

18th July, 2020

To, BSE Limited, 25, P. J. Towers, Dalal Street, Mumbai – 400 001 Ref: Company Scrip Code: 532834	To, Listing Department, National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400051 Ref: Symbol: CAMLINFINE Series: EQ
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Sub: Dispatch of Annual Report for Financial Year 2019-20 and Notice to shareholders for the purpose of 27th Annual General Meeting.

The Company has issued and dispatched the attached notice dated 25th June, 2020 (Notice) and Annual Report for Financial Year 2019-20 to the shareholders for the 27th Annual General Meeting (AGM). The AGM will be held on Monday, 10th August, 2020 at 3.00 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the business set out in the Notice of the AGM which has been sent by the permitted mode to every concerned shareholders individually.

The Company is providing to its shareholders facility to exercise their right to vote through electronic voting services provided by National Securities Depository Limited, vide web link <https://www.evoting.nsdl.com> for all the businesses set out in the Notice of the AGM dated 25th June, 2020. The remote e-voting period begins on Friday, August 7, 2020 at 09:00 A.M. and ends on Sunday, August 9, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The Notice of the AGM seeks the approval of the shareholders on the following businesses:

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon. (Ordinary Resolution)
2. To appoint a Director in place of Mr. Dilip D. Dandekar (DIN: 00846901), who retires by rotation and being eligible, offers herself for re-appointment. (Ordinary Resolution)
3. To appoint a Director in place of Mr. Nirmal V. Momaya (DIN: 06820240), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)
4. Appointment of Mrs. Sutapa Banerjee (Din: 02844650) as an Independent Non-Executive Director. (Ordinary Resolution)
5. Approval of material related party transaction for the financial year 2020-21. (Ordinary Resolution)
6. Payment of revised remuneration to Mr. Arjun s. Dukane, Executive Director. (Special Resolution)

We request you to take the above on record and treat this as compliance under the applicable provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.


Encl.: a/a.


Thanking You,
For **Camlin Fine Sciences Limited**




Mandar Godbole
Company Secretary
& Compliance Officer

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

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RiSiNG | GROwING

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FORWARD-LOOKING STATEMENT

In this Annual Report, we have shared information and made forward-looking statements to enable investors to know our product portfolio, business logic and direction and thereby comprehend our prospects. Such and other statements - written and oral - that we may periodically make are based on our assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'intend', 'plan', 'project', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised. Although we believe we have been prudent in our assumptions, the achievement of results is subject to uncertainties, risks and even inaccurate assumptions. If uncertainties or known or unknown risks materialise or 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.



When you plant a seed, it needs to be nurtured and cared for to grow into a beautiful tree.

After decades of persistent efforts and various challenges faced over time, Camlin Fine Science stands tall today, like a strong and beautiful tree. And just like a tree, the story of CFS has been of nurturing our customers, care towards our employees and resilience towards the business headwinds. With the key mantra of responsible and sustainable growth, the Company has led with constant innovation and adaptation.

Today more than ever there is a heightened awareness for nutrition, food and feed ingredients and formulations, aroma ingredients, aroma chemicals, biodiesel blends and specialty chemicals. CFS sees an enormous opportunity in providing more such solutions to its customers.

With enviable customer relationships, an experienced management team, integrated global manufacturing facilities, excellent supply chain management, reliable products and services and various technological advancements, new projects are underway to improve productivity and expand our global presence and customer reach. CFS is unstoppable!

The Company is *Rising* up to the opportunities and *Growing* to become a truly integrated multinational specialty chemicals company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dilip Dandekar
Chairman

Mr. Ashish Dandekar
Managing Director

Mr. Pramod Sapre
Independent Director

Mr. Sharad Kulkarni
Independent Director

Mr. Abeezer Faizullahoy*
Independent Director
Retirement upon completion of term w.e.f. - 3rd August, 2019

Mr. Bhargav Patel
Independent Director
Retirement upon completion of term w.e.f. - 3rd August, 2019

Mr. Nirmal Momaya
Non-Executive Director

Mr. Atul Pradhan
Independent Director

Mr. Nicola Paglietti
Independent Director

Mr. Ajit Deshmukh
Non-Executive Director
Resigned w.e.f. - 24th May, 2019

Ms. Anagha Dandekar
Non-Executive Director

Mr. Arjun Dukane
Executive Director - Technical

Mr. Amol Shah
Independent Director
Appointed w.e.f. - 2nd August, 2019

Ms. Sutapa Banerjee
Independent Director
Appointed w.e.f. - 7th February, 2020

KEY MANAGERIAL PERSONNEL

Mr. Santosh Parab
Chief Financial Officer

Mr. Mandar Godbole
Company Secretary

REGISTERED OFFICE

F/11-12, WICEL, Opp SEEPZ Main Gate,
Central Road, Andheri East, Mumbai - 400093
Tel No - 91-22-28324404
Fax : 91-22-28324404
www.camlinfs.com
E : secretarial@camlinfs.com
CIN : L74100MH1993PLCO75361

WORKS

Plot No. D-2/3, M.I.D.C Boisar
Tarapur (Dist. Thane) 401506 (Unit-1)

Plot No. N-165, M.I.D.C Boisar
Tarapur (Dist. Thane) 401506 (Unit-2)

Plot No. Z/96/D, Dahej SEZ Ltd;
Part-II, Tal. Varga, Dist. Bharuch,
Pin Code: 392130, Gujarat, India

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 SHARE TRANSFER AGENT

Link Intime India Pvt.Ltd.
C101, 247 Park, LBS Marg,
Vikhroli West, Mumbai - 400 083
Tel No - +91 22 4918 6000/ 4918 6270
Fax : +91 22 49186060
Email : rnt.helpdesk@linkintime.co.in

The journey of Camlin Fine Sciences Ltd. (CFS) began with humble beginnings almost nine decades ago in 1931 in Mumbai, India, where it first began manufacturing ink powders and tablets. It soon began to offer a whole range of art material and stationery products including chalks, rubber stamp pads, gums and adhesives, wood pencils, drawing colours, geometry boxes, besides other professional and student products under the brand name 'Camel'. For over 50 years and even till date it is one of the most trusted brands across households in India.

With a plan to diversify into fine chemicals, CFS set up a new ultramodern plant at Tarapur, India, to manufacture antioxidants for the global market. In 2006, to bring greater focus to its core purpose, this new division was demerged from the parent company and an entirely new entity was formed called Camlin Fine Sciences Ltd. One of the biggest milestones in the Company's history occurred in 2011, when it acquired Borregaard Italia SpA, a Hydroquinone and Catechol manufacturing facility at Ravenna, Italy. There was no stopping the Company after that and it continued to expand its geographical reach through organic and inorganic expansions across the globe from Latin America to North America and China. CFS has transitioned into a multinational specialty chemical company, touching numerous lives across the globe. It represents fine sciences for fine living.

Today, CFS is one of the world's leading integrated manufacturers of the most preferred traditional antioxidants and vanillin. CFS also manufactures various other shelf life solutions, aroma ingredients and performance chemicals. CFS's speciality chemicals cater to diverse industries such as Human Foods, Petfood, Animal Feed, Flavours and Fragrances, Pharmaceuticals, Agrochemicals, Petrochemicals, Dyes, Pigments, Polymers, Biodiesel, just to name a few.

The Company is one of the enviable few vertically integrated specialty chemical manufacturers in the world. With operations in India, Mexico, Central and North America, China, Europe, Singapore and South America, CFS supplies more than 100 products to over 1000 customers in over 80 countries across the globe. CFS's Application laboratories in different parts of the globe provide technical expertise, support for shelf-life extension solutions and sensory evaluation of aroma ingredients. CFS conducts collaborative application projects with its customers for value-based and efficient solutions.

OUR LEGACY



SHELF LIFE SOLUTIONS

Solutions for enhancing Shelf life, Food and Feed Safety, Health and Performance



Food or feed containing lipids are prone to oxidation that significantly impact its nutrients and organoleptic properties. Added Antioxidants make it taste better for longer by delaying the oxidation process and extending its shelf life. Besides food and feed, Shelf life Solutions cater to a wide array of industries such as Petfood, Rendering, Biodiesel, Aquaculture/Fishmeal etc.

Antioxidants have been the key growth driver of the Company's shelf life solutions portfolio. CFS manufactures traditional antioxidants like TBHQ, BHA and Ascorbyl Palmitate. With

specialty ingredients that are used to extend shelf life. They are marketed under the brand names 'Xtendra' and 'NaSure'. With the launch of numerous tailor-made blends and its successful application, the Company was able to enhance its reach directly to the customers.

CFS has expanded the shelf life portfolio with antimicrobials, improvers, stabilisers, probiotics, binders etc. for various food and beverage, petfood, animal nutrition and biodiesel industries. With a robust product basket, the Company has also started providing value-added services



the overwhelming preference for natural ingredients for food and, with greater emphasis on petfood, CFS fulfills the clean label requirements with its natural antioxidant offerings like Rosemary extracts, Tocopherols, Green tea extracts, and Acerola extracts. After championing the basic shelf life ingredients, the Company strategically forayed into customized blends in 2014. Blends are a customized combination of various antioxidants with other

including shelf life studies, microbiology, toxin analysis, feed mill sanitation, etc. We have secured business from some well-known players for the same.

The Company has also increased the sales force strength and support teams which enabled market penetration and reach to numerous industries present in different regions and a diverse customer base across Asia, Middle East, Europe and the American continent.



Performance Chemicals are specialty chemicals sold on the basis of their performance for specific applications. They are unique or formulated based on the requirements of customers to provide innovative solutions.

CFS's Performance Chemicals business consists of fine chemicals that find applications in petrochemicals, agrochemicals, dyes, pigments, pharmaceutical, polymers to name a few. This division manufactures performance chemicals like Hydroquinone, Catechol and downstream fine chemicals like Guaiacol, Veratrole, TBC, MEHQ, ODEB, CME, etc.

Guaiacol is used for manufacturing Vanillin and Active Pharmaceutical Ingredient (API) Guaifenesin. Veratrole is an important intermediate having

applications in the Pharma and Agrochemicals industries. PDMB and CME find application in the Dyes and Pigments industry.

Some of the Company's new products commercialized include HQEE; a chain extender that imparts good tensile strength, elongation, hardness, modulus and resilience properties to polyurethane elastomers. With the vision of growing this business vertical, CFS has embarked on its capacity enhancements of Hydroquinone and Catechol with the set-up of a new facility in Dahej, India.



PERFORMANCE CHEMICALS

Innovates to provide value added intermediates and specialty products

AROMA INGREDIENTS

One of the world's leading manufacturers of Vanillin



Aroma ingredients are the key chemicals used in the Flavours and Fragrances Industry, which impact the human senses in positive ways. Over the years, CFS has perfected the manufacturing of vanillin and ethyl vanillin through a clean and environment-friendly method. The Company's products are developed through a vertically integrated platform that offer the customers the same consistency, stability, quality and safety repeatedly.

CFS is one of the leading producers of Vanesse™ (Vanillin) and Evanil™ (Ethyl Vanillin) in the world, that has applications in ice creams, chocolates, bakery, biscuits, candy, fragrance,

pharmaceuticals and perfume manufacturing, personal care and cosmetics, household care solutions and incense sticks. Vanesse™ and Evanil™ are gaining recognition among its customers and have increased market share considerably.

CFS's aroma ingredients help perfumers master the exploration journey in creating something exceptional. Vetigreen™ and Intense Green™ are few aromatic chemicals generally used to make a fragrance crisp and sharp with its wide application in fine fragrances, oriental perfumes, specialty soaps, cosmetics, deodorants, personal care products, incense sticks etc.



CFS recently launched its Health & Wellness business vertical. This division offers nutraceutical products from fermentation and Green extraction sources.

The Health and Wellness business is expected to gain its foothold from developed markets such as the USA and Europe. Baby boomers from these markets are looking for healthy and natural alternatives to synthetic chemical products. Millennials, on the other hand, are looking for natural, convenient, nutrient-rich foods and beverages to help them stay fit, and 'feel-good'. This segment aims to cater to both these generations.

The Company's Fermentation line has introduced products like Vegan Omega-3 (DHA & EPA) from Micro-Algal source which is clean and sustainable. These essential omega-3 fatty acids are used in dietary supplements, functional food and petfood. Apart from these, the Company's portfolio comprises of algal carotenoids, natural colours, natural vitamins, minerals and proteins, cosmetic ingredients, standardised herbal extracts certified organic herbals and probiotics.



Health & Wellness

Provides the cleanest, most sustainable, yet ethically priced ingredients and formulations

GEOGRAPHICAL PRESENCE



CFS India

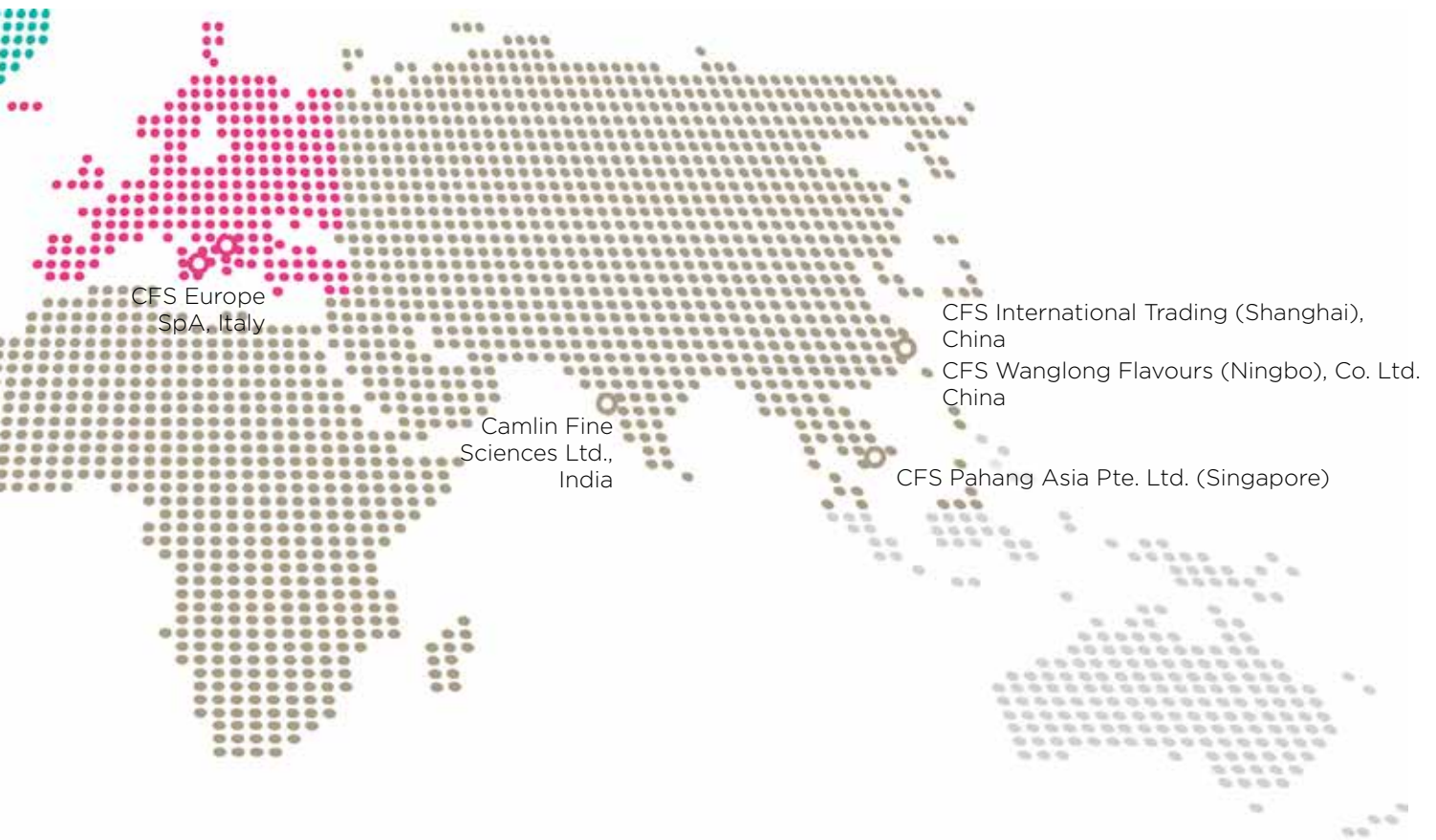


CFS Mexico



CFS Europe

Countries	CFS India	CFS Mexico	CFS Europe
Products	Shelf life Solutions, Aroma Ingredients & Performance Chemicals	Shelf life Solutions	Performance Chemicals & Shelf life Solutions
Capacity (in MT)	15000 MT	12000 MT	12000 MT
Customers	500+	400+	15+



CFS Brazil

Shelf life Solutions

6000 MT

85+



CFS Wanglong

Vanillin
(Aroma Ingredients)

42000 MT

15+



CFS North America

Shelf life Solutions

NA

15+

BOARD OF DIRECTORS

Dilip Dandekar

Chairman

Been with the Company since 2006 and has long and vast experience in Marketing, Administration and overall Management.

