year	**1,843.06**	1,493.66	1,065.52
Add: Created during the Year	**408.22**	366.80	428.14
Less: Released during the Year	**(323.81)**	(17.40)	-
Balance as at end of the Year	**1,927.47**	**1,843.06**	**1,493.66**

14.3 The carrying amount of trade receivables include receivables discounted with banks, which are with re-course to the Group. Accordingly, the Group continues to recognise the transferred receivables in its Balance Sheet. The carrying amount of these receivables is INR 4,235.87 lakhs (Previous Year March 31, 2017: INR 3,691.51 lakhs; April 1, 2016 INR 8,533.28 lakhs). The corresponding carrying amount of associated liabilities are recognised as short term borrowings. (Refer note 25.2 and 25.3)

15 Cash and Cash Equivalents

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Balances with Banks in Current Accounts	**3,841.91**	2,058.50	793.51
(b)	Cash on Hand	**5.71**	6.82	9.50
		3,847.62	**2,065.32**	**803.01**

16 Bank Balances other than Cash and Cash Equivalents

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Earmarked balances with banks	**28.61**	31.22	27.35
(b)	Balances with banks to the extent held as margin money or security against borrowings, guarantees and other commitments which have original maturity period of more than 3 months but less than 12 months.	**932.25**	1,027.05	1,059.28
		960.86	**1,058.27**	**1,086.63**

Earmarked balances with banks refers to balance carried in designated banks towards unclaimed dividend.

17 Loans

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good, Unless otherwise stated				
(a)	Security Deposits	**215.47**	33.22	11.50
(b)	Loans to Employees	**11.62**	10.54	0.94
(c)	**Loans to others**			-
	(i) Considered Good	**116.74**	1.94	219.88
	(ii) Considered Doubtful	**-**	-	160.60
	Less: Allowance for doubtful loans	**-**	**-**	(160.60)
		343.83	**45.70**	**232.32**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

18 Other Financial Assets

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Export Benefits Receivable	**538.47**	549.72	695.18
Insurance Claim Receivable	**63.70**	-	-
Others	**20.79**	-	-
	622.96	**549.72**	**695.18**

19 Other Current Assets

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good, Unless otherwise stated				
Advances to Vendors				
(i)	Considered Good	**494.01**	711.06	510.19
(ii)	Considered Doubtful	**10.77**	46.00	-
	Less: Provision for doubtful Advance to Vendors	**(10.77)**	(46.00)	-
Prepaid Expenses		**505.75**	453.15	229.34
Balance with Gratuity Fund (Refer Note 35.1(c))		**141.71**	82.80	45.58
Balance with Statutory/Government Authorities		**4,254.32**	1,320.19	1,306.06
Others		**139.50**	214.73	-
		5,535.29	**2,781.93**	**2,091.17**

20 Equity Share Capital

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a)	**Authorised :**			
	150,000,000 Equity Shares of INR 1 each (Previous Year March 31, 2017: 150,000,000 Equity Shares of INR 1 each; April 1, 2016: 150,000,000 Equity Shares of INR 1 each)	**1,500.00**	1,500.00	1,500.00
		1,500.00	1,500.00	1,500.00
b)	**Issued, Subscribed and Paid - up:**			
	121,229,371 Equity Shares of INR 1 each (Previous Year March 31, 2017: 103,709,570 Equity Shares of INR 1 each; April 1, 2016: 96,665,830 Equity Shares of INR 1 each)	**1,212.30**	1,037.10	966.66
		1,212.30	1,037.10	966.66

c) During the year, the Company has issued 278,422 Equity Shares (Previous Year March 31, 2017: 524,240 Equity Shares; April 1, 2016: 777,700 Equity Shares) under the Employee Stock Option Scheme, 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

d) Reconciliation of number of Shares and amount outstanding at the beginning and at the end of the Year

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	INR (in Lakhs)	No. of Shares	INR (in Lakhs)	No. of Shares	INR (in Lakhs)
Equity Shares						
Outstanding at the beginning of the Year	**10,37,09,570**	**1,037.10**	9,66,65,830	966.66	9,58,88,130	958.88
Add: Issued pursuant to Qualified Institutions Placement (QIP) (Refer Note 20 (h))	**1,72,41,379**	**172.41**	65,19,500	65.20	-	-
Add: Issued pursuant to exercise of stock options (Refer Note 20 (c))	**2,78,422**	**2.79**	5,24,240	5.24	7,77,700	7.78
Outstanding at the end of the Year	**12,12,29,371**	**1,212.30**	**10,37,09,570**	**1,037.10**	**9,66,65,830**	**966.66**

e) Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of shares having par value of INR 1 per share. 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 ensuing 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 shareholding.

f) Shareholders holding more than 5% Equity Shares as at the end of the Year

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
(i) Ashish S. Dandekar	**1,38,04,550**	**11.39**	1,36,36,550	13.15	1,36,31,000	14.10
(ii) India Capital Fund Ltd.	**-**	**-**	65,87,107	6.35	34,42,027	3.56
(iii) Abha A. Dandekar	**-**	**-**	55,73,937	5.37	55,73,937	5.77
(iv) Vivek A. Dandekar	**-**	**-**	55,73,937	5.37	55,73,937	5.77
(v) Camart Agencies Ltd.	**-**	**-**	**53,19,360**	**5.13**	**53,19,360**	**5.50**
	1,38,04,550	**11.39**	**3,66,90,891**	**35.37**	**3,35,40,261**	**34.70**

g) Equity Shares Reserved for Issue Under Options

The Company has 583,988 (Previous Year March 31, 2017: 903,760; April 1, 2016 - 1,513,500) Equity Shares reserved for issue under Employee Stock Option Scheme as at March 31, 2018 (Refer Note 35.2.a).

h) Utilisation of the proceeds of Qualified Institutions Placement (QIP)

i) On July 5, 2016, Company has allotted 6,519,500 Equity Shares of INR 1 each at a premium of INR 84.40 per share amounting to share proceeds of INR 5,567.65 lakhs pursuant to a Qualified Institutions Placement (QIP) under Securities And Exchange 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:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Share issue Expense (adjusted against Securities Premium Account in terms of Section 52 of the Companies Act, 2013)	**159.16**	159.16	-
Capital expenditure including capital advances	**679.44**	139.06	-
Investments in Subsidiaries	**2,101.29**	1,451.45	-
Loans to Subsidiaries (including advances of INR 702.40 lakhs)	**1,969.13**	1,969.13	-
Foreign consultant fees	**314.22**	314.22	-
Initial Contribution towards acquisition of Ningbo Wanglong Flavors and Fragrances Company Limited	**-**	419.38	-
General Corporate Purposes	**344.41**	-	-
Amount Invested in Units of Mutual Funds	**-**	1,115.25	-
Total funds raised from QIP	**5,567.65**	5,567.65	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

ii) On November 23, 2017, the Company has allotted 17,241,379 Equity Shares of INR 1 each at a premium of INR 86 per share amounting to share proceeds of INR 15,000 lakhs pursuant to a Qualified Institutions Placement (QIP) under Securities and Exchange 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:

INR (in Lakhs)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Share issue Expense (adjusted against Securities Premium Account in terms of Section 52 of the Companies Act, 2013)	**412.83**	-	-
Capital expenditure including capital advances	**650.03**	-	-
Investments in Subsidiaries*	**1,938.19**	-	-
Loans to Subsidiaries	**666.05**		
General Corporate Purposes	**2,795.90**	-	-
Amount Invested in Units of Mutual Funds	**8,537.00**	-	-
Total funds raised from QIP	**15,000.00**	-	-

* Investments in Subsidiaries amounting to INR 1,938.19 lakhs have been made on April 6, 2018.

21 Other Equity

INR (in Lakhs)

	Particulars	**As at March 31, 2018**	**As at March 31, 2017**
i)	**Capital Reserve (Refer Note 21.1)**	**134.52**	134.52
ii)	**Capital Reserve on Consolidation (Refer Note 21.2)**	**1,080.63**	1,080.63
iii)	**Securities Premium (Refer Note 21.3)**		
	Opening Balance	**6,811.58**	1,067.08
	Additions during the Year	**15,047.20**	5,903.66
	Utilisations during the Year	**(412.83)**	(159.16)
	Closing Balance	**21,445.95**	6,811.58
iv)	**Employee Stock Option Outstanding (Refer Note 21.4)**		
	Opening Balance	**168.56**	93.39
	Additions during the Year	**-**	75.17
	Utilisations during the Year	**(12.28)**	-
	Closing Balance	**156.28**	168.56
v)	**General Reserves (Refer Note 21.5)**		
	Opening Balance	**2,534.88**	2,534.88
	Additions during the Year	**-**	-
	Utilisations during the Year	**(1.25)**	-
	Closing Balance	**2,533.63**	2,534.88
vi)	**Retained Earnings**		
	Opening Balance	**10,176.36**	12,116.05
	(Loss) for the Year	**(2,964.31)**	(1,117.43)
	Remeasurement of Defined Employee Benefit Plan	**12.43**	(10.19)
	Proposed dividend	**-**	(464.34)
	Dividend paid (See note e below)	**-**	(94.52)
	Impact of Expected Credit Loss adjustment (net of deferred tax)	**-**	(106.68)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017
	Deferred tax on QIP expenses	**99.63**	42.09
	Deferred tax on consolidation adjustments	**-**	(188.62)
	Closing Balance	**7,324.11**	10,176.36
vii)	**Money received against Preferential Share Warrants (Refer Note 21.6)**		
	Opening Balance	**-**	-
	Additions during the Year	**2,085.53**	-
	Closing Balance	**2,085.53**	-
viii)	**Foreign Currency Translation Reserve**		
	Opening Balance	**(685.39)**	113.45
	Additions during the year	**1,828.71**	(798.84)
	Closing Balance	**1,143.32**	(685.39)
		35,903.97	20,221.14

Nature and Purpose of Reserves :

21.1 Capital Reserve

Pursuant to preferential issue to promoter group during financial year ended March 31, 2008, promoters and entities belonging to 'Promoter Group' were issued 1,550,000 warrants, to be converted to one ordinary share of the Company against payment of cash. These warrants were exercisable at INR 52 each. As per SEBI Guidelines, an amount equivalent to 10% of the price that is INR 5.20 per warrant had been received from the concerned individuals / entities on allotment of these warrants. The Applicants have not exercised the option on these warrants within the stipulated period and hence the options had lapsed. As per the SEBI Guidelines and terms of issue, the advance received against these warrants of INR 80.60 lakhs was forfeited by the Company and transferred to Capital Reserve.

Capital reserve also includes a non-distributable profit reserve for EUR 78,903 (INR 53.92 lakhs) being subordinated to the collection of a receivable due from one supplier of CFS Europe S.p.A. and approved in accordance with a resolution passed by the shareholders of CFS Europe S.p.A.

21.2 Capital Reserve on Consolidation

Gain on bargain purchase, i.e. excess of fair value of net assets acquired over the fair value of consideration in a business combination is recognised as Capital Reserve on Consolidation.