Ashish Dandekar

Managing Director

BA in Economics and Management studies from Temple University, USA. Wide experience over 28 years in Pharmaceuticals and Fine Chemical Products including Business Planning, Information Systems, Research & Development, Product Development and Marketing.

Pramod Sapre

Independent Director

BSc and Diploma in Marketing Management with varied experience in Marketing of Pharmaceutical Products.

Sharad Kulkarni

Independent Director

Degree of Engineering from University of Pune.

Acts as a Business Advisor and Management Consultant to several Indian and International companies and his areas of expertise covers Business Development, International Alliance Management, Strategic Planning.

Nirmal Momaya

Non-Executive Director

CA with over 25 years of experience in Finance, Taxation, Audit and Management consultancy.

Founder at Pagoda Advisors Pvt. Ltd. with a focus on consulting for various businesses as well as advising CFS on important business and strategic matters since 2009.

Atul Pradhan

Independent Director

Holds Diploma in Electronics and Electrical Communication Engineering and MBA.

Senior business advisor with more than 25 years of experience in Management Consultancy industry.

Nicola Paglietti

Independent Director

Masters in Law and member of the Bar of New York and Rome and possesses over 20 years of professional experience in Contracts and Corporate law.

Anagha Dandekar

Non-Executive Director

MBA in Finance from University of South Carolina, USA.

President, co-founder of Hardware Renaissance, a manufacturer of high-end, hand crafted door hardware and accessories

Arjun Dukane

Executive Director - Technical

Chemical Engineer with 31 years of experience in the Chemical Industry and has been associated with CFS for about 12 years

Amol Shah

Independent Director (Appointed w.e.f. - 2nd August, 2019)

Bachelor of Science (Electronics Engineering) from University of Kent, Canterbury and MBA from University of Southern California.

Currently the Managing Director of the MJ Group with more than 25 years of experience in the industry covering Human Healthcare, Flavors/ Fragrances compounds, Plant protection and water treatment chemicals.

Sutapa Banerjee

Independent Director (Appointed w.e.f. - 7th February, 2020)

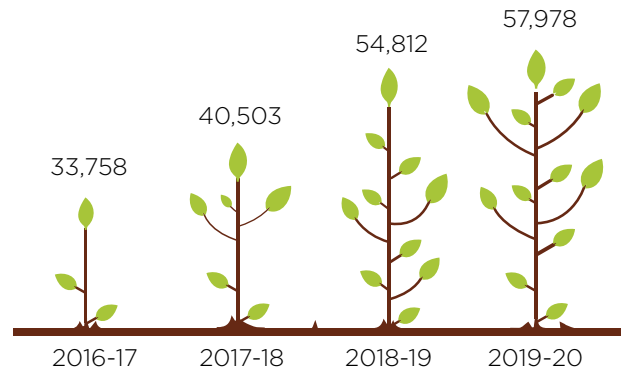
Gold medalist in Economics from the XLRI school of Management in India, and an Economics honours graduate from Presidency College Kolkata.

Over 24 years of experience in the financial services industry and currently serves as an Independent Director on the boards of several companies

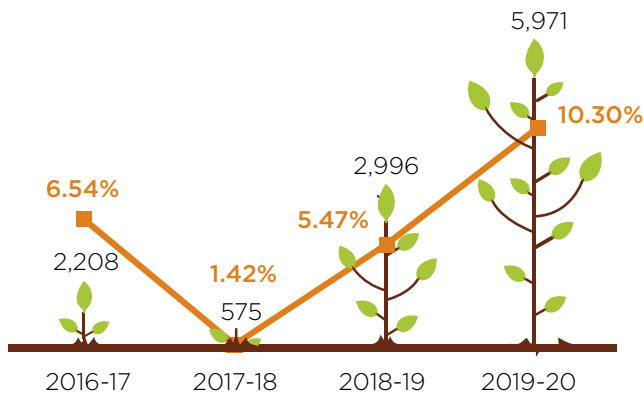
FINANCIAL HIGHLIGHTS

Standalone

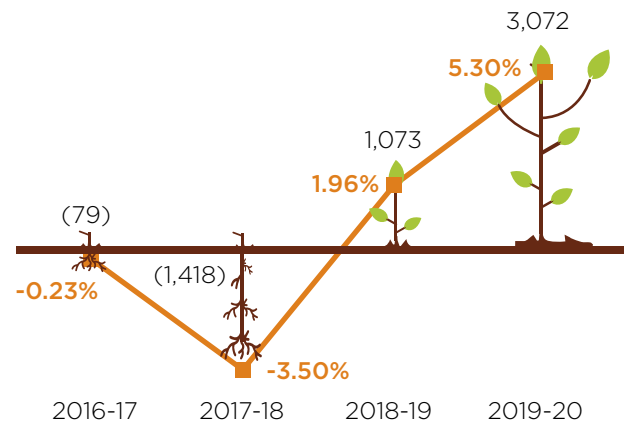
Operational Revenue (INR Lakhs)



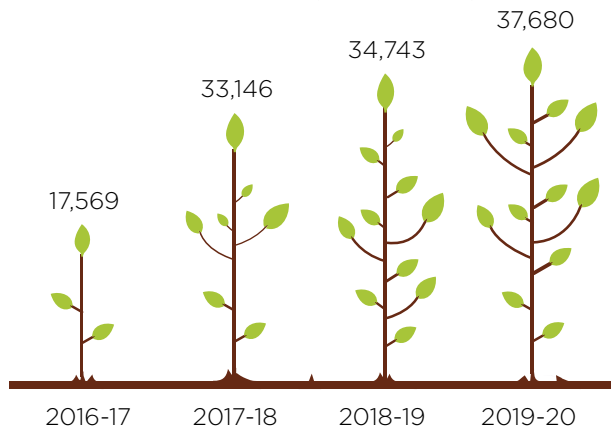
EBITDA (INR Lakhs) & EBITDA Margin (%)



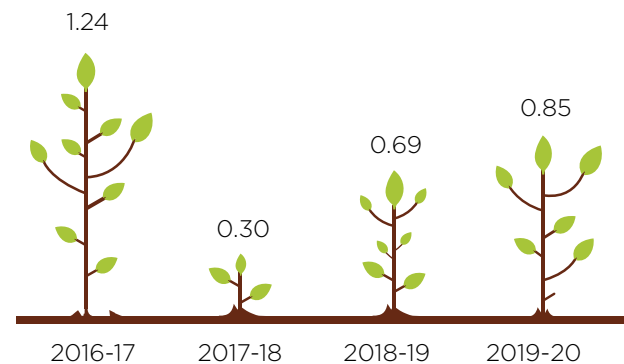
PAT (INR Lakhs) & PAT Margin (%)



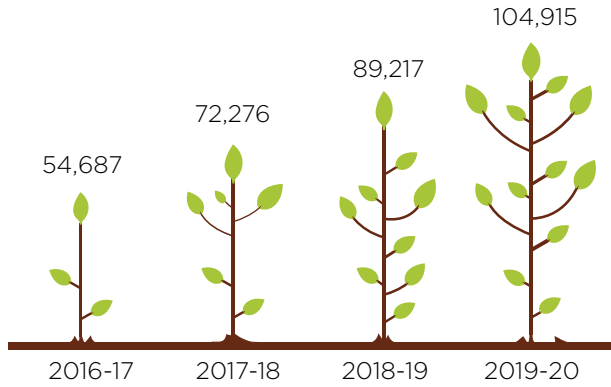
Net Worth (INR Lakhs)



Net Debt to Equity



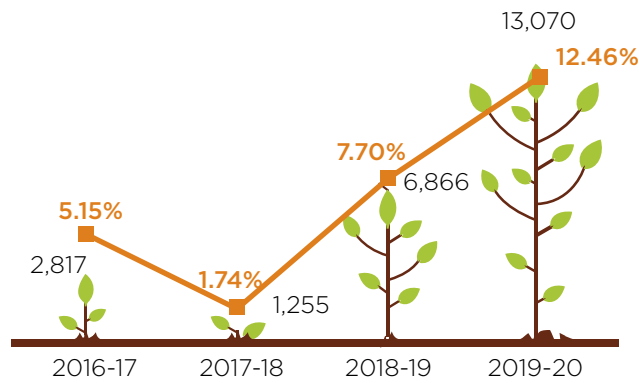
Operational Revenue (INR Lakhs)



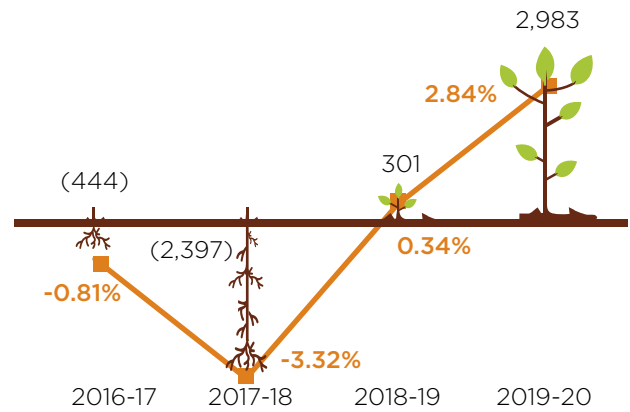
FINANCIAL HIGHLIGHTS

Consolidated

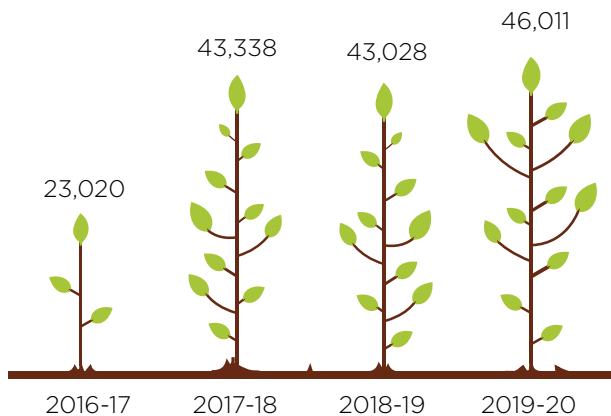
EBITDA (INR Lakhs) & EBITDA Margin (%)



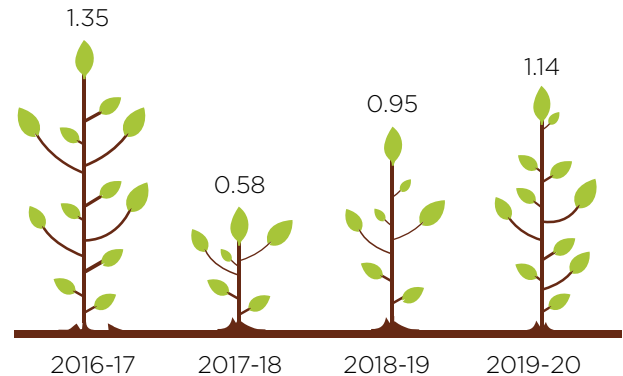
PAT (INR Lakhs) & PAT Margin (%)



Net Worth (INR Lakhs)



Net Debt to Equity



NEW INITIATIVES

Hydroquinone and Catechol plant in Dahej

The greenfield plant in Dahej set up to manufacture Hydroquinone and Catechol is spread across approximately 15 acres space and is one of the most awaited projects that is expected to be a game-changer for us. The plant construction work was completed by the end of January 2020 and immediately thereafter the trial run began.

The plant will have a capacity of 10,000 MTPA for both Hydroquinone and Catechol, which are the major raw materials for the downstream products and are currently manufactured in the Company's existing plant in Italy. The

backward integration in India is expected to provide us with a significant cost advantage and thereby improve profitability in the coming years.

The Dahej plant will also open up avenues to diversify into downstream products for which the Company has also begun work. Basic Engineering for Ethyl vanillin is already in progress and commercial production is expected to start in 2022.

The Company is all set to reap the benefits of this greenfield expansion project at Dahej in the coming financial year of 2021.



Dear Fellow Shareholders,

The Chemical industry in India is at the cusp of a phenomenal growth phase. Your company has invested significantly over the last few years and is well-positioned to take advantage of this opportunity. With our global presence, backward integrated manufacturing expertise and trust of over 1000 customers globally, CFS is rising and growing to new heights.

This year in spite of many challenges, your company has seen good traction for its products due to our constant focus on quality and flexibility to adapt, innovate and improve. We closed the financial year with consolidated revenues of INR 1,049 Cr representing a growth of 18% versus the previous year, while our profits grew almost 10x to INR 30 Cr. This financial growth was due to the various initiatives that the Company has taken over the last few years in global expansion and forward integration into blends, which are just beginning to bear fruit.

Through innovative solutions, we will continue to focus on expanding our key business segments of Shelf life Solutions, Performance Chemicals and Aroma Ingredients. CFS is expanding its global footprint in blends business with subsidiaries in Mexico, Brazil, Europe & North America. Our shelf life solutions business is dominated by antioxidant blends sold under the brand names "Xtendra" and "NaSure". It has given us the confidence to reach out to a wide range of industries from food to beverage, petfood, animal nutrition, biodiesel to aquaculture with our proven solutions. The demand for animal feed additives has been thriving with the rising consumption of meat and poultry food products worldwide. CFS has a wider portfolio of shelf life products and real-time services for the Animal Nutrition industry.

It has been a favorable year for the Aroma Ingredients division with the expansion of customer base for Vanesse (vanillin) and Evanil (ethyl vanillin) with major global reputed flavour houses, fragrance companies,

F&B companies, distributors, traders and direct users in most parts of the world. CFS is one of only two global players to have a fully integrated manufacturing capability to produce vanillin using Catechol. Your company is also proposing to set-up a new plant in Dahej to produce Ethyl Vanillin.