21.3 Securities Premium

The Securities premium account has been created to record the premium on issue of Equity Shares. This reserve is utilised in writing off the expenses incurred towards Qualified Institutions Placement in accordance with Section 52 of the provisions of the Companies Act, 2013.

21.4 Employee Stock Option Outstanding

The Company has Employee Stock Option Scheme under which options to subscribe to the Company's shares have been given to certain employees of the Company. This reserve is used to recognise the value of equity settled share based payments provided to the employees, including Key Management Personnel, as a part of their remuneration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

21.5 General Reserve

General Reserve is created from time to time by way of transfer of profits from Retained Earnings.

21.6 Money received against Preferential Share Warrants

At the EOGM held on December 26, 2017, the shareholders have approved an issue of 9,000,000 warrants at a price of INR 92.69 each on a preferential basis to certain proposed allottees aggregating to INR 8,342.10 lakhs. 25% of the price was to be subscribed initially and the balance 75% of the consideration shall be paid at the time of allotment of Equity Shares pursuant to exercise of option against each such warrant by the proposed allottees. Each warrant will be converted into 1 Equity Share at the face value of INR 1 and premium of INR 91.69 on or before the end of 18 months from the date of allotment of warrants. Accordingly, the initial 25% of the warrant price amounting to INR 2,085.53 lakhs was received on February 8, 2018 and warrants were issued to the proposed allottees on February 9, 2018.

22 Non-controlling Interests

22.1 The details of non-controlling interests in subsidiaries are provided below:

INR (in Lakhs)

Name	Country of incorporation	Share of non-controlling interests			Profit / loss allocated to non-controlling interests			Accumulated non-controlling interests		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Dresen Quimica S.A.P.I. de C.V. (Dresen Quimica)*	Mexico	**35.00%**	35.00%	**-**	700.05	659.40	-	**2,531.01**	1,748.97	-
Chemolutions Chemicals Ltd.	India	**5.92%**	5.92%	**-**	5.40	14.11	-	**17.91**	12.51	-
CFS Wanglong Flavors (Ningbo) Co. Ltd.	China	**49.00%**	**-**	**-**	(138.36)	-	-	**3,672.81**	-	-
					567.09	**673.51**	**-**	**6,221.73**	**1,761.48**	**-**

* The details of profits and accumulated non-controlling interests shown above are consolidated results of Dresen Quimica and its five subsidiaries.

22.2 Movement of non-controlling interests

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	**1,761.48**	**-**
Share of profit / (loss) for the year	**567.09**	673.51
Non-controlling interests arising on acquisition of Dresen Quimica S.A.P.I. de C.V. during the year	**-**	1,107.05
Non-controlling interests arising on acquisition of Chemolutions Chemicals Limited during the year	**-**	(1.60)
Non-controlling interests arising on acquisition of Ningbo Wanglong Flavors and Fragrances Company Limited during the year	**3,818.07**	
Effect of foreign currency exchange differences during the year	**75.09**	(17.48)
Balance at the end of the year	**6,221.73**	**1,761.48**

Note:

i) During the year ended March 31, 2018,

a) The Company along with CFS Europe S.p.A. has acquired 51% stake in Ningbo Wanglong Flavors and Fragrances Company Limited

ii) During the year ended March 31, 2017,

a) CFS Antioxidantes de Mexico S.A. de C.V. has acquired 65% stake in Dresen Quimica S.A.P.I. de C.V.

b) The Company has acquired 94.08% stake in Chemolutions Chemicals Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

22.3 The summarised financial information of subsidiaries with non-controlling interests are as follows:

The summarised financial information of subsidiaries below represents amounts before intra group eliminations.

Particulars	Dresen Quimica S.A.P.I. de C.V.*			Chemolutions Chemicals Limited			CFS Wanglong Flavors (Ningbo) Co. Ltd.		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current assets	**3,639.63**	3,058.63	-	274.16	287.61	-	**7,099.06**	-	-
Current assets	**9,033.87**	7,592.19	-	123.32	72.87	-	**6,439.82**	-	-
Non-current liabilities	**3,228.08**	3,645.39	-	-	-	-	**501.67**	-	-
Current liabilities	**3,566.77**	3,171.80	-	97.73	151.93	-	**5,040.47**	-	-
Equity attributable to the owners	**3,347.65**	2,084.60	-	281.84	196.04	-	**7,996.74**	-	-
Non-controlling interests	**2,531.01**	1,748.97	-	17.91	12.51	-	**3,672.81**	-	-
Total income	**16,476.71**	12,134.86	-	413.75	8.93	-	**8,880.73**	-	-
Total expenses	**13,778.21**	9,772.88	-	289.67	51.03	-	**9,253.52**	-	-
Profit / (loss) for the year	**1,845.67**	1,661.64	-	91.19	235.13	-	**(282.36)**	-	-
Profit / (loss) attributable to owners of the Company	**1,145.62**	1,002.24	-	85.79	221.02	-	**(144.00)**	-	-
Profit / (loss) attributable to non-controlling interests	**700.05**	659.40	-	5.40	14.11	-	**(138.36)**	-	-

The summarised financial information for Dresen Quimica S.A.P.I. de C.V. shown above are consolidated results of Dresen Quimica and its five subsidiaries.

23. Borrowings

INR (in Lakhs)

	Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Non-current	Current	Non-current	Current	Non-current	Current
I	**Term Loans**						
(a)	**From Banks - Secured**						
(i)	In Foreign Currency (Refer Note 23.1)	**9,013.26**	**1,078.14**	3,645.39	-	292.10	500.23
		9,013.26	**1,078.14**	3,645.39	-	292.10	500.23
(ii)	In Rupees (Refer Note 23.2)	**1,449.86**	**350.56**	1,105.25	850.67	1,852.71	818.41
		1,449.86	**350.56**	1,105.25	850.67	1,852.71	818.41
(b)	**From Banks - Unsecured**						
(i)	In Foreign Currency (Refer Note 23.3)	**307.75**	**149.12**	380.97	113.65	-	-
		307.75	**149.12**	380.97	113.65	-	-
II	**From Others - Unsecured**						
(i)	In Foreign Currency (Refer Note 23.4)	**253.62**	**-**	-	-	-	-
		253.62	**-**	-	-	-	-
		11,024.49	**1,577.82**	5,131.61	964.32	2,144.81	1,318.64

23.1 Term Loans from Banks in Foreign Currency - Secured

a) INR 3,141.22 lakhs (Previous Year March 31, 2017: INR Nil; April 1, 2016: INR Nil) secured by exclusive charge over all fixed assets (present and future) of subsidiary in Italy. Further secured by pledge of 100% shares of subsidiary in Italy held by CFCL Mauritius Pvt. Ltd., pledge of 100% shares of subsidiary in China held by the Company and held by the subsidiary in Italy and corporate guarantee of the Company and CFCL Mauritius Pvt. Ltd. to the extent of USD 20 million. The loan is repayable in 43 structured instalments commencing after a moratorium period of 17 months from the date of disbursement. The current interest rate is at a spread of 550 basis points over 1 month USD LIBOR.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

b) INR 2,643.96 lakhs (Previous Year March 31, 2017: INR Nil; April 1, 2016: INR Nil) secured by security stated in note 23.1.a above. The loan is repayable in 43 structured instalments commencing after a moratorium period of 17 months from the date of disbursement. The current interest rate is at a spread of 550 basis points over 1 month EURIBOR.

c) INR 3,228.08 lakhs (Previous Year March 31, 2017: INR 3,645.39 lakhs; April 1, 2016: INR Nil) secured by pledge of 100% equity shares of CFS Antioxidantes De Mexico S.A. de C.V. (CFS Mexico) held by the Company. Further secured by pledge of 65% equity shares of Dresen Quimica S.A.P.I. de C.V. held by CFS Mexico and corporate guarantee of the Company to the extent of US$ 6.435 million. The loan is repayable in 24 quarterly instalments commencing after a moratorium period of 24 months from the date of disbursement i.e. April 26, 2016. The current interest rate is at a spread of 375 basis points over 6 month USD LIBOR..

d) INR Nil (Previous Year March 31, 2017: INR Nil; April 1, 2016: INR 147.67 lakhs) secured by first pari passu charge on all movable and immovable assets of the Company, both present and future. Further secured by second pari passu charge on current assets of the Company, both present and future.

e) INR Nil (Previous Year March 31, 2017: INR Nil; April 1, 2016: INR 144.43 lakhs) secured by first pari passu charge on all movable and immovable assets of subsidiary at Italy. Further secured by pledge of 100% shares of subsidiary in Mauritius held by the Company, pledge of 100% shares of subsidiary in Italy held by subsidiary in Mauritius and corporate guarantee of the Company.

23.2 Term Loans from Banks in Rupees - Secured

a) INR 695.17 lakhs (Previous Year March 31, 2017: INR Nil; April 1, 2016: INR Nil) secured by first pari passu charge on all movable and immovable assets of the Company, both present and future other than assets which are exclusively charged to other lenders. Further, secured by second pari passu charge on current assets of the Company, both present and future to be shared with other lenders. The loan is repayable in 72 monthly instalments starting from 24th month from the date of first disbursement of term loan. The current interest rate is 12.35%.

b) INR 750.00 lakhs (Previous Year March 31, 2017: INR 1,083.33 lakhs; April 1, 2016: INR 1,416.67 lakhs) secured by a first pari passu charge on entire fixed assets of the Company, both present and future other than assets which are exclusively charged to other lenders. Further secured by second pari passu charge on the entire current assets of the Company, both present and future. The loan is repayable in 21 equal quarterly instalments commencing after a moratorium period of two years from the date of first disbursement. The current interest rate is 10.80%.

c) INR Nil (Previous Year March 31, 2017: INR Nil; April 1, 2016: INR 414.30 lakhs) secured by first pari passu charge on all the fixed assets of the Company, both present and future. Further secured by second pari passu Charge on the entire Current assets of the Company.

d) INR 4.69 lakhs (Previous Year March 31, 2017: INR 21.92 lakhs; April 1, 2016: INR 21.74 lakhs) secured by hypothecation of vehicles. The loan is repayable in tenure of five to seven years. The current interest rate ranges from 11.50% to 12.50%.

23.3 Term Loans from Banks in Foreign Currency - Unsecured

INR 307.75 lakhs (Previous Year March 31, 2017: INR 380.97 lakh; April 1, 2016: INR Nil) pertains to a subsidiary in Italy. The loan is repayable in 20 structured instalments by August 2021. The current interest rate is at a spread of 150 basis points over 3 month EURIBOR.

23.4 Loans (in foreign currency) from others - Unsecured

INR 253.62 lakhs (Previous Year March 31, 2017: INR Nil; April 1, 2016: INR Nil) pertains to a subsidiary at China. The current interest rate is 6.75%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

24 Provisions

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Employee Benefits			
Compensated Absences	**196.40**	214.43	185.26
	196.40	**214.43**	**185.26**

25 Borrowings

INR (in Lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I	**Loans repayable on demand**			
(a)	**From Banks -Secured**			
	Working capital loans (Refer Note 25.1)	**18,403.45**	21,112.42	12,872.61
II	**Other short term borrowings**			
(a)	**From Banks -Secured**			
	Working capital loans (Refer Note 25.2)	**3,935.31**	3,098.12	6,807.70
(b)	**From Banks -Unsecured**			
	Working capital loans (Refer Note 25.3)	**2,339.84**	2,779.03	3,423.46
		24,678.60	26,989.57	23,103.77

25.1 Loans repayable on demand - Secured

(a) INR 16,364.75 lakhs (Previous Year March 31, 2017: INR 19,259.89 lakhs; April 1, 2016: INR 10,968.47 lakhs) pertains to the Company on account of cash credit availed from banks and are secured by first pari passu charge over Company's current assets, both present and future. Further, secured by second pari passu charge on all movable and immovable fixed assets of the Company, both present and future. The current interest rates range from 10.50% to 11.80%.

(b) INR 41.23 lakhs (Previous Year March 31, 2017: INR 25.55 lakhs, April 1, 2016: INR Nil) pertains to a subsidiary in India on account of cash credit availed from banks and is secured by hypothecation of current assets of the subsidiary, present and future. Further, secured by corporate guarantee of the Company. The current interest rate is 11.80%.

(c) INR 1,997.47 lakhs (Previous Year March 31, 2017: INR 1,826.98 lakhs; April 1, 2016: INR 1,904.14 lakhs) pertains to a subsidiary in Italy, secured by Standby Letter of Credit issued by a bank in India, which in turn is secured by corporate guarantee of the Company. The current interest rate is at a spread of 350 basis points over 3 months EURIBOR.

25.2 Other short term borrowings - Secured

(a) INR 1,768.66 lakhs (Previous Year March 31, 2017: INR 2,103.23 lakhs; April 1, 2016: INR 1,607.46 lakhs) pertains to the Company towards External Commercial Borrowings (ECB) availed from banks and is secured by security stated against Note 25.1.a above. The current interest rates range from 3.81% to 4.81%.

(b) INR 1,896.03 lakhs (Previous Year March 31, 2017: INR 912.48 lakhs; April 1, 2016: INR 5,109.82 lakhs) pertains to the Company towards Export Bill Discounting (EBD) availed from banks and is secured by security stated against Note 28.1.a above. The current interest rate is 3.25%.

(c) INR 270.62 lakhs (Previous Year March 31, 2017: INR 82.41 lakhs; April 1, 2016: INR 90.42 lakhs) pertains to a subsidiary in Brazil secured by hypothecation of book debts of the subsidiary. The current interest rates range from 2.77% to 9.25%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

25.3 Other short term borrowings - Unsecured

(a) INR 1,437.37 lakhs (Previous Year March 31, 2017: INR 2,247.09 lakhs; April 1, 2016: INR 2,722.62 lakhs) pertains to subsidiary in Italy towards Export Bill Discounting (EBD) availed from banks. The current interest rate is at a spread of 150 basis points over 3 months EURIBOR.

(b) INR 902.47 lakhs (Previous Year March 31, 2017: INR 531.94 lakhs; April 1, 2016: INR 700.84 lakhs) pertains to subsidiary in Italy towards Export Bill Discounting (EBD) availed from banks. The current interest rates range from 1.25% to 2.75%.

26 Trade Payables

INR (in Lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Due to Micro and Small Enterprises	**45.88**	49.67	-
(b)	Due to creditors other than above	**17,733.13**	7,790.58	9,412.91
		17,779.01	7,840.25	9,412.91

27 Other Financial Liabilities

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of foreign currency debt (Refer Note 23 (I) (a) (i) and Note 23 (I) (b))	**1,227.26**	113.65	500.23
Current maturities of long-term debt (Refer Note 23 (I) (a) (ii))	**350.56**	850.67	818.41
Interest accrued but not due on borrowings	**157.01**	138.90	50.62
Unpaid / Unclaimed dividends (Refer Note 27.1)	**24.30**	26.77	22.90
Share Application money received for allotment of securities and due for refund	**0.38**	0.38	0.38
Deposits	**5.02**	7.58	7.88
Unclaimed Interest on public deposit	**2.53**	2.68	2.68
Unclaimed public deposit (Refer Note 27.2)	**4.10**	5.35	5.35
Payable towards purchase of Property, Plant and Equipment	**20.67**	87.80	41.68
Put Option Liability (Refer Note 27.3)	**367.33**	597.37	-
Other outstanding liabilities	**898.18**	432.89	622.41
	3,057.34	2,264.04	2,072.54

27.1 There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013 as at the year end.

27.2 The unclaimed fixed deposits of INR 4.10 lakhs outstanding at March 31, 2018 (Previous Year March 31, 2017: INR 5.35 lakhs; April 1, 2016: INR 5.35 lakhs) 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.

27.3 The Shareholders Agreement entered into with the shareholders of Dresen Quimica S.A.P.I. de C.V. (Dresen Quimica) provides for put option to the minority shareholders any time after 2 years from the date of agreement, being May 4, 2016 The put option provides a right to non-controlling interests to sell their 35% stake in Dresen Quimica as per agreed exercise price. The fair value of put option is calculated based on the shareholders agreement using 'Income Approach'. The fair value of put option as a financial obligation amounting to INR 615.15 lakhs is recognised as investment. The corresponding impact of INR 597.37 lakhs (net of exchange translation of INR 17.78 lakhs) has been recognised as current financial liability in the consolidated financial statements as at March 31, 2017.

The change in fair value of put option as on March 31, 2018 amounting to INR 238.31 lakhs has been recognised in consolidated statement of profit and loss for the financial year ended March 31, 2018 (Refer Note 32(c)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

28 Other Current Liabilities

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Dues	**706.92**	387.89	314.80
Others	**140.21**	93.16	15.58
	847.13	481.05	330.38

29 Provisions

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employment benefits			
Compensated absences	**700.48**	576.25	628.84
	700.48	576.25	628.84

30 Current Tax Liabilities (Net)

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Tax (Net)	**28.37**	420.62	440.16
	28.37	420.62	440.16

31 Revenue from Operations

INR (in Lakhs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	**Sale of Products (including excise duty)**		
	Finished Goods	**68,652.60**	50,411.44
	Traded Goods	**2,577.05**	3,725.21
		71,229.65	54,136.65
(b)	**Other Operating Revenues**		
	Export Incentives	**578.76**	530.33
	Job Work Income	**455.05**	10.59
	Scrap Sales	**12.71**	9.33
		1,046.52	550.25
		72,276.17	54,686.90

31.1 Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise and Value Added Tax (VAT) have been subsumed into GST. In accordance with Indian Accounting Standard 18 on Revenue and Schedule III of the Companies Act, 2013 unlike excise duty, GST and VAT are not part of revenue. Accordingly, the figures for the year ended March 31, 2018, are not strictly relatable to the previous year. The following additional information is provided to facilitate such understanding:

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations (A)	**72,276.17**	54,686.90
Excise duty on sale (B)	**215.76**	1,293.85
Revenue from operations excluding excise duty on sale (A) - (B)	**72,060.41**	53,393.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

32 Other Income

INR (in Lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	**Interest Income**		
	Bank Deposits	**76.37**	73.86
	Other financial assets carried at amortised cost	**6.30**	81.36
		82.67	155.22
(b)	**Dividend Income**		
	Current Investment	**-**	0.04
		-	0.04
(c)	**Other Non-Operating Income**		
	Gain on foreign exchange transactions and translation	**328.53**	249.53
	Income from investment measured at FVTPL (Refer Note 32.1)	**337.17**	102.90
	Recovery of advance written off (Refer Note 32.2)	**-**	867.80
	Gain on fair valuation of put option liability (Refer Note 27.3)	**238.31**	-
	Miscellaneous Income	**169.13**	75.58
		1,073.14	1,295.81
	Total	**1,155.81**	1,451.07

32.1 Income from Investment measured at FVTPL includes fair valuation impact of INR 166.75 lakhs (Previous Year March 31, 2017: INR 54.65 lakhs)

32.2 Board of Directors of the Company had approved conversion of advance amounting to INR.940.05 lakhs into equity share capital of Chemolutions Chemicals Limited (CCL). Pursuant to this capitalisation CCL had issued 62,67,003 equity shares of INR 10 each at a premium of INR 5 per equity share amounting to INR 940.05 lakhs. Accordingly, Company had reinstated the advance to CCL written off in earlier years aggregating INR 867.80 lakhs.

33 Cost of Materials Consumed

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material and Packing Material Consumed		
Opening Inventories	**4,634.13**	5,552.26
Add: Purchases	**43,026.33**	28,365.93
Less: Closing Inventories	**(8,277.68)**	(4,634.13)
	39,382.78	29,284.06

34 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Inventories		
Finished Goods	**8,813.88**	5,239.44
Stock-in-Trade	**849.54**	1,369.62
Work-in-Progress	**4,893.43**	4,572.80
	14,556.85	11,181.86
Closing Inventories		
Finished Goods	**5,712.43**	8,813.88
Stock-in-Trade	**1,152.98**	849.54
Work-in-Progress	**7,926.31**	4,893.43
	14,791.72	14,556.85
	(234.87)	(3,374.99)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

35 Employee Benefit Expense

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and Wages (Refer Note 35.1(a))	**6,858.71**	5,653.27
Contributions to -		
Provident Funds and other Funds (Refer Note 35.1 (b))	**118.04**	123.94
Gratuity Fund (Refer Note 35.1(c))	**31.90**	17.33
Share based payments to Employees (Employee Stock Option Plan) (Refer Note 35.2)	**23.56**	130.37
Staff Welfare Expenses	**254.36**	184.12
	7,286.57	6,109.03

35.1 Employee Benefit Plans

(a) Other long term employment benefits

Leave encashment is payable to the employees of the Group due to death, retirement, superannuation or resignation. Employees are entitled to encash leave while serving in the Company.