With the focus shifting towards preventive healthcare management all over the world, nutraceuticals is a trending segment with higher growth possibilities and people are also looking for natural alternatives for disease management. CFS believes its time your Company addressed this growing market need. Your company's recently launched "Health & Wellness" business segment provides solutions for ingredients and formulation from Fermentation and herbal or organic extracts which have a phenomenal potential.

Our greenfield plant in Dahej to manufacture Hydroquinone and Catechol is spread across 15 acres space and is going to be the game-changer event for our company. This backward integration in India is expected to provide CFS with a significant cost advantage, reduce working capital days and thereby improve profitability from FY21 onwards.

Unfortunately, we ended the last financial year with the global pandemic Covid-19. While the Company's operations did not face any major disruptions at its manufacturing facilities around the world. We were able to resume operations as we cater to the needs of essential services. In our own little way, we avoided disruption in the food chain.

Your company today is on a strong footing and well-positioned for long term sustainable growth. We could not have been here without the faith, confidence and support of all our stakeholders. I thank you for being a part of our journey.

Sincerely,
Ashish Dandekar



MANAGING DIRECTOR'S MESSAGE

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the members of Camlin Fine Sciences Limited, will be held on Monday, August 10, 2020 at 3.00 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), to transact the following businesses:

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, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dilip D. Dandekar (DIN: 00846901), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Nirmal V. Momaya (DIN: 06820240), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

APPOINTMENT OF MRS. SUTAPA BANERJEE (DIN: 02844650) AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV to the Companies Act, 2013 (“Act”) and any other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 16(1)(b) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Mrs. Sutapa Banerjee (DIN: 02844650), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16 of Listing Regulations, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Non-Executive Director of the Company (not liable to retire by rotation) to hold office for a

term of 5 (five) consecutive years with effect from February 7, 2020;

RESOLVED FURTHER THAT anyone of the Directors or Chief Financial Officer 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. To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

APPROVAL OF MATERIAL RELATED PARTY TRANSACTION FOR THE FINANCIAL YEAR 2020-21:

“**RESOLVED THAT** pursuant to the provisions of the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors to ratify/ approve all existing contracts/ arrangements/agreements and to enter into contract(s)/transaction(s) with CFS Wanglong Flavours Ningbo Co. Ltd., a subsidiary and hence a related party within the meaning of the aforesaid law, the value of which either singly or all taken together during the current financial year may exceed ten per cent of the annual consolidated turnover of the Company as per audited financial statements of financial year 2019-20, having the following details:

Description of Contract	Period of Contract	Total Cumulative Contract value with Related Party
Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, availing / rendering of marketing and other services or any other transactions	01st April, 2020 to 31st March, 2021	Rs. 160 Crores

RESOLVED FURTHER THAT anyone of the Directors or Chief Financial Officer or Company Secretary be and are hereby severally authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be deemed necessary, proper and desirable and to finalise any documents and writings related thereto to give effect to this resolution.”

6. To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

PAYMENT OF REVISED REMUNERATION TO MR. ARJUN S. DUKANE, EXECUTIVE DIRECTOR:

“**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 payment of revised remuneration to Mr. Arjun S. Dukane (DIN: 06820240) ‘Executive Director - Technical’ of the Company, with retrospective effect from 1st June, 2019 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.”

By Order of the Board
Mandar Godbole
General Manager - Legal
& Company Secretary

Place : Mumbai
Dated : 25th June, 2020

Note:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM, hereinafter called as 'e-AGM'.
2. The deemed venue for twenty seventh e-AGM shall be the registered office of the Company.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Statement pursuant to section 102 of the Act forms part of this Notice.
5. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the Listing Regulations and as per provisions of the Act.
6. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e. from 2:45 p.m. to 3.15 pm.
7. Institutional Investors, who are members of the Company are encouraged to attend and vote at the twenty seventh e-AGM of the Company.
8. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Link Intime.
9. In terms of section 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website at www.camlinfo.com, website of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com and on the website of Link Intime at www.linkintime.co.in.
10. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with Link Intime.
11. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered with Link Intime. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail going forward.
12. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
13. SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless

- the securities are held in the dematerialized form. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
14. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.
 15. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments atleast 7 days before the e-AGM to the Company at secretarial@camlinfs.com mentioning their name, demat account no./Folio no., e-mail Id, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
 16. Pursuant to section 72 of the Act, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
 17. In terms of section 124(5) of the Act, dividend amount for the year ended 31 March 2013 remaining unclaimed for a period of 7 years shall become due for transfer in August 2020 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of 7 years, the corresponding shares shall be transferred to the IEPF demat account. Members who have not claimed dividends in respect of the financial years from 2012-13 onwards are requested to approach the Company/ Link Intime India Private Limited, Registrar and Share Transfer Agent for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.
 18. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.
 19. Since the meeting will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.
 20. In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date for e-voting, i.e., Monday, 3 August 2020, such person may obtain the User ID and Password from Link Intime.
 21. Alternatively, member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via e-mail to Link Intime for obtaining the Annual Report and Notice of e-AGM.
 22. The Board of Directors has appointed JHR & Associates, Practicing Company Secretaries as the Scrutinizer to the e-voting process and voting at the e-AGM in a fair and transparent manner.
 23. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the twenty seventh e-AGM and announce the start of the casting of vote through the e-voting system of NSDL.
 24. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
 25. The results declared along with the Scrutinizers Report shall be placed at the Company's website www.camlinfs.com immediately after the results are declared by the Company and simultaneously communicated to the BSE and NSE.
- Voting through electronic means:**
- Remote E-Voting:**
- The remote e-voting period begins on Friday, August 7, 2020 at 09:00 A.M. and ends on Sunday, August 9, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
(b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
(c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- (c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is

your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- 6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
 - (a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

- 1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which

you are holding shares and whose voting cycle is in active status.

- 3. Select "EVEN" of company for which you wish to cast your vote.
- 4. Now you are ready for e-Voting as the Voting page opens.
- 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@jhrasso.com with a copy marked to evoting@nsdl.co.in.
- 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for

Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.:1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@camlinfs.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@camlinfs.com.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected

with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

By Order of the Board
Mandar Godbole
General Manager Legal
& Company Secretary

Place : Mumbai
Dated : 25th June, 2020

ANNEXURE FORMING PART OF THE NOTICE

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

SPECIAL BUSINESS:

Item No.4:

Pursuant to the provisions of the Companies Act 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Board of Directors (Board) on the recommendation of the Nomination and Remuneration Committee is recommending the appointment of Mrs. Sutapa Banerjee (DIN: 02844650) to the Members.

In terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and Listing Regulations, Mrs. Sutapa Banerjee, being eligible and offering herself for appointment, is proposed to be appointed as an Independent Non-Executive Director for term of 5 (five) years from the date of this Annual General Meeting.

The Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Mrs. Sutapa Banerjee for appointment as an Independent Director as per the provisions of the Act. The Company has also received a declaration from Mrs. Sutapa Banerjee that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

Details of Mrs. Sutapa Banerjee as required under the Regulations 36(3) and 26(4) of the Listing Regulations and Secretarial Standards 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) have been given in the Annexure-‘A’ for the information of Members.

In the opinion of the Board, Mrs. Sutapa Banerjee fulfills the conditions specified in the Act, and rules made thereunder and the Listing Regulations for her appointment as an Independent Director of the Company and is independent of the Management. A copy of draft letter for appointment of Mrs. Sutapa Banerjee as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company between 10.00 a.m. to 5.00 p.m. on any working day of the Company (excluding Saturdays and Sundays) upto the date of this Annual General Meeting.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Sutapa Banerjee as an Independent Director.

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

The Board recommends the Ordinary Resolution at Item No. 4 of the Notice for approval of the Members.

Item No. 5:

Pursuant to Section 188 of the Companies Act, 2013 (“the Act”), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board of Directors (Board) and prior approval of the Members by resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect the proposed transactions entered into by the Company which are in the ordinary course of business on an arm’s length basis.

However, pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), approval of the shareholders through Ordinary Resolution is required for all ‘material’ related party transactions (RPT) even if they are entered into in the ordinary course of business on an arm’s length basis. For this purpose, a RPT will be considered ‘material’ if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

The following transactions to be entered into by the Company, together with transactions already entered into by the Company with CFS Wanglong Flavours Ningbo Co. Ltd., a subsidiary company and therefore a related party, during the current financial year i.e. FY 2020-21, even though are in the ordinary course of business and on an arm’s length basis, are estimated to exceed 10% of the annual consolidated turnover of the Company as per the audited financial statements of the Company for the year ended 31st March, 2020:-

Sr. No.	Nature of Transaction	FY 2020-21 Estimated Annual Value of Contracts & Services
1	Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, availing / rendering of marketing/ and other services, or any other transactions.	Rs. 160 Crores

The other particulars of above transactions are as under:

Name of the related party	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Nature, Material Terms, Monetary Value and Particulars of the contract or arrangement	Any other information relevant or important for the members to take a decision on the proposed resolution
CFS Wanglong Flavours Ningbo Co. Ltd. ("CFS Wanglong")	Mr. Ashish Dandekar, Managing Director	Mr. Ashish Dandekar, Director, CFS Wanglong*	Credit period of 3 months (for transactions please refer to table above)	The transactions are in the ordinary course of business and are at an Arm's Length basis.
	Mr. Nicola Paglietti, Independent Director	Mr. Nicola Paglietti, Director, CFS Wanglong*		
	Mr. Nirmal Momaya, Non-Executive Director	Mr. Nirmal Momaya, Director, CFS Wanglong*		

*A subsidiary company with 51% equity shareholding.

The above transactions are approved by the Audit Committee as per the provisions of the Companies Act, 2013 and the Listing Regulations.

In view the above, it is proposed to seek approval of the Members of the Company through an Ordinary Resolution for the above transactions as set out at Item No. 5.

None of the Directors, Key Managerial Personnel or their relatives is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his/her respective shareholding, if any, in the Company, in the resolution set out in Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution at Item No. 5 of the Notice for approval of the Members.

Item No. 6:

The Members at their 25th Annual General Meeting had approved making payment of the remuneration to Mr. Arjun S. Dukane, wholtime directors of the Company as computed under Section 198 of the Companies Act, 2013. Also at the said meeting Members had approved the payment of remuneration of Rs. 36.78 Lakhs (Rupees Thirty Six Lakh Seventy Eight Thousand) per annum to Mr. Arjun S. Dukane, Executive Director of the Company for a period of 3 (three) years from 1st June, 2018 to 31st May, 2021.

In lieu of the approval from Members, the Board of Directors (Board) has approved the payment of remuneration as detailed below from 01st June, 2019 to Mr. Arjun S. Dukane till any resolution is passed in this regard. Remuneration payable to Mr. Dukane shall fall within the ceiling applicable to Managerial Remuneration as laid down Under Schedule V of the Companies Act, 2013.

Mr. Arjun S. Dukane aged 52 years, is a Chemical Engineer (Diploma). He has an overall experience of 32 years in the Chemical Industry out of which he has been associated with the Company for about last 13 years. He is presently working with the Company as "Executive Director - Technical"

Basic Salary:

Rs. 2,00,000/- 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 Rs. 39,07,000/- 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.

General:

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

- 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.
- 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.

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 for the approval by the members of the Company.

By Order of the Board
Mandar Godbole
General Manager Legal
& Company Secretary

Place : Mumbai
Dated : 25th June, 2020

Annexure – A

Disclosure required under the Act, Listing Regulations and Secretarial Standard-2 of ICSI

Name	Mr. Sutapa Banerjee
Director Identification Number	02844650
Date of first Appointment on the Board	Not Applicable
Experience in Specific Functional Area	<p>Ms. Sutapa Banerjee has close to 24 years of experience in financial services across large multinational banks - ANZ Grindlays and ABN AMRO. She built and headed several businesses, a well-recognized thought leader in the wealth management space. She headed and successfully built the Private Wealth businesses at both ABN AMRO Bank and Ambit Capital from scratch.</p> <p>She was voted one of the 'Top 20 Global Rising Stars of Wealth Management' by the institutional investor group in 2007 - the only Indian and one of only two winners from Asia. Under her leadership, as the CEO of Ambit Private Wealth the team won 'Best Private Bank in India in the 2013' Asia Money polls. She has the laurels of being voted as among the top '50 most Powerful Women by Fortune India in 2012'. Sutapa, is an advanced leadership fellow (2015) of Harvard University. Her area of study at Harvard was responsible investing, business practices and the use of a gender lens. She currently works, writes and speaks actively in this space. Currently, she is consulting in the wealth, investments management area and is on the board of directors (independent director) for leading companies (JSW Group, IL&FS Group) and non-profits (Oxfam India and Dignity Foundation). She also represents women's world banking as a nominee director on the board of their investee company Ananya Finance in India.</p>
Qualifications	Gold Medalist in Economics from the XLRI school of Management in India, and an Economics honours graduate from Presidency College Kolkata.
Terms and Conditions of Appointment	As per the Explanatory Statement
Not Applicable	Not Applicable
Last drawn remuneration	Not Applicable
Relationship with other Directors and Key Managerial Personnel	None
Directorship in other Companies*/Body Corporates	<p>JSW Holdings Limited</p> <p>JSW Cement Limited</p> <p>JSW Industrial Gases Private Limited</p> <p>Manappuram Finance Limited</p> <p>Axis Capital Limited</p> <p>Monnet Ispat and Energy Limited</p> <p>Niyogin Fintech Limited</p> <p>Godrej properties Limited</p> <p>Ananya Finance for Inclusive Growth Private Limited.</p>
Chairman/Member in the Committees of the Boards of other Listed companies	4
No. of Shares held in the Company	Nil
Number of meetings of the Board attended during the year	Not Applicable

*Includes Directorship in Private Limited Companies and Companies under section 8.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 27th Annual Report and the Audited Financial Statements of Accounts for the financial year ended 31st March, 2020.

Standalone Financial Highlights of 2019 - 2020

- Revenue from Operations and Other Income of the Company were Rs. 60,384.34 lakhs as compared to Rs. 56,178.09 lakhs in the previous year.
- Profit before tax was Rs. 4,128.62 lakhs as compared to Rs. 1,418.63 lakhs in the previous year.
- Profit after tax was Rs. 3,072.13 lakhs as compared to Rs. 1,072.82 lakhs in the previous year.