The Privilege Leave encashment liability and amount charged to Consolidated Statement of Profit and Loss determined on actuarial valuation basis using projected unit credit method are as under:

(i) Provisions in Balance Sheet:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Short term	**700.48**	576.25	628.84
Long Term	**196.40**	214.43	185.26

(ii) Recognised in Consolidated Statement of Profit and Loss

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Expenses	**106.20**	(23.42)

b) Defined Contribution Plans:

The contributions to the Provident Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. Under the plan, the Company has contributed INR 118.04 lakhs (Previous Year March 31, 2017: INR 123.94 lakhs) for provident fund contributions in the Consolidated Statement of Profit and Loss.

c) Defined Benefit Plans:

The Group makes contributions to the Group Gratuity cum Life Assurance Schemes administered by the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The Scheme provides for payment as under:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

i) On normal retirement / early retirement / resignation:

As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service:

As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and present value of defined benefit obligation of gratuity was carried out as at March 31, 2018. The present value of defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The following table 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:

INR (in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I	**Change in the Present Value of Projected Benefit Obligation**			
	Present Value of Benefit Obligation at the beginning of the Year	**303.36**	273.40	225.75
	Interest Cost	**21.84**	22.04	18.06
	Current Service Cost	**24.72**	21.00	17.33
	Past Service Cost	**13.15**	-	-
	Benefits paid from the Fund	**(17.67)**	(21.64)	(11.86)
	Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	**(13.47)**	18.40	(1.20)
	Actuarial (Gains) / Losses on Obligations - Due to Experience	**5.62**	(9.84)	25.32
	Present Value of Benefit Obligation at the end of the Year	**337.55**	303.36	273.40
II	**Change in the Fair Value of Plan Assets**			
	Fair Value of Plan Assets at the beginning of the Year	**386.16**	318.98	256.70
	Interest Income	**27.80**	25.71	20.53
	Contributions by the Employer	**72.15**	69.77	35.99
	Benefits paid from the Fund	**(17.67)**	(21.64)	(11.86)
	Return on Plan Assets, excluding Interest Income	**10.82**	(6.66)	17.62
	Fair Value of Plan Assets at the end of the year	**479.26**	386.16	318.98
III	**Net Asset / (Liability) recognised in Consolidated Balance Sheet**			
	Present value of defined benefit obligation at the end of the Year	**(337.55)**	(303.36)	(273.40)
	Fair value of plan assets at the end of the Year	**479.26**	386.16	318.98
	Net Asset / (Liability) at the end of the Year	**141.71**	82.80	45.58
IV	**Expenses recognised in the Consolidated Statement of Profit and Loss**			
	Current Service Cost	**24.71**	21.00	-
	Net Interest Cost	**(5.96)**	(3.67)	-
	Past Service Cost (See Note below)	**13.15**	-	-
	Expenses recognised in the Consolidated Statement of Profit and Loss	**31.90**	17.33	-
	During the year, the Company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from INR 10 lakhs to INR 20 lakhs. Change in liability due to this scheme change is recognised as past service cost during the current financial year.			
V	**Expenses recognised in the Other Comprehensive Income (OCI)**			
	Actuarial (Gains) / Losses on Obligation for the year	**(7.84)**	8.55	24.12
	Return on Plan Assets, excluding Interest Income	**(10.82)**	6.67	(17.62)
	Net (Income) / Expense for the year recognised in OCI	**(18.66)**	15.22	6.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
VI	**Actuarial assumptions considered**			
(i)	Discount rate	**7.78%**	7.20%	8.06%
(ii)	Expected return on plan assets	**7.78%**	7.20%	8.06%
(iii)	Salary escalation rate	**5.00%**	5.00%	5.00%
(iv)	Rate of employee turnover	**2.00%**	2.00%	2.00%
(v)	Mortality Table	**Indian Assured Lives Mortality (2006-2008)**	Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)
	The assumptions of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors.			
VII	**Category of asset as at the end of the year**			
	Insurer Managed Funds (100%)			
	(Fund is managed by LIC as per guidelines of Insurance Regulatory and Development Authority. Category-wise composition of plan assets is not available).			
VIII	**Maturity profile of Benefit Payments**			
(i)	Year 1	**34.92**	11.88	17.83
(ii)	Year 2	**31.12**	28.66	8.36
(iii)	Year 3	**27.70**	29.65	33.99
(iv)	Year 4	**50.15**	25.72	29.20
(v)	Year 5	**26.76**	37.68	25.20
(vi)	Years 6 -10	**144.29**	135.61	137.66
(vii)	Years 11 and above	**347.22**	325.88	-
	Maturity Analysis of benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.			
IX	**Sensitivity Analysis of Projected Benefit Obligation for Significant Assumptions**			
	Projected Benefit Obligation on Current Assumptions	**337.55**	303.36	273.40
	1% increase in Discount Rate	**(21.01)**	(21.20)	(18.69)
	1% decrease in Discount Rate	**23.89**	24.19	21.20
	1% increase in Salary Escalation Rate	**24.31**	24.48	21.64
	1% decrease in Salary Escalation Rate	**(21.73)**	(21.81)	(19.38)
	1% increase in Rate of Employee Turnover	**4.43**	3.45	4.42
	1% decrease in Rate of Employee Turnover	**(4.97)**	(3.88)	(4.93)
	The sensitivity analysis have been determined based on reasonably possible changes in the respective assumptions occurring at the end of the reporting year, holding all other variables constant. The sensitivity analysis presented above may not be representative of the actual change in the Projected Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Projected Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

35.2 Employee Stock Option Scheme

The Company has granted options on December 30, 2014 and February 12, 2016 to its eligible employees under "Camlin Fine Sciences Employees Stock Option Scheme, 2014" (ESOS 2014) approved by the Board of Directors, Shareholders and Remuneration Committee. The options granted under these schemes are equity settled. The details of the scheme are summarised below:

Particulars	Options granted on		Total
	December 30, 2014	February 12, 2016	
Options granted	16,38,000	3,00,000	19,38,000
Exercise Price	67.00	96.75	
Market Price of shares as on grant date	67.00	96.75	
Basis of Exercise Price	At Market Price		
Vesting Period	50% on Expiry of 12 months from the date of grant		
	50% on Expiry of 24 months from the date of grant		

a) Details of option granted are as under:

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (INR)	No. of Options	Weighted Average Exercise Price (WAEP) (INR)	No. of Options	Weighted Average Exercise Price (WAEP) (INR)
	March 31, 2018		March 31, 2017		April 1, 2016	
Options outstanding at the beginning of the year	**9,03,760**	**76.88**	15,13,500	72.90	16,21,000	67.00
Options granted during the year[#]	**-**	**N.A**	-	N.A	3,00,000	96.75
Options exercised during the year	**2,78,422**	**67.00**	5,24,240	67.00	3,35,500	67.00
Options expired / forfeited during the year	**41,350**	**67.00**	85,500	67.00	72,000	67.00
Options outstanding at the end of the year	**5,83,988**	**82.28**	9,03,760	76.88	15,13,500	72.90
Exercisable at the end of the year	**5,83,988**	**82.28**	9,03,760	76.88	15,13,500	72.90
Other Information:						
Average of exercise price of options outstanding at the end of the year (INR)	**67.00 to 96.75**		67.00 to 96.75		67.00 to 96.75	
Average Share price during the year (INR)	**96.75**		97		97.92	
Weighted average remaining contractual life of the option outstanding at the end of the year	**1.25 years**		1.25 years		2.25 years	
Weighted average fair value of the options as on date of grant (granted during the year)	**N.A.**		N.A.		37.20	
Option pricing model used	**Black-Scholes Option Pricing Model**					

[#] the options are granted to an employee of Industrias Petrotec de Mexico S.A de C.V

Assumptions used in arriving at fair value of options are as under:

Particulars	Granted on December 30, 2014	Granted on February 12, 2016	Description of input used
Risk free interest rate	8.29%	7.27%	Based on yield to maturity on zero coupon government securities maturing after 1 year.
Expected life of stock options	1 to 2 years	1 to 2 years	Period for which options are expected to be alive
Expected volatility	69.72%	80.36%	Volatility is a measure of the amount by which a price is expected to fluctuate during a period based on the historic data.
Expected dividend yield	10.81%	1.86%	The dividends declared by the Company in the past and its share price.
Price of share on the date of granting of options	67.00	96.75	Fair market value
The fair value of options:			
1st Vesting	15.85	31.43	
2nd Vesting	19.56	42.98	

36 Finance Costs

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense	**2,819.69**	2,516.56
Other Borrowing Costs	**70.58**	199.00
Total Finance Costs	**2,890.27**	2,715.56
Less: Capitalised to Capital Work in Progress	**(54.88)**	(24.11)
	2,835.39	**2,691.45**

37 Depreciation and Amortisation Expenses

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Property, Plant and Equipment (Refer Note 2(a))	**2,142.56**	1,703.65
Amortisation on Intangible Assets (Refer Note 4)	**522.86**	476.64
	2,665.42	**2,180.29**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

38 Other Expenses

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of Stores and Spares	**363.51**	260.67
Power and Fuel	**6,143.04**	4,634.63
Rent (Refer Note 41)	**763.72**	731.25
Rates and Taxes	**67.16**	50.73
Insurance	**529.43**	448.40
Repairs to Buildings	**-**	9.72
Repairs to Plant and Equipment	**1,128.29**	973.09
Repairs other than above	**617.85**	482.00
Sub-Contract Charges	**808.30**	817.64
Labour Charges	**551.92**	561.26
Advertisement and Sales Promotion	**1,171.08**	1,309.58
Transport and Forwarding Charges	**1,864.88**	1,455.28
Commission / Discount / Service Charges on Sales	**911.82**	582.90
Travelling and Conveyance	**1,057.51**	945.90
Directors' Fees	**89.20**	56.85
Auditor's Remuneration		
Amount paid to Auditors	**42.59**	55.44
Less: Amount debited to Securities Premium	**(15.00)**	(15.15)
	27.59	40.29
Legal & Professional Fees	**1,151.86**	1,554.82
Bad Debt written off	**100.21**	17.40
Allowances for Credit Loss	**(99.87)**	443.31
Bad Advances written off	**36.46**	-
Allowances for Doubtful Advances	**(35.23)**	(114.00)
Allowance for Bad and Doubtful Debts	**-**	-
Allowance for Bad and Doubtful Advances	**-**	-
Loss on Property, Plant & Equipment discarded	**5.70**	2.92
Loss on foreign currency transactions and translation	**291.45**	486.41
Corporate Social Responsibility Contribution	**45.50**	72.15
Bank Charges	**344.87**	366.53
Miscellaneous Expenses	**3,337.91**	2,226.17
	21,274.16	**18,415.90**

39 Research and Development Expenses

Total revenue expenditure on Research and Development (R&D) aggregates to INR 188.15 lakhs (Previous Year March 31, 2017: INR 255.59 lakhs). The details are as below:

		INR (in Lakhs)
Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Salaries and Incentives	**121.01**	146.95
Travelling & Conveyance	**11.13**	21.31
Laboratory Expenses	**19.59**	49.46
Other Expenses	**36.42**	37.87
	188.15	255.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

40 Earnings per share

a) Basic Earnings per share

The calculation of basic earnings per share is based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

i) Loss attributable to ordinary shareholders (Basic)

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(Loss) as per Consolidated Statement of Profit and Loss	**(2,964.31)**	(1,117.44)
Less: QIP issue expenses debited to Securities Premium	**(412.83)**	(159.16)
(Loss) attributable to ordinary shareholders	**(3,377.14)**	(1,276.60)

ii) Weighted average number of ordinary shares (Basic)

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Number of equity shares at the beginning of the year	**10,37,09,570**	9,66,65,830
Add: Effect of shares issued during the year	**60,93,528**	48,22,644
Add: Effect of share options exercised	**95,089**	94,616
	10,98,98,187	10,15,83,090

Basic Earnings Per Share	**(3.07)**	(1.26)

b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

i) Loss attributable to ordinary shareholders (Diluted)

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(Loss) as per Consolidated Statement of Profit and Loss	**(2,964.31)**	(1,117.44)
Less: QIP issue expenses debited to Securities Premium	**(412.83)**	(159.16)
(Loss) attributable to ordinary shareholders	**(3,377.14)**	(1,276.60)

ii) Weighted average number of ordinary shares (Diluted)

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Weignted average number of equity shares outstanding (Basic)	**10,98,98,187**	10,15,83,090
Add: Dilutive potential equity shares under ESOP scheme	**1,22,814**	2,20,651
Add: Dilutive potential equity shares under warrants granted	**20,78,020**	-
	11,20,99,021	10,18,03,741

Diluted Earnings Per Share	**(3.01)**	(1.25)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

41 Leases

The Group's significant leasing arrangements are in respect of operating leases for premises (Commercial, Residential premises, Warehouses etc.). Lease expenditure for operating leases is recognised on a straight line basis over the period of lease. The leasing 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 security deposits have been given. The particulars of the premises taken on operating lease are as under:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Future minimum lease payments under operating leases			
Not later than 1 year	**497.98**	402.48	187.47
Later than 1 year and not later than 5 years	**610.18**	848.76	415.60
Later than 5 years	**-**	-	-
	1,108.16	**1,251.24**	**603.07**

42 Contingent Liabilities and Commitments

INR (in Lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I	**Contingent liabilities**			
a)	In respect of Income Tax matter	**16.25**	-	-
b)	In respect of VAT / CST / Excise Matter	**356.02**	732.44	732.44
c)	In respect of bank guarantees issued to VAT, Excise and Custom Authorities	**205.77**	393.26	374.30
II	**Commitments**			
	Value of contracts (net of advance) remaining to be executed on capital account not provided for#	**733.83**	725.00	5.48

#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.

43 Related party disclosures

I List of Related Parties as required by Ind AS 24 'Related Party Disclosures' are given below:

i Associate

Fine Lifestyle Brands Limited

ii Key Management Personnel (KMP)

Mr. Dilip D. Dandekar - Non Executive Director (Chairman)

Mr. Ashish S. Dandekar - Managing Director

Ms. Leena Dandekar - Executive Director (upto April 5, 2017)

Ms. Anagha Dandekar - Additional Director (from August 28, 2017)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

Mr. Nirmal V. Momaya - Non Executive Director

Mr. Ajit S. Deshmukh - Non Executive Director

Mr. Sharad M. Kulkarni - Non Executive Director (Independent)

Mr. Pramod M. Sapre - Non Executive Director (Independent)

Mr. Abeezar E. Faizullabhoy - Non Executive Director (Independent)

Mr. Bhargav A. Patel - Non Executive Director (Independent)

Mr. Atul R. Pradhan - Non Executive Director (Independent)

Mr. Nicola A. Paglietti - Non Executive Director (Independent)

Mr. Dattatraya Puranik - (Executive Director & CFO till February 9, 2017 and thereafter Executive Director till May 19, 2017)

Mr. Santosh Parab - Chief Financial Officer (from February 10, 2017)

Mr. Rahul Sawale - Company Secretary

iii Relatives of Key Management Personnel

Mr. Subhash D. Dandekar - Management Consultant / Relative of Managing Director

Mrs. Rajani S. Dandekar - Management Consultant / Relative of Managing Director

iv Entities where control / significant influence by KMPs and their relatives exist and with whom transactions have taken place

Fine Lifestyle Solutions Limited

Focussed Event Management Private Limited

Vibha Agencies Private Limited

Abana Medisys Private Limited

Pagoda Advisors Private Limited

HSA Advocates

Hardware Renaissance, USA w.e.f August 28, 2017

MK Falcon Agrotech Private Limited

Pillar Properties Private Limited

V R Momaya & Associates

v Post-employment benefit plan

Camlin Fine Sciences Limited Group Gratuity Scheme

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

II The details of transactions with related parties during the year are given below:

INR (in Lakhs)

Sr. No	Nature of transactions	Name of Related party	For the year ended March 31, 2018	For the year ended March 31, 2017
1	**Management Consultancy**	Mr. Subhash D. Dandekar	**6.35**	6.00
		Mrs. Rajani S. Dandekar	**5.40**	5.40
		V.R. Momaya & Asscoiates	**0.94**	2.42
		Pagoda Advisors Pvt. Limited	**56.30**	56.70
			68.99	70.52
2	**Rent received**	Abana Medisys Private Limited	**0.01**	0.01
		Fine Renewable Energy Limited	**0.01**	0.01
		Chemolutions Chemicals Limited	**0.01**	0.01
			0.03	0.03
3	**Compensation paid to Key Management Personnel**	**Short term employee benefits (including bonus and value of perquisites)***		
		Mr. Ashish S. Dandekar	**185.47**	185.09
		Mr. Dilip D. Dandekar	**32.40**	30.60
		Ms. Leena Dandekar	**1.55**	93.87
		Mr. Dattaraya Puranik	**8.85**	66.96
		Mr. Santosh Parab	**43.90**	5.78
		Mr. Rahul Sawale	**22.32**	17.81
			294.49	400.11
		Sitting fees paid to Non-Executive Directors		
		Mr. Dilip D. Dandekar	**9.35**	6.35
		Mr. Nirmal V. Momaya	**7.00**	5.00
		Mr. Ajit S. Deshmukh	**6.00**	5.00
		Mr. Sharad M. Kulkarni	**15.50**	10.75
		Mr. Pramod M. Sapre	**14.15**	9.95
		Mr. Abeezar E, Faizullabhoy	**11.95**	11.45
		Mr. Bhargav A. Patel	**11.75**	11.25
		Mr. Atul R. Pradhan	**8.25**	5.25
		Mr. Nicola A. Paglietti	**3.25**	8.75
		Ms. Anagha Dandekar	**2.00**	-
			89.20	73.75
4	**Contribution paid on behalf of gratuity trust**	Camlin Fine Sciences Limited Group Gratuity Scheme	**72.15**	69.77

* The compensation to Key Managerial Personnel figures does not include provisions for encashable leave, gratuity,premium paid for group medical and accident insurance and share based payments.

III The details of outstanding with related parties as at year end are given below:

INR (in Lakhs)

Sr. No	Nature of transactions	Name of Related party	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
1	**Rent Receivable**	Abana Medisys Private Limited	**0.39**	0.38	0.36
		Fine Renewable Energy Limited	**0.01**	0.01	0.03
		Fine Lifestyle Brands Limited	**-**	-	0.26
			0.40	0.39	0.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

44 Segment Reporting

a) General Information

Factors used to identify the Group's reportable segments, including the basis of organisation

For management purposes, the Group has only one reportable segment, namely, Fine Chemicals. The Managing Director of the Company acts as the Chief Operating Decision Maker ('CODM').

b) Information about products and services

The Group has revenues from external customers to the extent of INR 72,276.17 lakhs (Previous Year March 31, 2017: INR 54,686.90 lakhs)

c) Information about geographical areas

The geographic information analyses the Group's revenue and non-current assets by the Group's country of domicile and other countries. In presenting the geographical information, revenue in the disclosure below is based on the location of the product and service and assets in the disclosure below is based on the geographic location of the respective non current assets.

The revenue from India is INR 9,678.60 lakhs (Previous Year March 31, 2017: INR 9,111.23 lakhs) and from outside India is INR 62,597.57 lakhs (Previous Year March 31, 2017: INR 45,575.67 lakhs). Non-current assets other than financial instruments and deferred tax assets from India are INR 9,933.02 lakhs (Previous Year March 31, 2017: INR 10,018.76 lakhs, Previous Year April 1, 2016: INR 9,200.69 lakhs) and from outside India are INR 20,404.62 lakhs (Previous Year March 31, 2017: INR 11,584.53 lakhs, Previous Year April 1, 2016: INR 7,518.40 lakhs).

45 Financial instruments – "Fair values and risk management"

a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

INR (in Lakhs)

March 31, 2018	Carrying amount / Fair Value			Fair value			
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	65.66	65.66	-	-	-	-
Current							
Investments	10,807.63	-	10,807.63	-	10,807.63	-	10,807.63
Trade Receivables	-	20,534.78	20,534.78	-	-	-	-
Cash and cash equivalents	-	3,847.62	3,847.62	-	-	-	-
Bank balances other than above	-	960.86	960.86	-	-	-	-
Loans	-	343.83	343.83	-	-	-	-
Other Financial Assets	-	622.96	622.96	-	-	-	-
	10,807.63	**26,375.71**	**37,183.34**	-	10,807.63	-	10,807.63
Financial Liabilities							
Non Current							
Borrowings	-	11,024.49	11,024.49	-	-	-	-
Current							
Borrowings	-	24,678.60	24,678.60	-	-	-	-
Trade payables	-	17,779.01	17,779.01	-	-	-	-
Current maturities of long term borrowings	-	1,577.82	1,577.82	-	-	-	-
Other Financial Liabilities	-	1,479.52	1,479.52	-	-	-	-
	-	**56,539.44**	**56,539.44**	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

March 31, 2017	Carrying amount / Fair Value			Fair value			
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	163.72	163.72	-	-	-	-
Other Financial Assets	-	419.38	419.38	-	-	-	-
Current							
Investments	1,169.90	-	1,169.90	-	1,169.90	-	1,169.90
Trade receivables	-	14,489.15	14,489.15	-	-	-	-
Cash and cash equivalents	-	2,065.32	2,065.32	-	-	-	-
Bank Balances other than above	-	1,058.27	1,058.27	-	-	-	-
Loans	-	45.70	45.70	-	-	-	-
Other Financial Assets	-	549.72	549.72	-	-	-	-
	1,169.90	**18,791.26**	**19,961.16**	-	1,169.90	-	1,169.90
Financial Liabilities							
Non Current							
Borrowings	-	5,131.61	5,131.61	-	-	-	-
Current							
Borrowings	-	26,989.57	26,989.57	-	-	-	-
Trade Payables	-	7,840.25	7,840.25	-	-	-	-
Current maturities of long term borrowings	-	964.32	964.32	-	-	-	-
Other Financial Liabilities	-	1,299.72	1,299.72	-	-	-	-
	-	**42,225.47**	**42,225.47**	-	-	-	-

INR (in Lakhs)

April 1, 2016	Carrying amount / Fair Value			Fair value			
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	152.55	152.55	-	-	-	-
Current							
Investments	-	-	-	-	-	-	-
Trade Receivables	-	15,747.95	15,747.95	-	-	-	-
Cash and Cash Equivalents	-	803.01	803.01	-	-	-	-
Bank Balances other than above	-	1,086.63	1,086.63	-	-	-	-
Loans	-	232.32	232.32	-	-	-	-
Other Financial Assets	-	695.18	695.18	-	-	-	-
	-	**18,717.64**	**18,717.64**	**-**	**-**	**-**	**-**
Financial Liabilities							
Non Current							
Borrowings	-	2,144.81	2,144.81	-	-	-	-
Current							
Borrowings	-	23,103.77	23,103.77	-	-	-	-
Trade Payables	-	9,412.91	9,412.91	-	-	-	-
Current maturities of long term borrowings	-	1,318.64	1,318.64	-	-	-	-
Other Current Financial Liabilities	-	753.90	753.90	-	-	-	-
	-	**36,734.03**	**36,734.03**	-	-	-	-

b) Fair value hierarchy

The fair value of financial instruments as referred in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

Level 1 - Quoted prices (unadjusted) for identical assets and liabilities in active markets.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

c) Measurement of Fair Value

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. The following methods and assumptions were used to estimate the fair values:

(i) The fair values of investments in mutual funds is based on the Net Asset Value ('NAV') as stated by the issuers of mutual funds. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

(ii) The management assesses that fair values of trade receivables, cash and cash equivalents, other bank balances, loans, trade payables, current borrowings, other current liabilities and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(iii) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

d) Risk Management Framework

The Group's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risks. Market risks comprise currency risk and interest rate risk. The Group's Senior Management and Key Management Personnel have the ultimate responsibility for managing these risks. The Group has a process to identify and analyse the risks faced by the Group, to set appropriate risk limits and to control and to monitor risks and adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities. Further, Audit Committee undertakes regular reviews of Risk Management controls and procedures.