Standalone & Consolidated Financial Results:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations & Other Income	60,384.34	56,178.09	105,257.68	90,595.40
Earnings before Interest, Tax, Depreciation & Amortisation	8,377.72	4,361.82	13,413.34	8,245.21
Less: Finance Cost	2,806.82	2,034.37	4,312.91	3,670.73
Less: Depreciation & Amortisation expenses	1,128.21	908.82	3,280.23	2,899.32
Less: Share of Loss of associate	-	-	(0.09)	(5.88)
Profit before exceptional item and tax	4,442.69	1,418.63	5,820.08	1,669.28
Less: Exceptional Item	314.07	-	-	-
Less: Tax Expenses	1,056.49	345.81	2,837.00	1,368.70
Profit After Tax	3,072.13	1,072.82	2,983.08	300.58
Other Comprehensive Income net of tax	(29.14)	(30.12)	130.19	53.33
Total Comprehensive Income for the Year	3,042.99	1,042.70	3,113.26	353.91
Retained Earnings- Opening Balance	6,637.75	5,633.14	6,689.89	7,324.11
Add: Profit for the year	3,072.13	1,072.82	3,031.86	57.72
Add: Adjustments with Other Equity including Other Comprehensive Income	(25.63)	(68.21)	715.53	(691.94)
Amount appropriated during the year:				
Dividend including Dividend Tax paid	-	-	-	-
Transfer to General Reserve	-	-	-	-
Retained Earnings- Closing Balance	9,684.25	6,637.75	10,437.28	6,689.89

On a standalone basis, the Revenue from Operations have increased to INR 57,977.90 lakhs in the financial year 2019-20 vis-à-vis INR 54,812.29 lakhs in the previous year, thereby registering growth of 5.78%. Margins have improved over the last year due to yield improvements, favourable product mix and favourable currency movement.

On a consolidated basis, the Revenue from Operations has shown a robust growth of 17.60% over the previous year. The Revenue from Operations for the year ended 31st March, 2020 was Rs. 104,914.84 lakhs vis-à-vis previous year of Rs. 89,216.67 lakhs.

Following are the highlights of performance of the Company's operational subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company during the period under report.

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

CFS Wanglong reported a Turnover of Rs. 17,652.61 lakhs for the year under review vis a vis Rs. 13,448.02 lakhs in previous year. CFS Wanglong posted a Loss Before Tax of Rs. 2,673.72 lakhs during the year under review vis a vis Loss Before Tax of Rs. 1,248.41 lakhs in previous year. The Margins were under some pressure due to increase in input costs. However, the Vanillin market is being penetrated globally through our subsidiary network and the outlook remains positive for CFS Wanglong.

- **Dresen Quimica SAPI De CV (Dresen):**

Turnover of Dresen was Rs. 25,710.96 lakhs during the year under review vis a vis Rs. 21,718.55 lakhs in previous year. Dresen posted a Profit Before Tax of Rs. 4,023.92 lakhs during the year under review vis a vis Rs. 3,134.21 lakhs in previous year. The growth path will sustain for Dresen.

- **CFS North America LLC (CFS USA):**

CFS USA achieved a Turnover of Rs. 3,858.06 lakhs during the year under review vis a vis Rs. 2,359.09 lakhs in previous year. CFS USA posted a Loss Before Tax of Rs. 783.37 lakhs during the year under review vis a vis Loss Before Tax of Rs. 982.45 lakhs in previous year. The outlook for CFS USA remains positive.

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

CFS Brazil reported a Turnover of Rs. 6,178.99 lakhs during the year under review vis a vis Rs. 4,110.67 lakhs in previous year. The Loss Before Tax of Rs. (1,832.06) lakhs was posted during the year under review vis a vis Loss Before Tax of Rs. 889.79 lakhs in previous year. The outlook remains positive for CFS Brazil.

- **CFS Europe S.p.A. (CFS Europe):**

Improvements in operations of CFS Europe has resulted in Turnover of Rs. 30,908.26 lakhs during the year under review vis a vis Rs. 32,956.62 lakhs in previous year. CFS Europe posted a Profit Before Tax of Rs. 3,273.35 lakhs during the year under review vis a vis Profit Before Tax of Rs. 2,135.33 lakhs in previous year.

- **Chemolutions Chemicals Limited (CCL):**

CCL is engaged in contract manufacturing / job work of the Company. The Turnover of CCL during the year under review was Rs. 391.76 lakhs vis a vis Rs. 518.62 lakhs in previous year/ CCL posted a Profit Before Tax of Rs. 115.72 lakhs during the year under review vis a vis Profit Before Tax of Rs. 164.65 lakhs in previous year.

State of Affairs

Your Company is engaged in research, development, manufacturing, and marketing of specialty chemicals, ingredients and additive blends which are used in a wide array of food, petfood, animal feed, and industrial products. Our business is categorized into three verticals based on our product portfolio, namely: (i) Shelf Life Solutions; and (ii) Aroma Ingredients and (iii) Performance Chemicals (iv) Health & Wellness. Your Company market its products globally including in North America, Europe, Asia Pacific, India, South, and Central America.

The Company has been proactive to tackle the challenges that have emerged due to the Covid pandemic which is impacting the entire world since the start of 2020. All our manufacturing facilities were operational except the Vanillin manufacturing facility in China which was shut due to the declaration of the local lockdown in the month of February 2020. India facility resumed operations within few days of

lockdown 1.0. CFS remains committed to the fight against the pandemic and is catering to the needs of "essential services" customers in food chain and the pharmaceutical industry. At the present, all the manufacturing facilities of the Group are operational at the optimal level. Company's corporate office at Mumbai has been under lockdown since March 25, 2020, however, company has set up systems and infrastructure for smooth operations for personnel working from home. This was possible due to quick response mechanism set up by the management to address the challenges during the crisis with a primary objective of ensuring the health and well-being of our employees.

Company's focus on liquidity, supported by optimal use of its global manufacturing and sales network would help in navigating any challenges in the current environment and aftermath of COVID pandemic.

During the year, Company achieved the mechanical completion of its Diphenol project in Dahej SEZ. The trial runs were commenced and are progressing as per technical specifications. The trial runs were unfortunately halted due to the countrywide lockdown in the last fortnight of March 2020. The runs were started after getting due permission from the local authorities and the Company is confident of commencing the commercial production in the very near future.

The start of this calendar year has also witnessed an unprecedented fall in the oil prices and a spurt in the dollar. The company does not expect any significant impact of the oil prices in its business. While for foreign currency fluctuations, the Company has a natural hedge.

During the year, for administrative convenience, Company has reverse merged its wholly owned subsidiary in Mauritius viz., CFCL Mauritius Private Limited into CFS Europe Spa, Italy effective 25th June, 2019. Pursuant to this merger, CFS Europe Spa has now become a wholly-owned subsidiary. This merger has resulted in a leaner structure and will help in better operational management.

Shelf life Solutions (SLS) include a range of solutions that increases the shelf life of a product. It could also help in retaining the freshness, colour, taste, and safety of the final product. The business is dominated by the antioxidant range of products for food & beverage, petfood, rendering, animal nutrition, aquaculture and biodiesel industries. These antioxidants are marketed under brands "Xtendra" and "NaSure". Other than antioxidants, we manufacture and market a range of antimicrobials, toxin binders, pellet

binders, acidifying agents, probiotics, growth promoters, mould inhibitor to name a few. The blends or additives for food and feed are manufactured in Mexico, Italy, Brazil and India catering to the customers in their respective continents.

In FY2019-20, we have expanded our product offering for the food and feed industry. Especially with the rising consumption of meat and poultry products; feed additives have become an important part of animal nutrition. With the reduction in the usage of antibiotics for farm animals, our products proved to be an effective alternative to maintain their gut health. Similarly, for the petfood segment, our natural shelf life solutions have gained traction. The humanisation of pets has increased consumer's interest in natural formulations, thereby increasing the potential of the petfood companies to diversify their offering to ensure optimum nutrition, safety and palatability. The North America region has put a special thrust on the development of NaSure shelf-life solutions.

The biodiesel industry too will witness a positive change in the coming years. In Brazil, with the introduction of a federal program to curb carbon emissions and expand ethanol production, will see higher consumption of biofuels. There have been mandated antioxidant blend levels for diesel fuel which will also revive our biodiesel blend products.

A quality product also demands a reliable delivery of services. The year focused on providing real-time services to the feed industry. We have Customer Service Application Laboratories situated in India, Mexico, Brazil and USA to provide its customers with product, application, and technical services for food as well as feed. Italy laboratory was the latest addition; located close to our diphenol plant in Ravenna, benefiting from the high level of expertise in phenol chemistry. The laboratory is equipped to fulfill the needs of the customers in the European Union. All our laboratories work in close collaboration to optimize the support for our customers.

Using our vertically integrated robust manufacturing chain, we produce Vanesse™ (Vanillin) and Evani™ (Ethyl Vanillin). These products are derived from Catechol route; which is considered to be one of the most acceptable route of synthesis. It is widely used in food, flavour, fragrance, incense sticks, pharma and cattle feed segments. Vanillin is manufactured at our plant in China following global standards of quality and safety. We have also introduced a few other aroma chemicals which have applications in the flavour and fragrance industry.

With the maximum possible capacity utilization of the plant at our CFS plant, Italy has opened its doors to reach out to a wide array of industries, enhancing its applications and also considerable improvement in energy efficiency. Company has added few specialty chemicals to the portfolio and has expanded to serve globally to the Petrochemical, Pharmaceutical, Flavor & Fragrance, Agrochemicals, Polymer and Dye Industry. Our vertically integrated manufacturing has allowed us to be a steady and transparent partner to our customers.

With increasing health awareness and self-care, nutraceutical has gained prominence in the developed markets. Health and Wellness, its new business vertical offers nutraceutical products from fermentation and green extraction sources to food and beverage, petfood, nutritional supplements, sports nutrition segments etc. A robust team comprising technical and commercial expertise would set a new benchmark in the wellness space.

With a footprint that extends across the American continents, Europe, and Asia we are able to efficiently meet our customer requirements.

Dividend

Considering the growth requirements of the business, your Directors do not recommend any dividend for the financial year 2019 - 2020.

The Company had transferred a sum of Rs. 3,16,703.00 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 2011 - 2012 with the Company for a period of 7 (seven) years from the due date of payment.

Preferential Warrants

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 Members of the Company on 26th December, 2017, the Company allotted 90,00,000 Preferential Warrants (the "Warrants") convertible in to one equity share of face value Re. 1 each (the "Equity Shares") within a period of 18 (eighteen) months from the date of allotment of the Warrants at a price of Rs. 92.69 per warrant including share premium of Rs. 91.69 per Equity Share aggregating to Rs. 8,342.10 lakhs. The Company on 08th February, 2018 received an amount equivalent to 25% of the total consideration amounting to Rs. 20.86 Crores towards subscription of Warrants which

were invested in mutual funds etc. The Warrants had to 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. The allottees have not exercised the Warrants within 18 (Eighteen) months from the date of allotment of the Warrants, and hence the Warrants have lapsed and the amount paid on such Warrants have been forfeited by the Company and transferred to capital reserve.

Employee Stock Option Scheme

During the year under review, the Camlin Fine Sciences Employees' Stock Option Scheme of 2014 has expired and the balance options have lapsed.

Further, the Members at their 25th Annual General Meeting held on 13th August, 2018 approved the CFS Employees Stock Option Scheme, 2018. ("CFSL ESOP 2018"). Pursuant to CFSL ESOP 2018, the Company can issue and allot up to 15,00,000 (Fifteen Lacs) equity shares of Re. 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. The applicable disclosure as stipulated under SEBI Guidelines as at 31st March, 2020 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 Deposits as on 31st March, 2019 were Rs. 4.10 lakhs.

Subsidiaries

Your Company has the following subsidiaries (including step down subsidiaries) as on March 31, 2020:

- **CFCL Mauritius Private Limited**

A 100% owned subsidiary of the Company incorporated for acquisition of CFS Europe S.p.A. in Italy. Company on 16th July, 2019 informed the stock exchanges that the reverse merger of CFS Mauritius Private Limited has been effective from 25th June, 2019 and subsequently, Company is now directly holding 100% stake in CFS Europe S.p.A which was held earlier through CFS Mauritius Private Limited. With effect from 25th June, 2019, CFS Mauritius Private Limited ceased to be the wholly-owned subsidiary of the Company.

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

A 100% owned 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 do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda. has set-up separate entities named CFS Argentina S.A (CFS Argentina) and CFS De Chile SpA to cater to the customers in Argentinian and Chile markets.

- **CFS Argentina S.A.**

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 to cater to the customers in Argentinian market.

- **CFS De Chile SpA.**

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 De Chile SpA to cater to the customers in Chile market.

- **Solentus North America Inc.**

A 100% wholly owned subsidiary incorporated in Canada for the purpose of conducting 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. Company on 08th May, 2019 informed the stock exchanges that the reverse merger of CFS Antioxidantes De Mexico De CV with Dresen Quimica SAPI De CV has been effective from 31st January, 2019 and subsequently, Company is now directly holding 65% stake in Dresen Quimica S.A.P.I de C.V. which was held earlier through CFS Antioxidantes De Mexico S.A. De C.V. With effect from 31st January, 2019, CFS Antioxidantes De Mexico S.A. de C.V. ceased to be the wholly-owned subsidiary of the Company.

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

On 04th May, 2016, 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.

- **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.

- **Chemolutions Chemicals Limited (CCL)**

A subsidiary in which the Company owns 94.08%. CCL inter alia deals in specialty chemicals and is also engaged in third party contract manufacturing/jobwork. 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 through its wholly owned step-down subsidiary viz. CFS Europe S.p.A. acquired 51% stake in CFS Wanglong Flavours (Ningbo) Co. Ltd. (CFS Wanglong) erstwhile Ningbo Wanglong Flavors and Fragrances Company Limited. CFS Wanglong uses a patented process in its 3500 sq.mt. dedicated facility in the coastal city of Yuyao, China to manufacture vanillin.

- **CFS Pahang Asia Pte. Ltd.**

In April 2018, your Company has signed a contract with Pahang Pharma (S) Pte. Ltd., Singapore (Pahang) for incorporating a holding company named CFS Pahang Asia Pte. Ltd. in Singapore (hereinafter referred to as

“CFS Pahang”). CFS Pahang was incorporated on 09th April, 2018 with shareholding in the proportion of 51:49, 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 19th June, 2020 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. Further, the accounts of the Subsidiaries shall also be uploaded on the Company's website and the weblink for the same is <http://www.camlinfs.com/Pages/Subsidiaries>.

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

Directors

Mr. Dilip D. Dandekar (DIN: 00846901) and Mr. Nirmal V. Momaya (DIN: 06820240) are retiring by rotation and being eligible offer themselves for re-appointment them. The Board recommends their re-appointment.

The Board of Directors at its meeting held on 7th February, 2020, upon the recommendation of the Nomination and Remuneration Committee, has appointed Ms. Sutapa Banerjee (DIN: 02844650), as an Independent Director on the Board of the Company. Being eligible and offering herself for appointment, resolution is being placed before the Members for approval at the 27th Annual General Meeting.

On 3rd August, 2019, the Company received the letters from Mr. Abeezer E. Faizullabhoj (DIN: 00203706) and Mr. Bhargav R. Patel, Independent Directors, tendering their letters of retirement on expiry of their term. The Board took

the note of the same and placed on record its appreciation for the services rendered by Abeezer E. Faizullabhoj and Mr. Bhargav R. Patel during their respective tenures as Independent Director.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015), particulars of Directors seeking appointment/ reappointment at the ensuing General Meeting have been given under Corporate Governance Report and in the Notice of the 27th Annual General Meeting.

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 and Regulation 16 of SEBI LODR 2015, as amended from time to time and are independent of the management.

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/Pages/BusinessConductEthics>.