(i) Credit risk

Credit risk is the risk that a customer or counterparty fails to meet its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and financial instruments.

Trade Receivables

Credit risk from trade receivables is managed by establishing credit limits, credit approvals and monitoring creditworthiness of the customers. Outstanding customer receivables are regularly monitored. The Group has computed credit loss allowances based on Expected Credit Loss model.

The ageing of trade receivables is as follows:

INR (in Lakhs)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Outstanding for less than one year	**18,744.02**	12,699.76	13,743.54
Others	**3,718.23**	3,632.45	3,495.25
	22,462.25	16,332.21	17,238.79
Less: - Allowance for bad and doubtful debts	**(1,927.47)**	(1,843.06)	(1,490.84)
	20,534.78	**14,489.15**	**15,747.95**

Investments in mutual funds and bank balances

The Group's exposure in term deposits with banks and investments in Mutual Funds is limited, as the counterparties are highly rated banks and financial institutions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

(ii) Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The following tables detail the Group's remaining contractual maturities of financial liabilities as at the reporting date with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table include both interest and principal cash flows.

INR (in Lakhs)

March 31, 2018	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings	11,024.49	11,024.49	-	2,417.46	7,717.56	889.47
Current						
Borrowings	24,678.60	24,678.60	24,678.60	-	-	-
Trade Payables	17,779.01	17,779.01	17,779.01	-	-	-
Current maturities of long term borrowings	1,577.82	1,577.82	1,577.82	-	-	-
Other Financial Liabilities	1,479.52	1,479.52	1,479.52	-	-	-
	56,539.44	**56,539.44**	**45,514.95**	**2,417.46**	**7,717.56**	**889.47**

INR (in Lakhs)

March 31, 2017	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings	5,131.61	5,131.61	-	1,077.48	2,937.45	1,116.68
Current						
Borrowings	26,989.57	26,989.57	26,989.57	-	-	-
Trade Payables	7,840.25	7,840.25	7,840.25	-	-	-
Current maturities of long term borrowings	964.32	964.32	964.32	-	-	-
Other Financial Liabilities	1,299.72	1,299.72	1,299.72	-	-	-
	42,225.47	**42,225.47**	**37,093.86**	**1,077.48**	**2,937.45**	**1,116.68**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

April 1, 2016	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings	2,144.81	2,144.81	-	827.89	1,224.90	92.02
Current						
Borrowings	23,103.77	23,103.77	23,103.77	-	-	-
Trade Payables	9,412.91	9,412.91	9,412.91	-	-	-
Current maturities of long term borrowings	1,318.64	1,318.64	1,318.64	-	-	-
Other Financial Liabilities	753.90	753.90	753.90	-	-	-
	36,734.03	**36,734.03**	**34,589.22**	**827.89**	**1,224.90**	**92.02**

(iii) Currency Risk

The Group's operations result in it being exposed to foreign currency risk on account of trade receivables, trade payables and borrowings. The foreign currency risk may affect the Group's income and expenses, or its financial position and cash flows. The objective of the Group's management of foreign currency risk is to maintain this risk within acceptable parameters, while optimising returns.

The Group's exposure to foreign currency risk denominated monetary assets and liabilities at the end of the reporting period expressed in INR (in lakhs), is as follows:

INR (in Lakhs)

Particulars	March 31, 2018		March 31, 2017	
	Monetary Assets	Monetary Liabilities	Monetary Assets	Monetary Liabilities
USD	**24,493.94**	**(25,278.77)**	12,617.52	(14,859.38)
EURO	**15,257.14**	**(27,464.63)**	7,460.94	(14,751.23)
MXP	**3,478.18**	**(5,187.42)**	2,713.48	(3,755.74)
BRL	**1,200.80**	**(169.57)**	868.13	(399.83)
RMB	**1,452.87**	**(2,888.14)**	24.93	(0.07)
	45,882.93	**(60,988.53)**	**23,685.00**	**(33,766.25)**

The following significant exchange rates have been applied during the year:

Particulars	Year end spot rate as at	
	March 31, 2018	March 31, 2017
USD / INR	**65.0441**	64.8386
EUR / INR	**80.6222**	69.2476
MXP / INR	**3.5837**	3.4614
BRL / INR	**19.6915**	20.7567
RMB / INR	**10.3520**	9.4100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Group's profit or loss before tax and equity as at 31st March 2018 and 31st March 2017:

INR (in Lakhs)

Particulars	Impact on profit before tax*		Impact on equity*	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
USD / INR increase by 5%	**467.10**	357.87	**(562.20)**	(468.16)
USD / INR decrease by 5%	**(467.10)**	(357.87)	**562.20**	468.16
EUR / INR increase by 5%	**(24.54)**	34.60	**(585.55)**	(399.12)
EUR / INR decrease by 5%	**24.54**	(34.60)	**585.55**	399.12
MXP / INR increase by 5%	**-**	-	**(85.46)**	(52.11)
MXP / INR decrease by 5%	**-**	-	**85.46**	52.11
BRL / INR increase by 5%	**(2.91)**	(2.75)	**69.51**	26.17
BRL / INR decrease by 5%	**2.91**	2.75	**(69.51)**	(26.17)
RMB / INR increase by 5%	**-**	-	**(71.77)**	1.25
RMB / INR decrease by 5%	**-**	-	**71.77**	(1.25)

* Holding all other variable constant.

(iv) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of change in market interest rates relates primarily to its borrowings. The Group's borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period is as follows:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Liabilities			
Variable rate instruments			
Borrowings			
Term Loans (including current maturities)	**12,602.31**	6,095.93	3,463.45
Fixed rate instruments			
Borrowings			
Cash Credit	**18,403.45**	21,112.42	12,872.61
Other short term loans	**6,275.15**	5,877.15	10,231.16
	37,280.91	**33,085.50**	**26,567.22**
Financial Assets			
Fixed rate instruments			
Fixed Deposits	**932.25**	1,027.05	1,059.28
Security Deposits	**281.13**	196.94	164.05
	1,213.38	**1,223.99**	**1,223.33**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Group by the amounts indicated in the table below. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

INR (in Lakhs)

Particulars	Profit or Loss INR (in Lakh)	
	100 BP increase	100 BP decrease
March 31, 2018		
Financial Liabilities		
Variable rate instruments		
Borrowings	(373.56)	373.56
Cash flow sensitivity (net)	(373.56)	373.56
March 31, 2017		
Financial Liabilities		
Variable rate instruments		
Borrowings	(330.85)	330.85
Cash flow sensitivity (net)	(330.85)	330.85

The Company does not have any additional impact on equity other than the impact on retained earnings.

46 Capital Management

The primary objective of the Group's capital management is to maintain an efficient capital structure and to maximise shareholder's value. The Management seeks to maintain a balance between higher returns that is achieved by raising funds through equity and the advantages by a sound capital position.

The Group monitors capital using a ratio of 'Net Debt to Equity'. For this purpose, Capital includes issued capital and all other equity reserves. Net Debt is defined as total borrowings less cash & bank balances and other current investments.

The Group's net debt to equity ratios are as follows:

INR (in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current Borrowings	**11,024.49**	5,131.61	2,144.81
Current Borrowings	**24,678.60**	26,989.57	23,103.77
Current maturities of long term borrowings	**1,577.82**	964.32	1,318.64
Gross Debt	**37,280.91**	33,085.50	26,567.22
Less - Cash and Cash Equivalents	**3,847.62**	2,065.32	803.01
Less - Bank balances other than above	**960.86**	1,058.27	1,086.63
Less- Current Investments	**10,807.63**	1,169.90	-
Net debt	**21,664.80**	28,792.01	24,677.58
Total equity	**37,116.26**	21,258.23	18,106.66
Net debt to Equity ratio	**0.58**	1.35	1.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

47 Business Combinations

I Acquisitions made during financial year ended March 31, 2018.

a) CFS Wanglong Flavours (Ningbo) Co. Ltd. erstwhile Ningbo Wanglong Flavors and Fragrances Company Limited

On July 12, 2017, the Company along with CFS Europe S.p.A. acquired 51% stake in CFS (Ningbo) Wanglong Flavors and Fragrances Company Limited (CFS Wanglong) for its Vanillin manufacturing facility. Pursuant to the acquisition of CFS Wanglong, the Group has acquired manufacturing and technological capabilites to produce high quality Vanillin and has also helped to increase production capacity of Vanillin.

The results of CFS Wanglong have been consolidated by the Group from the consummation date i.e. July 12, 2017 on a line by line basis. The consideration for this acquisition amounted to INR 4,065.73 lakhs. Purchase price has been primarily allocated based on the fair values of identifiable assets acquired of INR 6,851.17 lakhs resulting in goodwill of INR 571.63 lakhs.

The consideration transferred and Goodwill on acquisition is as follows :

	INR (in Lakhs)
Consideration transferred	4,065.73
Non-Controlling Interests (measured at proportionate share of net assets acquired)	3,357.07
Less: - Fair Value of Net Assets acquired	(6,851.17)
Goodwill on acquisition	571.63
The fair value of assets acquired in respect of the above Business Combination is as under :	
	INR (in Lakhs)
Property, Plant & Equipment and Intangible Assets	6,851.17
The Revenue and Loss after Tax of CFS Wanglong for the financial year ended March 31, 2018 are as follows:-	
	INR (in Lakhs)
Particulars	**For the year ended March 31, 2018**
Revenue	8,880.73
(Loss) After Tax	(372.79)

II Acquisitions made during financial year ended March 31, 2017

a) Dresen Quimica S.A.P.I. de. C.V.

On May 4, 2016, the Company's subsidiary, CFS Antioxidantes De Mexico S.A. De C.V., Mexico, acquired 65% stake in Dresen Quimica SAPI De C.V.,Mexico (Dresen) along with its five wholly owned subsidiaries in Mexico, Peru, Guatemala, Columbia and Dominican Republic. Dresen is a leading antioxidant blend company located in Mexico. Dresen has a portfolio of products including animal nutrition products, antioxidants, adsorbants, acidifying agents, bactericides, binders and mould inhibitors. The acquisition has enabled the Group to widen the product portfolio in pet food and animal food segment and get accesss to new markets and customers.

The results of Dresen and its subsidiaries have been consolidated by the Group from the consummation date i.e. May 4, 2016 on a line by line basis. The consideration for this acquisition amounted to INR 5,192.07 lakhs. Purchase price has been primarily allocated based on the fair values of identifiable assets acquired of INR 3,482.40 lakhs resulting in goodwill of INR 2,816.72 lakhs.