Key Managerial Personnel

Mr. Rahul D. Sawale resigned as the Group Company Secretary effective 15th July 2019. The Board of Directors, upon recommendation of the Nomination and Remuneration Committee, at its meeting held on 8th November 2019 appointed Ms. Lavanya Rastogi as the interim Company Secretary & Compliance Officer. Subsequently, The Board of Directors, upon recommendation of the Nomination and Remuneration Committee, at its meeting held on 7th February 2020 appointed Mr. Mandar Godbole as the Company Secretary & Compliance Officer, Mr. Mandar Godbole has been appointed as a Company Secretary & Compliance Officer.

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 year under review 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 Committees of the Board was found satisfactory.

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

Nomination and Remuneration Policy and Evaluation criteria of Independent Directors

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and evaluation criteria for performance evaluation of Independent Directors.

The Nomination and Remuneration Policy and evaluation criteria of Independent Directors have been provided under Corporate Governance Report.

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

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

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

Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed and there are no material departures from the same;(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, 2020 and of the profit 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 4 (four) Board Meetings and 4 (four) Audit Committee Meetings were convened and held. The details of the same along with other Committee's of Board are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Auditors

M/s. 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 Management has taken note of the observations mentioned therein and has taken steps to rectify the delays in the statutory filings.

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. However, maintenance of cost records is required by the Company and accordingly such accounts and records are made and maintained.

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, is annexed herewith as "Annexure C".

No employees other than Managing Director were in receipt of the remuneration as stated in sub-rule (2) of rule (5) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, and hence the relevant disclosures as stated in the said Rule (5) is not applicable.

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.

After considering the views of CSR Committee, the Board of Directors did not recommend any CSR spend for the year under review in view of the losses incurred during the previous year. The Annual Report on CSR activities forming part of this Board's report is annexed herewith as "Annexure D".

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 said 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>.

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 notes to the 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. The disclosure of Related Party Transactions as required under Section 134 (3) (h) of the Companies Act 2013 in form AOC-2 is given in the "Annexure E" to this report.

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>.

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 F” to this report.

Risk Management Policy

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

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

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

During the year under review, there 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 cases of sexual harassment were reported. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 G”.

Acknowledgment

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

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 25th June, 2020

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 CFS Employees Stock Option Scheme, 2018 (ESOP 2018) approved vide Shareholders resolution passed at their 25th Annual General Meeting held on 13th August, 2018. The details of the schemes are given in notes the Financial Statements and other details of the scheme are summarized below:

	ESOP - 2014*	ESOP - 2018
a Options granted	19,38,000	5,41,000
b Options outstanding at the beginning of the year	5,43,563	-
c Exercise price	Rs.67/- & Rs. 96.75/-plus applicable taxes, as may be levied on the Company.	Rs. 50/-plus applicable taxes, as may be levied on the Company.
d Option vested	19,38,000	1,35,250
e Options exercised during the year	Nil	Nil
f Total number of shares arising as a result of exercise of these options	Nil	Nil
g Option lapsed /expired / forfeited during the year	5,43,563	50,000
g Variation in terms of option	-	-
h Money realized by exercise of these options during the year	Nil	Nil
j Employee-wise details of options granted to Key Managerial Personnel / Director /Senior Management	Mr. D. R. Puranik - 40,000 Mr. Arjun Dukane - 40,000 Mr. M. A. Jose - 40,000 Mr. J Elias Ricardo Soto Carrillo - 3,00,000	Mr. Arjun Dukane - 50,000 Mr. Santosh Parab - 50,000
• 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	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	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'.	2.53	2.53

* The Camlin Fine Sciences Employees' Stock Option Scheme of 2014 has expired and the balance options have lapsed.

As per the terms of the CFS Employees Stock Option Scheme 2018 (CFS ESOP 2018), the options lapsed under CFS ESOP 2018 shall form part of the overall options granted that can be granted under CFS ESOP 2018. 50,000 options lapsed under CFS ESOP 2018 can be re-granted by the Company to the eligible employees.

The company has adopted fair value method in accounting for employee cost on account of ESOP 2018.

The total expense charged to the statement of profit and loss in respect of the options granted aggregated Rs. 39.97 Lakhs (previous year Rs. (3.07) lakhs).

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai

Dated : 25th June, 2020

ANNEXURE 'B' TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2020

[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. F/11 & F/12, WICEL,
Opp. SEEPZ Main Gate Central Road,
Andheri East 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 / representations provided by the Company, its officers, agents and authorised 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 2020, complied with the statutory provisions as mentioned hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, registers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2020 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 (FEMA) 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, 2018;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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, 2018 (**Not applicable to the Company during audit period**);
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;
 - j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - (**Not applicable to the Company during audit period**);
 - k. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- vi. The law which is specifically applicable to the Company is as under: -
Food Safety and Standards Act, 2006 (FSSAI) and Rules thereunder;

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

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

During the audit period under review, barring few instances of delays in filing forms/returns under the Act/ FEMA viz. MSME-1, IEPF-6, DIR-12, MR-1, IEPF-2 and DPT-3, Annual FLA Statement and ODI (Part III) in respect of disinvestment in Subsidiary at Mexico and non-filing of form MGT-14 (for appointment of Secretarial and Internal Auditor), MGT-15 (for report on AGM) and ODI (Part III)) form for disinvestment in Subsidiary at Mauritius, the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines as mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

For **JHR & Associates**
Company Secretaries

J. H. Ranade
(Partner)

FCS: 4317, CP: 2520

Place : Thane

Dated : 25th June 2020

UDIN: F004317B000381694

The Members,
CAMLIN FINE SCIENCES LIMITED
Plot No.F/11 & F/12, WICEL,
Opp.SEEPZ Main Gate Central Road,
Andheri East Mumbai 400093

Our Secretarial Audit Report of even date for financial year 2019-2020 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 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

Dated : 25th June 2020

ANNEXURE 'C' TO DIRECTORS' REPORT

Information required pursuant to Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, in respect of employees of the Company

A) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended.

- (i) Ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2019-2020 are as follows:

(Rs. In lakhs)

Sr. No.	Name of the Director	Remuneration Per Annum* (INR)	Median Remuneration Per Annum (INR)	Ratio (Remuneration of Director to Median Remuneration)	Remarks
1	Mr. Ashish S. Dandekar	175.61	4.34	40.46:1	
2	Mr. Arjun Dukane	61.38	4.34	14.14:1	
3	Mr. Dilip D. Dandekar	32.40	4.34	4.76:1	

* excludes sitting fees, if any.

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

- Mr. Dilip D. Dandekar - Nil
- Mr. Ashish S. Dandekar - Nil
- Mr. Arjun S. Dukane - - 72.83%
- Mr. Santosh Parab (Chief Finance Officer) - 15.15 %
- Mr. Mandar Godbole (GM Legal & Company Secretary) - N.A.

- (iii) the percentage increase in the median remuneration of employees in the financial year: 13.32%

- (iv) the number of permanent employees on the rolls of Company: 382

- (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	23.78
Average increase/decrease in remuneration of managerial personnel	6.58

- (vi) affirmation that the remuneration is as per the remuneration policy of the Company:

The appointment/re-appointment of the directors /KMP is on the recommendation of the Nomination and Remuneration Committee. The Company has adopted the policy on Nomination and Remuneration at the board Meeting held on 12th May, 2015.

B) Information as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended:

No employee other than Managing Director who were employed throughout the financial year, was in receipt of remuneration of Rs. 1.02 Crores and above.

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai

Dated : 25th June, 2020

ANNEXURE 'D' 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 2019-20, the Board of Directors did not recommend any CSR spend in view of losses incurred during the previous year.

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

2. The Composition of the CSR Committee:

Composition:

Mr. Atul R. Pradhan – Chairman

Mr. Dilip D. Dandekar – Member

Mr. Ashish S. Dandekar – Member

3. Average net profit of the company for last three financial years: N.A.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): N.A.

5. Details of CSR spent during the financial year.

a) Total amount to be spent for the financial year: Nil

b) Amount unspent, if any: N.A.

c) Manner in which the amount spent during the financial year: N.A.

6. The Company has not failed to spend any recommended amount of CSR calculated on the basis of 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
Managing Director

Mr. Atul R. Pradhan
(Chairman CSR Committee)

Dilip D. Dandekar
Chairman

Place: Mumbai

Dated : 25th June, 2020

ANNEXURE 'E' TO DIRECTORS' REPORT

FORM NO. AOC.2

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **Nil**
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) date(s) of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

- (a) Name(s) of the related party and nature of relationship -

CFS Wanglong Flavours (Ningbo) Co. Ltd., China	Subsidiary Company
---	---------------------------

- (b) Nature of contracts/arrangements/transactions -

Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, availing / rendering of marketing and other services or any other transactions.

- (c) Duration of the contracts/arrangements/transactions -

Duration	Amount of Contract or arrangement (Rs. in crores)
1st April, 2018 till 31st March,2019*	Rs.120
1st April, 2019 till 31st March,2020#	Rs.160
1st April, 2020 till 31st March,2021@	Rs.160

* Approved by Shareholders through Postal Ballot.

Approved by the Shareholders at the 26th Annual General Meeting.

@ proposed at the ensuing General Meeting.

- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A**
- (e) Date(s) of approval by the Board, if any: **25th June, 2020**
- (f) Amount paid as advances, if any: **NIL**

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 25th June, 2020

ANNEXURE 'F' TO DIRECTORS' REPORT

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

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

A. CONSERVATION OF ENERGY

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

Energy conservation measures taken:

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

- 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.

(Rs. in Lakhs)

Expenditure on R&D		2019 - 2020	2018 - 2019
a)	Capital	13.66	25.30
b)	Recurring	404.56	311.91
c)	Total	418.22	337.21
d)	Total R&D Expenditure as a Percentage of total turnover	0.72%	0.63%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakhs)

	2019 - 2020	2018 - 2019
Foreign exchange outgo	29,401.94	32,935.11
Foreign exchange earned	40,947.51	42,242.91

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 25th June, 2020

ANNEXURE 'G' TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013

and Rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

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

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

Sr. No.	Name and Description of main Products /services	NIC Code of the Product /service	% to total turnover of the company
1.	BHA	29093090	14.96
2.	TBHQ	29072990	24.18
3.	GUAIACOL BULK	29095010	14.08

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.	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	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.	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, Andheri East, Mumbai - 93	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 (w.e.f. 09/04/2018)	N.A.	Subsidiary	51%	2(87)
14.	CFS De Chile SpA 1310, comuna de Quinta Normal, Región Metropolitana De Santiago, Chile	N.A.	Step Down Subsidiary	100%	2(87)

\$ Ceased to be subsidiary upon reverse merger with CFS Europe S.p.A w.e.f. 25/06/2019.

* CFCL Mauritius Pvt. Ltd. reverse merged with CFS Europe S.p.A w.e.f. 25/06/2019

Ceased to be subsidiary upon reverse merger with Dresen Quimica SAPI de CV w.e.f. 31/01/2019.

* CFS Antioxidantes de Mexico S.A. de C.V. reverse merged with Dresen Quimica SAPI de CV w.e.f. 31/01/2019.

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

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the End of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	16580250	-	16580250	13.6740	16630100	-	16630100	13.7151	0.0411
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)									
	Bodies Corporate	9423300	-	9423300	7.7715	9423300	-	9423300	7.7715	-
	Sub Total (A)(1)	26003550	-	26003550	21.4455	26053400	-	26053400	21.4866	0.0411
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	1340800	-	1340800	1.1058	1517056	-	1517056	1.2511	0.1453
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	Sub Total (A)(2)	1340800	-	1340800	1.1058	1517056	-	1517056	1.2511	0.1453
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	27344350	-	27344350	22.5513	27570456	-	27570456	22.7378	0.1865
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	22721736	-	22721736	18.7390	21563802	-	21563802	17.7840	-0.9550
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	1086364	-	1086364	0.8959	0.8959
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	1512750	-	1512750	1.2476	1478893	-	1478893	1.2197	-0.0279
(f)	Financial Institutions / Banks	241333	3000	244333	0.2015	696680	3000	699680	0.5770	0.3755
(g)	Insurance Companies	-	-	-	-	2173246	-	2173246	1.7923	1.7923
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)									
	Foreign Bank	1300	-	1300	0.0011	1300	-	1300	0.0011	-
	Sub Total (B)(1)	24477119	3000	24480119	20.1891	27000285	3000	27003285	22.2700	2.0809

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the End of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	29307669	1534420	30842089	25.4359	30215163	1395620	31610783	26.0699	0.6340
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	11275612	166400	11442012	9.4364	10131707	166400	10298107	8.4930	-0.9434
(b)	NBFCs registered with RBI	100846	-	100846	0.0832	6000	-	6000	0.0049	-0.0783
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	IEPF	555327	-	555327	0.4580	555327	-	555327	0.4580	-
	Trusts	500	-	500	0.0004	500	-	500	0.0004	-
	Independent Relatives Of Director	3528877	-	3528877	2.9103	3528877	-	3528877	2.9103	-
	Foreign Nationals	44900	-	44900	0.0370	44900	-	44900	0.0370	-
	Hindu Undivided Family	1629172	-	1629172	1.3436	1760296	-	1760296	1.4517	0.1081
	Non Resident Indians (Non Repat)	328192	-	328192	0.2707	320404	-	320404	0.2642	-0.0065
	Other Directors	6066466	-	6066466	5.0031	5680493	-	5680493	4.6848	-0.3183
	Non Resident Indians (Repat)	602852	-	602852	0.4972	549229	-	549229	0.4530	-0.0442
	Clearing Member	494585	-	494585	0.4079	255660	-	255660	0.2108	-0.1971
	Bodies Corporate	13793709	-	13793709	11.3759	12069679	-	12069679	9.9540	-1.4219
	Sub Total (B)(3)	67728707	1700820	69429527	57.2596	65118235	1562020	66680255	54.9922	-2.2674
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	92205826	1703820	93909646	77.4487	92118520	1565020	93683540	77.2622	-0.1865
	Total (A)+(B)	119550176	1703820	121253996	100.0000	119688976	1565020	121253996	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	119550176	1703820	121253996	100.0000	119688976	1565020	121253996	100.0000	

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	Ashish Subhash Dandekar	14,010,550	11.55	-	14060400	11.60	3,000,000	0.04
2	Cafco Consultants Limited	1,497,600	1.24	-	1,497,600	1.24	-	-
3	Camart Industries Ltd	5,319,360	4.39	-	5,319,360	4.39	-	-
4	Rajani Subhash Dandekar	524,800	0.43	-	524,800	0.43	-	-
5	S D Dandekar (HUF)	1,028,900	0.85	-	1,028,900	0.85	-	-
6	Subhash Digambar Dandekar	1,016,000	0.84	-	1,016,000	0.84	-	-
7	Vibha Agencies Pvt. Ltd.	2,606,340	2.15	-	2,606,340	2.15	-	-
8	Anagha S. Dandekar	1,340,800	1.11	-	1517056	1.25	-	0.15
TOTAL		27,344,350	22.55		27,570,456	22.74	3,000,000	0.19

Change in Promoters Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ashish S.Dandekar				
	At the beginning of the year	14,010,550	11.55		
	Add : Purchase from Market	49,850	0.04		
	At the end of the year			14,060,400	11.60
2	Subhash D. Dandekar				
	At the beginning of the year	1,016,000	0.84		
	At the end of the year			1,016,000	0.84
3	Anagha S.Dandekar				
	At the beginning of the year	1,340,800	1.11		
	Add : Purchase from Market	176,256			
	At the end of the year			1,517,056	1.25
4	Rajani Subhash Dandekar				
	At the beginning of the year	524,800	0.43		
	At the end of the year			524,800	0.43
5	S D Dandekar (HUF)				
	At the beginning of the year	1,028,900	0.85		
	At the end of the year			1,028,900	0.85
6	Cafco Consultants Limited				
	At the beginning of the year	1,497,600	1.24		
	At the end of the year			1,497,600	1.24
7	Camart Industries Ltd				
	At the beginning of the year	5,319,360	4.39		
	At the end of the year			5,319,360	4.39
8	Vibha Agencies Pvt. Ltd.				
	At the beginning of the year	2,606,340	2.15		
	At the end of the year			2,606,340	2.15

**Shareholding Pattern of top ten shareholdings
(Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	SBI MAGNUM MULTICAP FUND				
	At the beginning of the year	11,808,706	9.74	11,808,706	
	Purchase of Shares	2,531,000		14,339,706	
	Sale of Shares	3,353,862		10,985,844	
	At the end of the year			10,985,844	9.06
2	ICICI PRUDENTIAL MIDCAP FUND			-	-
	At the beginning of the year	5,395,451	4.45	5,395,451	
	Purchase of Shares	1,529,514		6,924,965	
	At the end of the year			6,924,965	5.71
3	AXIS CAPITAL BUILDER FUND				
	At the beginning of the year	2,006,264	1.65	2,006,264.00	
	Purchase of Shares	302,754		2,309,018	
	Sale of Shares	28,580		2,280,438	
	At the end of the year			2,280,438	1.88
4	CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMPANY LTD				
	At the beginning of the year	2,162,408	1.78	2,162,408	
	Purchase of Shares	15,864		2,178,272	
	Sale of Shares	5,026		2,173,246	
	At the end of the year			2,173,246	1.79
5	ICICI PRUDENTIAL SMALLCAP FUND				
	At the beginning of the year	780,807	0.64	780,807	
	Purchase of Shares	949,249		1,730,056	
	Sale of Shares	-		1,730,056	
	At the end of the year			1,730,056	1.43
6	SBI MAGNUM COMMA FUND				
	At the beginning of the year	1,905,628	1.57	1,905,628	
	Purchase of Shares	-		1,905,628	
	Sale of Shares	320,000		1,585,628	
	At the end of the year			1,585,628	1.31
7	URJITA J MASTER				
	At the beginning of the year	1,234,500	1.02	1,234,500	
	Purchase of Shares	224,500		1,459,000	
	Sale of Shares	-		1,459,000	
	At the end of the year			1,459,000	1.20
8	IDBI DIVERSIFIED EQUITY FUND				
	At the beginning of the year	1,433,734	1.18	1,433,734	
	Purchase of Shares	-		1,433,734	
	Sale of Shares	150,000		1,283,734	
	At the end of the year			1,283,734	1.06

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
9	RAHUL DILIP DANDEKAR				
	At the beginning of the year	1,255,600	1.04	1,255,600	
	Purchase of Shares	-	-	1,255,600	
	At the end of the year			1,255,600	1.04
10	ADITI DILIP DANDEKAR				
	At the beginning of the year	1,255,600	1.04	1,255,600	
	Purchase of Shares	-	-	1,255,600	
	At the end of the year			1,255,600	1.04

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	Ashish S. Dandekar				
	At the beginning of the year	14,010,550	11.55	14,010,550	11.55
	Purchase from Market	49,850	0.04	14,060,400	11.60
	At the end of the year			14,060,400	11.60
2	Dilip D. Dandekar				
	At the beginning of the year	1,589,443	1.31	1,589,443	1.31
	At the end of the year			1,589,443	1.31
3	Pramod M. Sapre				
	At the beginning of the year	104,990	0.09	104,990	0.09
	At the end of the year			104,990	0.09
4	Sharad M. Kulkarni				
	At the beginning of the year	161,490	0.13	161,490	0.13
	At the end of the year			161,490	0.13
5	Mr. Atul R. Pradhan				
	At the beginning of the year	21,500	0.02	21,500	0.02
	At the end of the year			21,500	0.02
6	Mr. Nicola A. Paglietti				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
7	Mr. Nirmal V. Momaya				
	At the beginning of the year	3,601,520	2.97	3,601,520	2.97
	At the end of the year			3,601,520	2.97

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
8	Ms. Anagha S. Dandekar				
	At the beginning of the year	1,340,800	1.11	1,340,800	1.11
	Purchase from Market	176,256		1,517,056	1.25
	At the end of the year			1,517,056	1.25
9	Mr. Arjun S. Dukane				
	At the beginning of the year	110,800	0.09	110,800	0.09
	At the end of the year			110,800	0.09
10	Mr. Amol J. Shah				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
11	Mrs. Sutapa Banerjee				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
12	Mr. Santosh L. Parab				
	At the beginning of the year	994	0.00	994	0.00
	Purchase from Market	2,006	0.00	3,000	0.00
	At the end of the year			3,000	0.00
13	Mr. Mandar Godbole				
	At the beginning of the year		-	-	-
	Purchase from Market	550	0.00	550	0.00
	At the end of the year			550	0.00

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

(Rs. In Lakhs)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20,654.83	10,693.80	-	31,348.63
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	82.57	-	-	82.57
Total (i+ii+iii)	20,737.40	10,693.80	-	31,431.20
Change in Indebtedness during the financial year	-	-	-	-
* Addition	1,621.66	435.96	-	2,057.62
* Reduction	-	-	-	-
Net Change	1,621.66	435.96	-	2,057.62
Indebtedness at the end of the financial year				
i) Principal Amount	22,258.31	11,129.76	-	33,388.07
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	100.75	-	-	100.75
Total (i+ii+iii)	22,359.06	11,129.76	-	33,488.82

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. A. S. Dandekar	Mr. A. S. Dukane#	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	112.46	22.70	135.16
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	44.25	34.80	79.05
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	50,000@	-
3	Sweat Equity	-	-	-
4	Commission - as% of profit - others, specify	-	-	-
5	Others, please specify (contribution to PF/ Gratuity /Superannuation)	18.90	3.88	22.78
	Total (A)	175.61	61.38	236.99
	Ceiling as per the Act	-	-	-

® Refer Annexure A of this Report

B. Remuneration to other directors:

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		P. M. Sapre	S. M. Kulkarni	A. E. Faizullabhoj	B. A. Patel	N. A. Paglietti	A. R. Pradhan	
1	Independent Directors							
	Fee for attending board/ committee meetings	9.70	9.25	4.25	4.25	4.25	7.20	39.15
	Commission							
	Others, please specify	-	-	-	-	-	-	
	Total (1)	9.70	9.25	4.50	4.25	4.25	7.20	39.15

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		A. S. Deshmukh	N. V. Momaya	D. D. Dandekar	Anagha S. Dandekar	Amol J. Shah	Sutapa Banerjee	
2	Other Non-Executive Directors							
	Fee for attending board/ committee meetings	1.00	4.00	4.90	3.00	-	-	12.90
	Commission			-		-	-	
	Others - Remuneration	-	-	32.40		-	-	32.40
	Total (2)	1.00	4.00	37.30	3.00	-	-	45.30
	Total (B)=(1+2)	10.70	13.25	41.80	7.25	4.25	7.20	84.45

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

(Rs. In lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CS		CFO		
		Mr. Rahul Sawale	Ms. Lavanya Rastogi	Mr. Mandar Godbole	Mr. Santosh Parab	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	2.56	0.69	1.51	24.48	29.24
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	2.52	1.02	1.69	22.36	27.59
	(c) Profits in lieu of salary under Section 17(3) Income - tax Act, 1961	-	-	-	-	-
2	Stock Option	25000	-	-	50000	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as% of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify (contribution to PF/Gratuity / Superannuation)	2.61	0.13	2.63	15.55	20.92
	Total	7.69	1.84	5.83	62.39	77.75

Mr. Rahul Sawale : Resigned w.e.f. 15th July, 2019

Ms. Lavanya Rastogi : Appointed as interim CS w.e.f. 8th November, 2019 and resigned w.e.f. 7th February, 2020

Mr. Mandar Godbole : Appointed w.e.f. 7th February, 2020.

@ Refer Annexure A of this Report

* Given under ESOP 2018 as stated in Annexure A of this Report

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					
B. DIRECTORS					
C. OTHER OFFICERS IN DEFAULT					

For & On behalf of the Board

Place : Mumbai
Dated : 25th June, 2020

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

BUSINESS RESPONSIBILITY REPORT

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2020, pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L74100MH1993PLC075361
Name of the Company	CAMLIN FINE SCIENCES LIMITED
Registered address	Plot No. F/11 & F/12, WICEL, Opp. SEEPZ Main Gate Central Road, Andheri East, Mumbai - 400093
Website	www.camlinfs.com
E-mail id	secretarial@camlinfs.com
Financial Year reported	31st March, 2020
Sector(s) that the Company is engaged in (industrial activity code-wise)	Speciality Chemicals
List three key products/services that the Company manufactures/provides (as in balance sheet)	BHA , TBHQ , GUAIACOL BULK
Total number of locations where business activity is undertaken by the Company	<p>Plant Location : D-2/3 M.I.D.C. Boisar, Tarapur, Dist. Thane 401 506.</p> <p>Plot No. Z/96/D, Dahej SEZ Ltd; Part-II, Tal. Varga, Dist. Bharuch, Pin Code:392130,Gujarat,India</p> <p>R & D Location : N/165 M.I.D.C. Boisar, Tarapur, Dist. Thane 401 506.</p> <p>Sales Office and Manufacturing facility: CFS Europe S.p.A Via Agostino De Pretis 6, 48123 Ravenna Italy.</p> <p>Sales Office: Dresen Química S.A.P.I. de C.V. Av. Miguel Hidalgo 71, Colonia del Carmen, Del. Coyoacán, C.P. 04100, Ciudad de México, México</p> <p>Manufacturing facility:</p> <p>Sales Office: CFS North America LLC 3179, 99th Street, Urbandale, Iowa 50322, USA</p> <p>Sales Office and Manufacturing facility: CFS Do Brasil Industria, Comercio, Importacao E Exportacao De Aditivos Alimenticios Ltda Alameda Vênus, 512, American Park Empresarial, Indaiatuba - SP 13347-659, Brazil</p>

	<p>Sales Office : CFS Argentina S.A Av. Gaona 2612, (1704) oficina D. Ramos Mejia, Pcia de Buenos Aires, Argentina.</p> <p>Sales Office: CFS Chile SpA San Antonio 19, oficina 1602, Santiago Centro.</p> <p>Sales Office: CFS Pahang Asia Pte. Ltd. 20 Maxwell Road, #09-17 Maxwell House, Singapore 069113</p> <p>Sales Office and Manufacturing facility: CFS Wanglong Flavours (Ningbo) Co. Ltd. No. 19 Langhai North Road, Xiaocao's Town, Yuyao City, Zhejiang Province, China 315475</p>
Markets served by the Company - Local /State /National / International	Domestic and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital (INR)	121253996
Total Turnover (INR)	54,928.68 lakhs
Total profit after taxes (INR)	3,072.13 lakhs
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer Annexure D to Directors Report.
List of activities in which expenditure in 4 above has been incurred	Please refer Annexure D to Directors Report.

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company/ Companies?	Yes. Please refer Directors Report for details of Subsidiary Companies
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The other entity/entities including stakeholders such as suppliers, distributors participate in the BR initiatives of the Company to the maximum extent possible under various programmes initiated by the Company. With numerous stakeholders working across the Company's different locations and operations, it is difficult to estimate the percentage of such initiatives

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

Details of the Director/Director responsible for implementation of the BR policy /policies

- a) DIN Number - 01077379
 b) Name - ASHISH S. DANDEKAR
 c) Designation - Managing Director
 d) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	01077379
2	Name	ASHISH SUBHASH DANDEKAR
3	Designation	Managing Director
4	Telephone number	022 67001000
5	e-mail id	corporate@camlinfs.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6	Indicate the link for the policy to be viewed online?	https://www.camlinfs.com/investorrelation	N	N	https://www.camlinfs.com/investorrelation	N	N	https://www.camlinfs.com/investorrelation	https://www.camlinfs.com/investorrelation	N
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)
- Not Applicable

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The Board/Committee will review the BR performance atleast annually.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the BRR 2020 is part of the Annual Report, which is available on the website of the Company and the same is available on the Company's website www.camlinfs.com in the Investors Relations and financials/annual reports and is published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others? YES

We are committed to adopting the best corporate governance practices as manifested in the company's functioning to achieve business excellence by enhancing the long term shareholder's value. Efficient conduct of the business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices being followed at Camlin Fine Sciences Ltd. The composition of the Board of Directors of the company is governed by the Company's Act 2013 and SEBI Regulations 2015. As on March 31, 2020, the Company has 11 directors on its board (including the Chairman), of which 6 are independent, 3 are non-independent, and 2 are whole time directors. To ensure accountability and monitoring, the Board has constituted various committees such as: Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee. The committees meet periodically during the year to supervise, review performance and advice on the necessary direction to be taken.

Code of Conduct: Camlin Fine Sciences Ltd. has its Code of Conduct which extends to all its directors and senior employees which aims at maintaining highest standards of business conduct in line with the Ethics of the Company, provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. All senior employees have to read and understand this code and agree to abide by it. The policy code of conduct is available on the Company's website.

Vigil Mechanism/ Whistle Blower Policy: The Vigil Mechanism of the Company, which also incorporates a whistle blower policy aims to provide a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism/ Whistle Blower Policy is available on the Company's website.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. - NIL

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.
 - (a) TBHQ (Tertiary Butyl Hydroquinone)- (To reduce environmental contamination, evaporation of solvent reduced by applying new technology)
 - (b) BHA (Butylated Hydroxy Anisole)- (To reduce environmental contamination, evaporation of solvent reduced by applying new technology)
 - (c) ASP (Ascorbyl Palmitate)- (Palmitic Acid is raw material for Ascorbyl Palmitate which is procured RSPO (Roundtable on Sustainable Palm Oil) certified)
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company follows a series of Environmental Performance Indicators to monitor its efforts for sustainable use of natural resources in manufacturing. The Company is committed to conservation and optimal utilisation of all resources, reducing waste to zero and full recovery of unavoidable by-products.

During the last 5 years, for every tonne of production, the Company has reduced the usage of energy, water, wastewater wherever possible.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company chooses its suppliers through strictly laid out procedures and engages with them according to the nonnegotiable minimum standards. The requirements of Business Integrity, Human Rights (labour standards), Health and Safety and Sustainable environmental standards in their business activities, production processes, services provision and their own purchasing procedures apply to all suppliers and their sub-tier suppliers.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, Company has taken steps to procure goods and services from local Vendors & small producers.

Following Steps has been taken by the Company

1. Identifying Potential vendor in local vicinity.
2. Vendor Evaluation Based on the Capabilities.
3. Encouraging vendor to enhance the Production capacity by offering Long terms contracts like 3 years or 5 years.
4. Extending technical support to local vendors to improve upon the quality & capacity.
5. Hiring Cafeteria , Local Transportation , Unskilled Manpower , Housekeeping services from communities surrounded to work place.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

As a responsible manufacturer of food antioxidants, the Company has mechanism to recycle products and waste. The Company recycles > 10% of products and waste.