The Consideration transferred and Goodwill on acquisition is as follows :

INR (in Lakhs)

Consideration transferred		5,192.07
Non-Controlling Interests (measured at proportionate share of net assets acquired)		1,107.05
Less: - Fair Value of net assets acquired		(3,482.40)
Goodwill on acquisition		**2,816.72**

The fair value of assets acquired and liabilities assumed in respect of the above business combination is as under :

		INR (in Lakhs)
Property, Plant & Equipment		214.29
Current Assets		4,826.96
Current Liabilities		(1,558.85)
Fair value of net assets acquired		**3,482.40**

The revenue and profit after tax of Dresen Group for the financial year ended March 31, 2018 and March 31, 2017 are as follows:-

INR (in Lakhs)

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Revenue	**16,418.77**	12,097.05
Profit After Tax	**1,845.67**	1,661.64

b) Chemolutions Chemicals Limited

On March 22, 2017, the Company acquired 74.18% stake in Chemolutions Chemicals Limited (Chemolutions) pursuant to a preferential allotment of shares by Chemolutions to the Company. The Chemolutions allotment was made through conversion of a portion of outstanding intercorporate deposits with Chemolutions by the Company along with accrued interest amounting to INR 940.05 lakhs. Prior to the Chemolutions Allotment, our Company held 99,500 equity shares of Chemolutions, aggregating to 19.90% of the then paid-up equity share capital of Chemolutions. Post Chemolutions Allotment, our Company holds 63,66,503 equity shares of Chemolutions, aggregating to 94.08% of the paid-up equity share capital of Chemolutions. Chemolutions is engaged in the business of manufacturing of speciality chemicals and operates the Chemolutions Facility on lease-hold basis

The results of Chemolutions have been consolidated by the Group from the consummation date i.e. March 22, 2017 on a line by line basis. The consideration for this acquisition amounted to INR 950 lakhs. Purchase price has been primarily allocated based on the fair values of identifiable assets acquired of INR (26.59) lakhs resulting in goodwill of INR 974.99 lakhs.

The consideration transferred and Goodwill on acquisition is as follows :

INR (in Lakhs)

Consideration transferred		950.00
Non-controlling interest (measured at proportionate share of net assets acquired)		(1.60)
Less: - Fair value of net assets acquired		26.59
Goodwill on acquisition		**974.99**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

The fair value of assets acquired and liabilities assumed in respect of the above Business Combination is as under :

INR (in Lakhs)

Property, Plant & Equipment		0.96
Current Assets		461.25
Current Liabilities		(488.80)
Fair value of Net Assets acquired		**(26.59)**

The revenue and profit after tax of Chemolutions for the financial year ended March 31, 2018 and March 31, 2017 are as follows:-

INR (in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	**413.63**	8.86
Profit After Tax	**91.19**	235.13

48 Group Information

The following entities have been considered in the preparation of consolidated financial statements:

Sr. No.	Name of the Entity	Country of Incorporation	% of ownership interest either directly or indirectly through Subsidiaries		
			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I	**Subsidiaries**				
(a)	**Direct subsidiaries**				
1	CFCL Mauritius Pvt. Ltd.	Mauritius	**100%**	100%	100%
2	CFS Do Brasil Industria Comercio Importacao E Exportacao De Aditivos Alimenticios LTDA	Brazil	**100%**	100%	100%
3	Solentus North America Inc.	Canada	**100%**	100%	100%
4	CFS North America LLC	USA	**100%**	100%	100%
5	CFS Antioxidantes De Mexico S.A.de C.V.(Since 22 January 2016)	Mexico	**100%**	100%	100%
6	CFS International Trading (Shanghai) Limited (Since April 15, 2016)	China	**100%**	100%	NA
7	Chemolutions Chemicals Limited (Since March 22, 2017)	India	**94.08%**	94.08%	NA
8	CFS Wanglong Flavours (Ningbo) Co. Ltd. (Since July 12, 2017)*	China	**51%**	NA	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

Sr. No.	Name of the Entity	Country of Incorporation	% of ownership interest either directly or indirectly through Subsidiaries		
			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(b)	**Indirect subsidiaries**				
1	CFS Europe S.p.A.	Italy	**100% held by CFCL Mauritius Pvt. Ltd.**	100% held by CFCL Mauritius Pvt. Ltd.	100% held by CFCL Mauritius Pvt. Ltd.
2	Dresen Quimica, S.A.P.I. de C.V. (Since May 4, 2016)	Mexico	**65% held by CFS Antioxidantes De Mexico S.A.de C.V.**	65% held by CFS Antioxidantes De Mexico S.A.de C.V.	NA
3	Industrias Petrotec de Mexico, S.A. de C.V. (Since May 4, 2016)	Mexico	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.	NA
4	Britec, S.A. (Since May 4, 2016)	Guatemala	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.	NA
5	Inovel, S.A.S. (Since May 4, 2016)	Colombia	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.	NA
6	Nuvel, S.A.C. (Since May 4, 2016)	Peru	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.	NA
7	Grinel, S.R.L. (Since May 4, 2016)	Republic of Dominicana	100% held by Dresen Quimica, S.A.P.I. de C.V.	100% held by Dresen Quimica, S.A.P.I. de C.V.	NA
II	**Associate**				
	Fine Lifestyle Brands Limited (FLBL)	India	49.04%	49.04%	49.04%

* The Company holds 7.65% stake and CFS Europe S.p.A, holds 43.35% stake in CFS Wanglong Flavours (Ningbo) Co. Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

49 Additional Information as required under Schedule III to the Companies Act, 2013, of Enterprises Consolidated as Subsidiary / Associate

Sr. No.	Name of Entity in the Group	Net Assets		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (INR in Lakhs)	As % of Consolidated Profit and Loss	Amount (INR in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (INR in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (INR in lakhs)
	Holding Company								
	Camlin Fine Sciences Limited	70.37	33,145.83	58.78	(1,417.88)	1.42	(12.43)	91.51	(1,405.45)
	Subsidiaries								
	Indian								
1	Chemolutions Chemicals Limited	0.62	294.35	(3.78)	91.19	-	-	(5.94)	91.19
	Foreign								
1	CFCL Mauritius Private Limited	11.71	5,515.20	54.68	(1,318.95)	49.75	(435.90)	57.49	(883.05)
2	CFS Do Brasil Industria Comercio Importacao E Exportacao De Aditivos Alimenticios LTDA	(2.25)	(1,060.21)	21.67	(522.62)	2.86	(25.02)	32.40	(497.60)
3	Solentus North America Inc	(0.43)	(204.39)	0.41	(9.87)	0.19	(1.64)	0.54	(8.23)
4	CFS North America LLC	(4.36)	(2,051.51)	31.07	(749.40)	(1.24)	10.88	49.50	(760.28)
5	CFS Antioxidantes De Mexico S.A. De. C.V.	7.11	3,347.65	(76.52)	1,845.67	9.06	(79.41)	(125.34)	1,925.09
6	CFS International Trading (Shanghai) Ltd	(0.05)	(24.08)	1.98	(47.84)	(0.05)	0.39	3.14	(48.23)
7	CFS Wanglong Flavors (Ningbo) Co. Ltd.	17.28	8,142.02	11.71	(282.36)	38.01	(333.01)	(3.30)	50.65
	Total	**100.00**	**47,104.86**	**100.00**	**(2,412.06)**	**100.00**	**(876.14)**	**100.00**	**(1,535.93)**
a)	Adjustments arising out of Consolidation		(3,766.84)		14.84		(360.38)		375.21
b)	**Non-Controlling Interests**								
	Indian Subsidiaries								
	Chemolutions Chemicals Limited		17.91		5.40		-		5.40
	Foreign Subsidiaries								
	CFS Antioxidantes De Mexico S.A. De. C.V.		2,531.01		700.05		-		700.05
	CFS Wanglong Flavors (Ningbo) Co. Ltd.		3,672.81		(138.36)		-		(138.36)
	Total Non-Controlling Interest		**(9,988.57)**		**(552.25)**		**(360.38)**		**(191.88)**
	Total Consolidated		**37,116.29**		**(2,964.31)**		**(1,236.51)**		**(1,727.80)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

50 First Time Adoption of Ind AS

Reconciliation of Equity and Statement of Profit and Loss

Reconciliation of Equity as at March 31, 2017 and April 1, 2016

INR (in Lakhs)

Particulars	Notes	March 31, 2017 (IGAAP)	Adjustment on Transition to Ind AS	March 31, 2017	March 31, 2016 (IGAAP)	Adjustment on Transition to Ind AS	April 1, 2016
ASSETS							
Non-Current Assets							
Property, Plant and Equipment		15,162.54	-	15,162.54	12,581.69	-	12,581.70
Capital Work-in-Progress	1	738.24	24.11	762.35	2,506.46	-	2,506.46
Investment Property	2	207.19	-	207.19	207.19	-	207.19
Goodwill		3,791.71	-	3,791.71	-	-	-
Intangible Assets		926.95	-	926.95	1,238.49	-	1,238.49
Intangible Assets under Development		7.49	(5.41)	2.08	0.37	-	0.37
Investment in Associate							
Financial Assets		93.70	620.55	714.25	109.06	-	109.05
Investments	3	180.75	(17.03)	163.72	177.60	(25.05)	152.55
Loans	4	419.38	-	419.38	-	-	-
Other Financial Assets		1,945.62	464.08	2,409.70	1,485.23	188.62	1,673.85
Deferred Tax Assets (Net)		247.60	-	247.60	-	54.70	54.70
Income Tax Assets (Net)		489.48	15.47	504.95	161.54	23.72	185.26
Other Non-Current Assets	4	24,210.65	1,101.77	25,312.42	18,467.63	241.99	18,709.62
Total Non-Current Assets		**24,210.65**	**1,101.78**	**25,312.42**	**18,467.63**	**187.29**	**18,654.92**
Current Assets							
Inventories		19,779.54	-	19,779.54	17,331.55	-	17,331.55
Financial Assets							
Investments	5	1,115.25	54.65	1,169.90	-	-	-
Trade Receivables	6,7	11,287.13	3,202.02	14,489.15	7,548.06	8,199.89	15,747.95
Cash and Cash Equivalents		2,065.32	-	2,065.32	803.01	-	803.01
Bank balances other than above		1,058.27	-	1,058.27	1,086.63	-	1,086.63
Loans	4	47.69	(1.99)	45.70	232.32	-	232.32
Other Financial Assets		549.72	-	549.72	695.18	-	695.18
Other Current Assets		2,779.91	2.02	2,781.93	2,091.13	0.04	2,091.17
Total Current Assets		**38,682.83**	**3,256.70**	**41,939.53**	**29,787.88**	**8,199.93**	**37,987.81**
TOTAL ASSETS		**62,893.48**	**4,358.47**	**67,251.95**	**48,255.51**	**8,441.92**	**56,697.43**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

INR (in Lakhs)