Principle 3

1. Please indicate the Total number of employees.- 750
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.- 368
3. Please indicate the Number of permanent women employees.- 27
4. Please indicate the Number of permanent employees with disabilities - NIL

5. Do you have an employee association that is recognized by management.- Yes, 27 Worker association with Mumbai Labor Union
6. What percentage of your permanent employees is members of this recognized employee association?- 4 %
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. No such complaints

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	N.A
2	Sexual harassment	NIL	N.A
3	Discriminatory employment	NIL	N.A

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?
 - a) Permanent Employees - > 90%
 - b) Permanent Women Employees - > 90%
 - c) Casual/Temporary/Contractual Employees - > 90%
 - d) Employees with Disabilities - N.A.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No
 Yes, as a result of regular and extensive stakeholder engagement over many years, the Company's business operations have evolved, balancing business priorities and responsibility towards economic, environmental and social sustainability. The Company builds trust through productive relationships, fosters working partnerships and considers stakeholders both internal and external as integral to its business.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. - No
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. - No

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? - The Policy covers the Company and all suppliers, sub suppliers, contractors and associates.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? - During 2020, the Company did not receive any complaints with regard to human rights.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.
 The Policy covers the Company and all its vendors, contractors and associates.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company assists food manufacturers with prevention of food wastage. For details, refer <https://www.camlinfs.com/CSRFood>. Most of our products are packed in HMHDPE containers that are recyclable considering environment safety.

3. Does the company identify and assess potential environmental risks? Y/N

Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? - No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Production of vanillin uses clean technology Refer <https://www.camlinfs.com/cfsamea/Wanglong> for brief detailing.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? - Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. - Nil

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

a) Maharashtra Chamber of Commerce, Industry & Agriculture.

b) Federation of Indian Export Organisation

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company engages with government, regulatory authorities and relevant public bodies for the development of public policies in keeping with the Company's business and its work in Society, sustainability and compliance commitments. These include Food Regulations, Environment among others. The Company engages with Government and Food Authorities to establish science-based regulations for protecting the health of consumers and development of other best practices in areas of food processing.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company works in the areas of rural development initiatives. Further details available in the Corporate Social Responsibility Policy

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

Projects are undertaken through external NGO and in partnership with like-minded expert partner organisations that share the Company's ambition towards creating inclusive growth.

3. Have you done any impact assessment of your initiative? - No
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken. - Refer Annual Report (CSR)
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. - Refer Annual Report (CSR)

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
As on end 2020, the Company has no pending consumer complaints.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information) -
Yes, over and above compliance with applicable product packaging and labelling requirements including declaration of appropriate method of preparation of products for safe and proper consumption.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
The Company does not have any stakeholder complaints with regard to unethical or unfair trade practices, irresponsible advertising and/or anti-competitive behaviour, which are pending as at the end of 2020.
4. Did your company carry out any consumer survey/ consumer satisfaction trends?
The Company continuously carries out consumer surveys to understand consumer feedback, product satisfaction and preference while measuring consumer response and satisfaction regularly through the Company's continuous and periodic tracking studies, through a random sampling approach among target consumers.

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY OVERVIEW

The calendar year 2019 started off with rising tensions between the world's two largest economies – US and China. US and China together account for 40% of the global GDP and the trade disputes between them had an adverse effect on the global economy and sentiment overall. This impact was not only seen in the commodities and financial markets (equities, bonds, currencies), but also impacted the output and profitability of firms leading to deterred investment decisions of businesses. However, as the year progressed, market sentiments were boosted by tentative signs on intermittent favourable news on US-China trade negotiations.

The year ended off on a worse footing with the Corona Virus or COVID-19 pandemic. COVID-19 triggered a global crisis like no other. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020 – the deepest global recession in eight decades, despite unprecedented policy support. Growth forecasts for all regions have been severely downgraded, while many countries have avoided more adverse outcomes through sizable fiscal and monetary policy support measures. Other than essential commodities like Foods, Pharmaceuticals and FMCG, all other sectors across the world were impacted through reduced demand, supply chain disruptions, labour problems, creating a domino effect on the financials and working capital cycles.

INDIAN ECONOMY OVERVIEW

The Indian economy started FY20 on a dull note owing to the ongoing liquidity crisis. In order to achieve the government's vision of making India a USD 5 trillion economy by 2025, the finance ministry slashed domestic corporate tax rates to 25.17% mid-year.

The Current Account Deficit narrowed primarily on account of lower non-oil, non-gold imports and robust services exports supported by software, travel and financial services. India's crude oil import bill fell by 9% Y-o-Y to \$102 billion in 2019-20 on account of price crash; though volumes remained fairly unchanged. Foreign fund outflows and the Fed's grim prognosis for the US economy further weighed on the rupee as it touched 77 against US dollar in April 2020. The CPI inflation stood at 5.84% YoY in March 2020 higher from 2.86% in March 2019. According to the Indian Budget 2020, the real GDP growth was estimated at 5.0% in the financial year 2019-20 but due to the recent COVID-19 crisis has ensured that FY2021 will be a challenging one for India and the world. As per Fitch ratings, India's GDP growth is likely to slip to 0.8% for FY21.

GLOBAL CHEMICAL INDUSTRY OVERVIEW

The global specialty chemicals market is expected to reach the market value of approximately USD 301 billion by 2026 and is anticipated to grow at a CAGR of around 4.8% in terms of revenue during the forecast period 2019- 2026. The market has witnessed a rebound in the number of mergers and acquisitions over the past few years owing to the rising focus of major players on inorganic growth to fill regional footprint and product portfolio.

Specialty chemicals are a specialty category in the international chemical industry with the ability to improve quality delivering special chemicals and polymers. It is commonly used in various industries, including food, animal feed, agriculture, textiles, printing, household & industrial products, telecommunications, and oil & gas. The factors such as new end-use products, accelerated creativity, demand for efficient and safe chemicals and increasing environmental concerns have given a boost to the specialty chemicals industry and set to grow at an exponential rate.

INDIAN CHEMICAL INDUSTRY OVERVIEW

India is the sixth largest producer of chemicals in the world and also ranks 14th in export and 8th in import of chemicals (excluding Pharmaceuticals products) globally. Indian chemical industry employs more than 2 million people. Total production of major chemicals and petrochemicals stood at 27,847 MT during 2018-19 which is a growth of 4.15% over previous year. The specialty chemicals constitute 22% of total chemicals and petrochemicals market in India. As of FY18, the total market size is around USD 35 Bn.

Indian chemicals players is expected to benefit from the expanding specialty chemicals market globally which is led by growing new applications and manufacturing shifts from China. Between 2006 and 2019, the CAGR for Indian chemical companies was 15% a figure much higher than global chemical industry returns (CAGR of 8%) and the overall global equity market (CAGR of 6%). In the last few years, when the Indian economy faced headwinds, the chemical industry maintained returns CAGR of 17%. The demand for speciality chemicals too is expected to grow at 12% CAGR from FY2019-22. With regards to geographical demand, shift in production and consumption towards Asian and Southeast Asian countries in all sectors will lead to increased demand for Chemicals and Petrochemicals.

The Covid-19 pandemic has made a lot of companies across the world realize the need to diversify the manufacturing dependence from China. This strategic shift is expected to significantly enhance the growth estimates of the Indian chemical industry over the coming years. The fact is though the lockdown in many countries led to supply chain disruptions; major chemical manufacturing firms are sitting on healthy order books from their customers across the globe.

BUSINESS OVERVIEW

Camlin Fine Sciences (CFS) business operates under four different business verticals – **Shelf Life Solutions, Performance Chemicals , Aroma Ingredients and Health & Wellness**. An overview of these business verticals operations for FY2019-20 is covered in this section.

SHELF LIFE SOLUTIONS

Shelf life Solutions helps in extending the shelf life of a product by retaining its freshness, taste, colour making it safe for consumption in applications like human food, pet food, animal feed, aquaculture, biodiesel etc. Shelf Life Solutions (SLS) business is primarily driven by antioxidants followed by antimicrobials, toxin binders, pellet binders, growth promoters, acidifiers and other food/feed safety, and performance solutions for the below listed industries (Refer table 1.1 and 1.2).

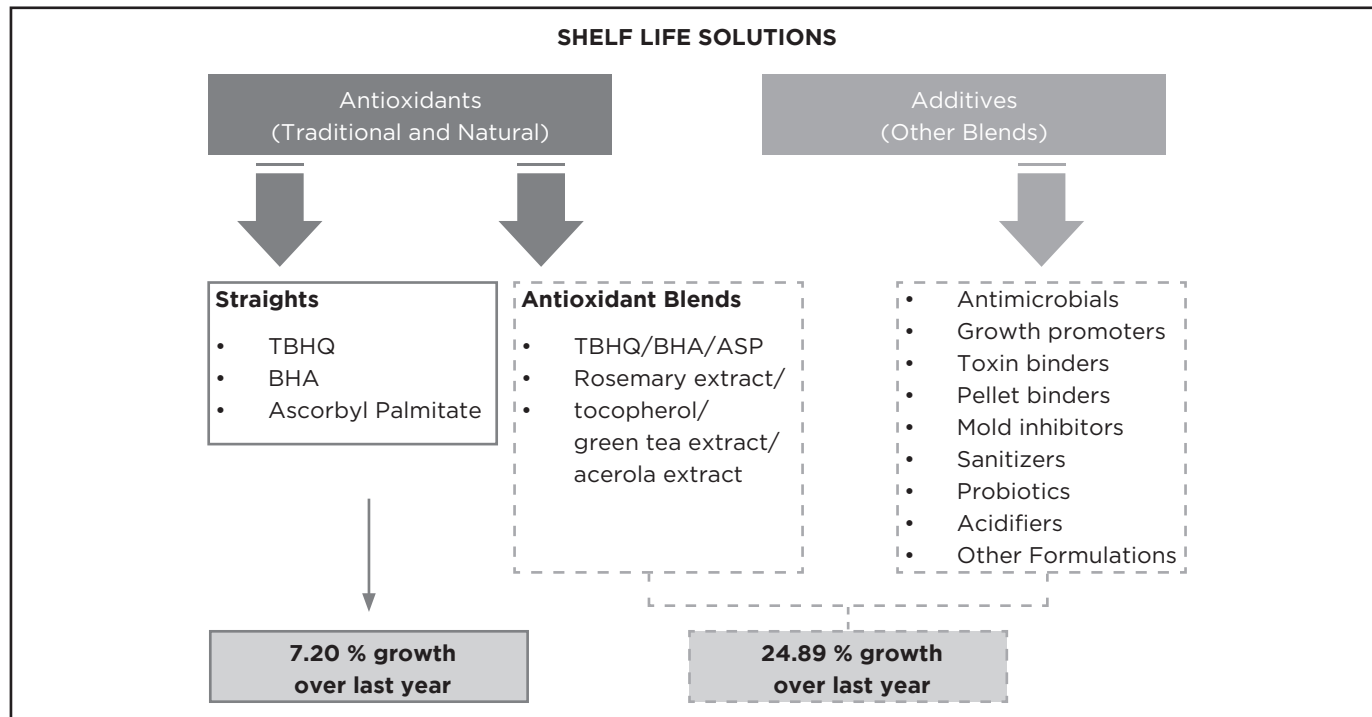
Demand for shelf life extension products in food is increasing globally with a change in customer lifestyle, the surge in imports and exports, increased preference for fresh products, accompanied by a rise in consumer willingness to pay a premium, to list a few. Food antioxidants market value from processed food is estimated to surpass USD 750 million by 2025. Food antioxidants industry size from fats and oil applications alone is likely to grow at over 5% in the next five years. The product is also utilized in processed food industries for improving products' shelf life.

Table 1.1: Application of Shelf Life Solutions

Sr. No.	Industry	Species
A	Food	Human
B	Petfood & Rendering plants	Dog, Cat, Other Pets
C	Animal Nutrition	Poultry, Bovine, Swine, Other livestock, Fish, other Aqua species
D	Biodiesel	Human (Vehicle engines)

Being one of the global leading manufacturers of traditional antioxidants, CFS has seen 7.20 % growth over previous year with TBHQ, BHA, and Ascorbyl Palmitate across all markets in FY2019-20. With the growing trend to adopt natural solutions across all markets, CFS has developed and marketed natural shelf life solution products (“NaSure” brand) such as tocopherols, green tea extract, rosemary extract and acerola extract.

Table 1.2: Shelf Life Solutions portfolio and Growth in FY2019-20



Shelf Life Solutions business for India and rest of the Asian markets were quite stable during the year. With the introduction of natural and traditional blends for application in edible oils and fats, it has tapped leading edible oils and fats players with its antioxidant solutions. It has gained re-entry into China after five years of Antidumping Duty on TBHQ which got exempted in August 2019.

The demand for feed additives in the Animal Nutrition industry has been thriving extensively with the rising consumption of meat and poultry food products worldwide. Feed additives are products when added to the basic feed-mix enhances livestock growth, productive functions, increases feed utilization efficiency, preserves feed, and overall animal health or metabolism. CFS expanded its shelf life solutions business with feed additives, apart from of antioxidants in the past few years. The large offering contributing to the growth of its feed business includes toxin binders, pellet binders, mould inhibitors, antimicrobials, acidifiers, probiotics, energisers, antioxidants to name a few.

In 2017, CFS India launched the Animal Nutrition division using the technical expertise of its subsidiary, Dresen Quimica SAPI de CV, Mexico. It has several products for the Indian market with proven local field trials. Currently, the division operates in major poultry markets of India with subsequent expansion plans in the aqua and ruminant segments. It offers real-time services like spot mycotoxin analysis, farm essentials like water and feed testing along with expert's advice for addressing concerns raised by its clients. In 2021, the business will expand to neighbouring animal nutrition markets like Nepal, Bangladesh and Srilanka. Besides these, CFS is working on the development of feed business across Southeast Asia through its subsidiary, CFS Pahang, Malaysia. Product registration is in progress and in search of amicable partnership for some of the South-East Asian markets. It expects to make an entry in some of the Southeast Asian countries in FY2021.

CFS operates in six countries in the South American region. It has been nimble enough to make the improvements and changes with the evolving needs of the food industry for the region. It has helped to serve the customers better with insights on product efficacies and the use of tailored Customer Support Services programs to enable more sustainable use in their businesses.

Petfood industry in the region saw a 3.3% growth in 2019. This is primarily attributed to the fact that more and more households in Brazil are having pets. Brazil's pet care industry alone is forecasted to reach over USD 10 Billion by 2025. CFS do Brasil expanded its product line in the pet food segment for the South American region and the focus stays for 2021 too.

The region also launched few feed additives for the Animal Nutrition industry. Aquaculture feed in the South American region saw considerable growth which is primarily attributed to the strong increase in Chile. The feed industry for the region is expected to maintain an upward trajectory as the population continues to grow particularly the middle class, which is increasingly showing its interest in protein consumption. The animal feed total in the region saw a healthy growth of 45.74 % over last year.

The biodiesel industry too make use of shelf life products for its stability and safety of the engine. The environment friendly characteristic of biodiesel to mitigate greenhouse gas emission is expected to propel the industry's growth. Brazil's biodiesel industry has expanded in recent years with increase in mandated blend levels for diesel fuel, which was extensively worked by CFS along with its customers in the last two years. Accompanied by the introduction of the RenovaBio program to expand ethanol production, will lead to even higher biofuel consumption in the coming decade. Brazil, Argentina and USA are the key focused markets for biodiesel during 2020-21. The Company is keen on other biodiesel markets too.