Particulars	Notes	March 31, 2017 (IGAAP)	Adjustment on Transition to Ind AS	March 31, 2017	March 31, 2016 (IGAAP)	Adjustment on Transition to Ind AS	April 1, 2016
EQUITY AND LIABILITIES							
EQUITY							
Equity Share Capital		1,037.10	-	1,037.10	966.66	-	966.66
Other Equity	8	20,085.05	136.08	20,221.14	16,654.89	485.11	17,140.00
Non-Controlling Interests		1,761.48	-	1,761.48	-	-	-
Total Equity		**22,883.63**	**136.08**	**23,019.72**	**17,621.55**	**485.11**	**18,106.66**
LIABILITIES							
Non-Current Liabilities							
Financial Liabilities							
Borrowings		5,131.61	-	5,131.61	2,144.81	-	2,144.81
Provisions		214.43	-	214.43	185.26	-	185.26
Deferred Tax Liabilities (Net)		380.91	(66.50)	314.41	324.51	(107.11)	217.40
Total Non-Current Liabilities		**5,726.95**	**(66.50)**	**5,660.45**	**2,654.58**	**(107.11)**	**2,547.47**
Current Liabilities							
Financial Liabilities							
Borrowings	6	23,298.06	3,691.51	26,989.57	14,570.49	8,533.28	23,103.77
Trade Payables		7,840.26	-	7,840.25	9,412.91	-	9,412.91
Other Financial Liabilities	3	1,666.66	597.38	2,264.04	2,072.54	-	2,072.54
Other Current Liabilities		481.05	-	481.05	330.38	-	330.38
Provisions	8	576.25	-	576.25	1,152.90	(524.06)	628.84
Current Tax Liabilities (Net)		420.62	-	420.62	440.16	54.70	494.86
Total Current Liabilities		**34,282.90**	**4,288.89**	**38,571.78**	**27,979.38**	**8,063.92**	**36,043.30**
Total Liabilities		**40,009.85**	**4,222.39**	**44,232.23**	**30,633.96**	**7,956.81**	**38,590.77**
TOTAL EQUITY AND LIABILITIES		**62,893.48**	**4,358.47**	**67,251.95**	**48,255.51**	**8,441.92**	**56,697.43**

As the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

Reconciliation of equity and statement of profit and loss
Reconciliation of statement of profit and loss for the year ended March 31, 2017

INR (in Lakhs)

Particulars	Notes	For the Year Ended March 31, 2017 (IGAAP)	Adjustment on transition to Ind AS	For the Year Ended March 31, 2017
INCOME				
Revenue from Operations	9	53,393.05	1,293.85	54,686.90
Other Income	4,5	1,390.39	60.68	1,451.07
Total Income		**54,783.44**	**1,354.53**	**56,137.97**
EXPENSES				
Cost of Material Consumed		29,284.06	-	29,284.06
Purchases of Stock-in-Trade		141.80	-	141.80
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		(3,374.99)	-	(3,374.99)
Excise Duty	9	-	1,293.85	1,293.85
Employee Benefits Expense	11	5,993.88	115.15	6,109.03
Finance Costs	1	2,715.56	(24.11)	2,691.45
Depreciation and Amortization Expense		2,180.29	-	2,180.29
Other Expenses	4	18,271.30	144.58	18,415.89
Total Expenses		**55,211.91**	**1,529.47**	**56,741.38**
(Loss) Before share of Profit/(Loss) of Associate		(428.47)	(174.94)	(603.41)
Share of Profit of Associate (Net of tax)		1.71	-	1.71
(Loss) Before Tax		(426.76)	(174.94)	(601.70)
Tax Expenses				
Current tax		776.89	-	776.89
Deferred tax	12	(451.64)	(483.03)	(934.67)
Total Tax Expenses		**325.25**	**(483.03)**	**(157.78)**
(Loss) for the Year		**(752.01)**	**308.09**	**(443.92)**
Other Comprehensive Income				
(A) Items that will not be subsequently reclassified to Profit or Loss				
Remeasurements of defined benefit plans			(15.22)	(15.22)
Income Tax relating to items that will not be reclassified to Profit or Loss			5.03	5.03
Total (A)			**(10.19)**	**(10.19)**
(B) Items that will be reclassified to profit or loss				
Exchange differences on translating the financial statements of subsidiaries			(798.84)	(798.84)
Income tax relating to Items that will be reclassified to profit or loss			(264.12)	264.12
Total (B)			**(534.72)**	**(534.72)**
Total Other Comprehensive Income for the Year (A)+(B)			**(544.91)**	**(544.91)**
Total Comprehensive Income for the Year			**(236.82)**	**(988.83)**
(Loss) for the Year attributable to:				
Owners of the Company		(1,425.53)	308.09	(1,117.43)
Non-Controlling Interests		673.51	-	673.51
Total Other Comprehensive Income for the Year attributable to:				
Owners of the Company		(534.72)	(10.19)	(544.91)
Non-Controlling Interests		-	-	-
Total Comprehensive Income for the Year attributable to:				
Owners of the Company		(1,960.25)	297.90	(1,662.35)
Non-Controlling Interests		673.51	-	673.51

As the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

Notes to the Reconciliation:

1 Capitalisation of Borrowing Costs on Qualifying Asset

Borrowing costs incurred towards qualifying asset have been capitalised to capital work in progress.

2 Recognition of Investment Property

Under IGAAP, there was no requirement to present investment property seperately and the same was included under property, plant and equipment. Under Ind AS, investment property is required to be presented seperately in the balance sheet. Accordingly, the carrying value of investment property as at April 1, 2016 and March 31, 2017 under IGAAP has been regrouped to a seperate line item in Balance Sheet.

3 Recognition of Put Option as Investment and Financial Liability

On 4th May, 2016, CFS Antioxidantes De Mexico S.A.P.I. de C.V. (CFS Mexico), Company's subsidiary in Mexico acquired 65% stake in Dresen Quimica S.A.P.I. de C.V. (Dresen Quimica) along with its group companies. The Shareholders Agreement entered into with the shareholders of Dresen Quimica provides for put option to the minority shareholders any time after 2 years from the date of agreement. The put option provides a right to minority shareholders to sell their 35% stake in Dresen Quimica as per agreed exercise price. As per Ind AS 109 read with Ind AS 32, the aforesaid put option is a financial obligation for CFS Mexico. The fair value of the financial obligation is recognised as investment. The corresponding impact has been recognised as current financial liability in the consolidated financial statements as at March 31, 2017. There was no requirement to account for such liability under IGAAP.

4 Discounting of Financial Assets

Under IGAAP, interest free rent deposits given was carried at cost. Under Ind AS, such interest free deposit are measured at fair value . Difference between fair value and deposit amount is recognised as "Deferred Lease Expense" at initial recognition and amortised over the period of lease on straight line basis. Deposit is measured at amortised cost subsequently by recognising interest income.

5 Fair Valuation of Investments

Under IGAAP, current investments were measured at lower of cost or NRV (Net Realisable Value). Under Ind AS, these financial assets have been classified as FVTPL investments. Ind AS requires such investments to be measured at Fair Value.

6 Bills of Exchage discounted with Banks

Under IGAAP, trade receivables derecognised by way of bills of exchange were shown as contingent liability since there is a recourse clause. Under Ind AS, the trade receivables have been restated with corresponding recognition of short term borrowings.

7 Impairment of Trade Receivables

Under IGAAP, the Group has created provision for impairment of receivables based on provision matrix. Under Ind AS, the impairment allowance has been determined based on Expected Credit Loss (ECL) model.

8 Proposed Dividend

Under IGAAP, proposed dividends including Dividend Distribution Tax (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

9 Revenue

Under IGAAP, revenue from sale of products was presented excluding Excise Duty. Under Ind AS, revenue from sale of products is presented inclusive of Excise Duty. Excise Duty is presented seperately in the Consolidated Statement of Profit and Loss as part of Expenses.

10 Re-measurement of employee Defined Benefit Plans

Under IGAAP, re-measurement of defined benefit plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefit expenses in the consolidated statement of profit and loss. Under Ind AS, such re-measurement of defined benefit plans, along with related tax effects are recognised in Other Comprehensive Income (OCI).

11 Employee Stock Option Plan (ESOP)

Under IGAAP, intrinsic value of Employee Stock Option Plan was recognised as expense over the vesting period. Under Ind AS, the compensation cost of Employee Stock Option Plan is recognised based on the fair value of options determined using an appropriate pricing model at the date of grant. Further, Employee Stock Options granted to employees of subsidiary have also been recognised as an expense based on the Fair Value of options granted to them.

12 Deferred Taxes on Ind AS adjustments

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of the balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. In addition, various transitional adjustments led to temporary differences. The Group has accounted for such differences.

51 Previous years' figures have been regrouped / restated wherever necessary to conform to current years's classification.

As per our Report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2018

Signatures to the Notes to Financial Statements
For and on behalf of the Board

Dilip D. Dandekar
Chairman
DIN: 00846901

Ashish S. Dandekar
Managing Director
DIN: 01077379

Santosh Parab
Chief Financial Officer

Rahul D. Sawale
Company Secretary
ICSI Membership No: ACS 29314

Mumbai, Dated: May 24, 2018

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 FIFTH ANNUAL GENERAL MEETING of the Company (AGM) on Monday the 13th August, 2018 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.

P.T.O.

TEAR HERE

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company on Monday the 13th August, 2018 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, 2018 and the reports of Board of Directors and Auditors thereon. (Ordinary Resolution)			
2	To appoint a Director in place of Mr. Nirmal V. Momaya (DIN: 01641934), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)			
3	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)			
4	Appointment of Ms. Anagha S. Dandekar (DIN: 07897205) as Non-Executive Director. (Ordinary Resolution)			
5	Appointment of Mr. Arjun S. Dukane (DIN: 06820240) as Executive Director. (Ordinary Resolution)			
6	Appointment of Mr. Ashish S. Dandekar (DIN: 01077379) as the Managing Director. (Special Resolution)			
7	Re-classification of Mr. Vivek A. Dandekar, promoter and/or person constituting promoters group of the Company, from Promoter Category to Non-Promoter Category. (Ordinary Resolution)			
8	Re-classification of Ms. Abha A. Dandekar, promoter and/or person constituting promoters group of the Company, from Promoter Category to Non-Promoter Category (Ordinary Resolution)			
9	Re-classification of Ms. Leena Dandekar, promoter and/or person constituting promoters group of the Company, from Promoter Category to Non-Promoter Category. (Ordinary Resolution)			
10	To consider and approve ESOP Scheme titled "CFS EMPLOYEES' STOCK OPTION SCHEME, 2018. (Special Resolution)			

Signed this ____________________________day of ________________________________ 2018.

Affix Revenue Stamp

Place: Mumbai

Date:

____
(Signature of the Shareholder)

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.

www.sapprints.com

Camlin Fine Sciences

Bringing science to everyday life

Camlin Fine Sciences Ltd.

F/11-12, WICEL, Opp. SEEPZ, Central Road, Andheri East, Mumbai - 400093, India.

+91 22 6700 1000 +91 22 2832 4404 www.camlinfs.com corporate@camlinfs.com

CIN: L74100MH1993PLC075361

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.