The South American region has overall seen a substantial growth over 50% each year.

CFS operations in Mexico, Central America & Andean states put together has gained 19% growth over last year with a revenue of INR 2.57 billion which is largely contributed by its key customers. In addition to traditional solutions, CFS developed natural alternatives for Food & Beverage (F&B) customers who are ready to pay more for leaner, cleaner labels for their health-conscious consumers. Vitamin-based and natural antioxidants blends were introduced reaching out to various F&B industries.

Growth in the Mexican pet food market is expected to continue as pet owners increasingly feed their pets prepared food. Demand for such healthier products is also driven by a rising number of cases of obese dogs and cats in the country. The vast array of pet food brand choices at various price points allow consumers to shift between brands. CFS added Antac plus A-20BTA liquid and dry, Antac TR- 25 dry to its petfood portfolio. Its flagship brand Oxipet still leads the sales in the segment.

The region is the sixth largest producer of balanced feed in the world with a consistent growth of 4% per year. Swine is the fastest growing livestock market, followed by chicken and dairy cattle which has benefited feed additive players in the region. Aquaculture feed alone in the region saw 20% growth over last year's feed total in the region. The growth is largely attributed to improved shrimp genetics and shrimp production. This has benefitted CFS to grow its feed business in the region. The effort towards market penetration continues with its strong sales force in the region.

The global pet food market is projected to reach a value of USD 128.4 Billion by 2024, growing at a CAGR of 4.5% during 2019-2024. In North America, with the rising need for nutritious, healthy, and organic pet food on account of increasing awareness regarding animal health is expected to gain traction for natural shelf life solutions and augment market demand. The petfood segment is a large part of CFS focus in the coming years. CFS' NaSure® brand of natural antioxidants continues to be the preferred choice when working with petfood customers.

The Animal Nutrition portfolio for the region has explored partnership opportunities to penetrate the market quickly with more value-added products for the poultry and swine markets. It has developed a scientifically formulated blend with a leading Probiotic manufacturer in 2019 and offered Avi-Lution®, a blend of unique direct fed microbials including probiotic microbial strains and prebiotic nutrients. The regulatory systems including certifications for production, storage and trading of premix and additives are in place. The R&D activity is also focused on setting up the formulation and analytical methods for the animal nutrition business. With a robust product basket and expertise, CFS is optimistic about its growth in the coming years. The North American region saw a 63.54% growth increase in FY2019-20 versus the previous year.

PERFORMANCE CHEMICALS

In 2011, Camlin Fine Sciences Ltd. started the performance chemicals division with the manufacturing of diphenols i.e. Hydroquinone and Catechol through its 100% subsidiary, CFS Europe SpA. From then on, the focus has been dedicated to improving Diphenols plant performance.

Most of the efforts have been on enhancing capacities and to reduce operations costs. It has resulted in the highest ever combined production of 10720 tons of Hydroquinone and Catechol in FY2019-20. The optimization of the maintenance activity along with the continuous monitoring of catalytic performance has allowed the Company to achieve a considerable reduction of raw materials consumption too.

From 2011, it started focusing on development and production of various downstream derivatives like TBC, Veratrole, MEHQ, Guaiacol, Guethol, PBQ, HQEE, etc. The capacities for manufacturing these downstream products were built in India.

During the Financial year, CFS has expanded its customer base all over the world with various downstream products. It has expanded its reach to the existing geographies like the American continent, Europe, China, India, and the rest of Asia. Apart from India, the subsidiaries have also strengthened its marketing activities by reaching out to customers in newer geographies. CFS supplies its products to a wide array of industries such as petrochemicals, dyes, pigments, pharmaceuticals, agrochemicals, polymers, etc. These products include TBC, Veratrole, MEHQ, Guaiacol, HQEE, etc.

Due to the widespread of COVID-19 pandemic in Italy, the Government had imposed a decree to reduce the contagion. There was a lockdown of many “non-strategic” industries; it didn’t affect the chemical sector. CFS’ production facility in Ravenna, Italy was fully functional with limited disruptions in supply chain management. For the downstream products manufactured in India, the factory got shut with the lockdown was announcement. However, the production recommenced within few weeks of lockdown 1.0 as CFS caters to essential services.

CFS keeps its employee’s health at outmost priority. A detailed guideline and safety protocol including use of masks, disinfectants at strategic locations and maintaining social distancing norms is strictly followed. The Company is grateful to its people, whose commitment has powered to enable the global supply chain. CFS’ performance in a changing market environment due to the COVID-19 pandemic is remarkable.

With the vision of growing its Performance Chemicals business, CFS has embarked on its capacity enhancements of Hydroquinone and Catechol with the set up of a new facility in Dahej, India. The plant construction work is completed along with its mechanical construction. The trial production has started. The commercial production of the Dahej plant will enable CFS to grow its Performance Chemicals business and cater to the demands of the market.

CFS’ vertical integration continues to provide an edge with a steady supply of its products all over the world. Overall, the Performance Chemicals business generated a revenue of 246.85 cr globally.

AROMA INGREDIENTS

The Global Aroma Chemicals Market valued at USD 5,315.26 million in the year 2019 has been witnessing unprecedented growth. Food & Beverages dominates the market share in year 2019 and is also expected to show dominance in the coming years. North America is estimated to be the leading market for Aroma Chemicals with United States being the leading country in the region followed by Canada. Attributing to the high consumption potential, increasing production capacities, and rising economic growth rate exclusively, the region is expected to witness a significant growth.

CFS is one of the world’s leading manufacturer of a key aroma ingredient Vanillin, used in food, flavours fragrance and pharmaceutical industries. There are two types of synthetic vanillin produced from Catechol route – methyl vanillin and ethyl vanillin. The former is produced in its 3500 sq.m dedicated facility in Yuyao, China. In 2017, Camlin Fine Sciences Ltd. acquired Ningbo Wanglong Flavors and Fragrances Company Limited, China along with its subsidiary CFS Europe SpA, through joint acquisition of 51% stake. (now known as “CFS Wanglong”). CFS is one among the two players in the market globally who are fully integrated for producing vanillin using Catechol.

CFS produces Catechol, the basic raw material to make Vanillin and Ethyl-Vanillin, in Ravenna, Italy using an environment-friendly, clean method of production, while Vanillin is produced in the China Plant. The fully integrated robust manufacturing chain ensures the highest standards of vanillin with complete traceability from Catechol to Vanillin. The Company has been steadily ramping up its capacity of Vanillin in China over the years and is expected to reach optimum capacity in the near future. The Company is proposing to set-up a new plant in Dahej for manufacturing Ethyl Vanillin with a capacity of 1200 Mts. The construction of the plant will commence in 2021 and the Production is expected to start in the year 2022.

Using the strength of vertical integration, few vanillin extension products are under development to cater to the F&F industries. It has been a favourable year with expansion of customer base including major global, reputed Flavour houses, fragrance companies, F&B companies, distributors, traders and direct users in most parts of the world. New business opportunities have been identified and will fructify in FY2020-21. The turnover for the business in FY2019-21 was INR 201.55 Cr.

HEALTH & WELLNESS

During the year, CFS started its Health and Wellness division. It offers nutraceutical products from fermentation and Green extraction sources. We have identified good capacity Fermentation facility for Algal Omega Acids and Carotenoids and Extraction facilities for Plant-based Phytochemicals. To support future growth, CFS has tied up with an algae-based omega acids producer and is in the process of launching the product globally.

It uses third party manufacturing services for green extraction products such as Curcumin, Organic ginger and a whole range of standardised herbal extracts and certified organic products that matches the global standards of quality and safety.

CFS is continually evolving its research and production methods to provide the cleanest, most sustainable, yet ethically priced ingredients for its customers. It has created an expert technical and commercial team.

With the new business vertical, CFS's deep industry expertise and customer service would set a new benchmark in the health and wellness space.

RESEARCH AND DEVELOPMENT

During FY2019-20, the R&D centre in Ravenna, Italy has implemented several projects with few others in the pipeline. It has partially completed the implementation of energy recovery system. In addition, safety systems for the loading and unloading of few goods have been successfully done.

During FY2019-20, the R&D centre in Tarapur, India focused on new products and process improvements for all its business verticals with a pipeline of developments leaning towards Performance Chemicals.

The power of vertical integration lays special attention on advancement in diphenol and its downstream products. CFS has improved the process to get the desired diphenol and good conversion ratio. Developmental work was undertaken for new products and process improvements for its existing products. There are several projects in the pipeline for improving the yield of Hydroquinone and Catechol.

There has been emphasis on continuous improvement projects for Shelf Life Solutions business. CFS' key antioxidants are periodically evaluated for reducing cost-of-production and yield improvement so as to pass the benefit to its customers.

The Aroma ingredients division too could meet the demands of the F&F industry with development of vanillin downstream such as isobutyrate. It could give the advantage of affordability and being eco-friendly.

CUSTOMER SERVICE APPLICATIONS LABORATORY

The Customer Service Applications Laboratory of CFS group works on 3 key areas- product development, Application Services and Technical Services. CFS laboratories located in India, Italy, Mexico, USA and Brasil caters to the local needs of its customers. FY2019-20, focused on expanding its Shelf life solutions product line including Xtendra and NaSure antioxidant blends across the global markets.

There was a special thrust for development of NaSure shelf life solutions for North America region, to include natural extracts like Rosemary extract, Green tea extract, Mixed tocopherols and Acerola extract as antioxidants in liquid and powder forms for applications in human food and petfood requiring natural and clean label.

For the Asia and Middle East markets, it has developed customised antioxidant (XtendraTM and NaSureTM) blends mainly for Oils and fats, Feed and Petfood applications. Value added products such as preservatives for Bakery and Traditional Sweets, improver and emulsifier-stabilizer blends for Ice cream & Frozen desserts were developed and commercialised for the Indian market.

CFS do Brasil expanded the SLS product line in Petfood, Feed, Food and biodiesel segments for the South American region. New feed additives viz. mold inhibitors, mycotoxin binders, biosurfactants were launched in this market. A range of antioxidant blends for Biodiesel were developed and launched in certain South American countries. Biodiesel Biocide which helps inhibit mold formation in fuel storage tank was developed for power generator sets.

CFS Europe R&D focused on standardising the formulations and analytical methods of Shelf life solutions being manufactured in the new Blending Plant at Ravenna, operational since August 2019.

CFS Dresen's R&D unit focused on developing alternatives with the growing trend of excluding ethoxyquin and formaldehyde from the formulations in the Mexico and Central American region. Its nimbleness to develop and cater to its customers with products that stood strong on efficacy parameters has gained acceptance in the market place. Antac plus A-20BTA liquid and dry, Antac TR- 25 dry, Forminova range were the new developments largely catering to livestock, vitamin premix as well as petfood customers. For feed, CFS developed Rolaflake AG that enables rolling of corns for the grain processing industry and addresses the key concern of loss of moisture in the final feeds due to process variables. CFS developed Novamold-L80, an excellent product that helps improve yields, feed quality and shelf life. In the ruminants sector, Gluc-plus was developed as an energy promoter that complements other products for the segment. With the reduction in usage of antibiotics, Poliacid TB (tributylin powder) developed proved to be a very good alternative for improving gut health of birds and swine.

It's a collaborative network of the Customer Service Applications Laboratory across all regional offices that allows CFS to support customers across the globe with their needs on stability studies (using Xtendra™ and NaSure™ blends), performance studies in food and feed systems, analytical parameters, application development for value added products. The Laboratory team also plays a pivotal role in delivering Technical product trainings and seminars to its distributors and customers for knowledge sharing and business promotions.

DAHEJ DIPHENOL PROJECT

The greenfield plant in Dahej to manufacture Hydroquinone and Catechol is spread across 15 acres space and is one of the most awaited projects that is expected to be a game changer for CFS. The plant construction work was completed by the end of January 2020 and trials had begun in February 2020.

The plant will have a combined capacity of 10,000 MTPA for both Hydroquinone and Catechol, which are the major raw materials for the downstream products and are currently manufactured in the company's existing plant in Italy. This backward integration in India is expected to provide CFS with a significant cost advantage and thereby improve profitability in coming years.

The Dahej plant will also open up avenues to diversify into downstream products for which the company has also begun work. The Basic Engineering of Ethyl vanillin is already in progress and the construction of the plant will commence in 2021. The production is expected to start in the year 2022.

The company is all set to reap the benefits of this greenfield expansion project at Dahej in the coming financial year of 2021.

FLOW BATTERY BUSINESS IN PARTNERSHIP WITH LOCKHEED MARTIN

In November 2017, Camlin Fine Sciences signed a preferred supplier agreement with Lockheed Martin Advanced Energy (LM) for the supply of specialty chemicals for flow batteries energy storage. LM is an energy storage technology and renewable fuels company that develops flow battery systems. The synergy is running smoothly and progressing towards final product development and production scale-up.

RISKS AND CONCERNS

The Company maintains a strategic approach to risk management and approaches it cautiously to reap its rewards and accelerate growth. The Company's expansion strategy includes expansion into various countries around the world. It is their 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 policy along with judicious use of natural hedge provided by exports against its imports in view of the Company being the net exporter on the currency front.

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 reengineering, 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.

COVID-19 pandemic has been an unprecedented humanitarian challenge for all countries. Due to the nature of the pandemic, its uncertain to predict the impact of Covid in the near future.

INFORMATION & TECHNOLOGY

In line with the overall growth objective and strengthening of infrastructure base, the Company has heavily invested in Information Technology such as Enterprise Resource Planning system for leveraging its business values. It helps automate workflows to support faster, leaner accounting processes while ensuring to fulfil the regulatory requirements. With the implementation of such a system, the Company has smoothed collaboration across borders with all its subsidiaries and improved its operational efficiency, inventory management, cost optimization, record management, traceability, etc.

In the lockdown period, IT is an enabler for the Company to return to work remotely with ease and efficiency - building financial, procurement and supply chain resiliency; helping business continuity.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

FINANCIAL PERFORMANCE REVIEW

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations & Other Income	60,384.34	56,178.09	105,257.68	90,595.40
Earnings before Interest, Tax, Depreciation & Amortisation	8,377.72	4,361.82	13,413.34	8,245.21
Less: Finance Cost	2,806.82	2,034.37	4,312.91	3,670.73
Less: Depreciation & Amortisation expenses	1,128.21	908.82	3,280.23	2,899.32
Less: Share of Loss of associate	-	-	(0.09)	(5.88)
Profit before exceptional item and tax	4,442.69	1,418.63	5,820.08	1,669.28
Less: Exceptional Item	314.07	-	-	-
Less: Tax Expenses	1,056.49	345.81	2,837.00	1,368.70
Profit After Tax	3,072.13	1,072.82	2,983.08	300.58

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Other Comprehensive Income net of tax	(29.14)	(30.12)	130.19	53.33
Total Comprehensive Income for the Year	3,042.99	1,042.70	3,113.26	353.91
Retained Earnings- Opening Balance	6,637.75	5,633.14	6,689.89	7,324.11
Add: Profit for the year	3,072.13	1,072.82	3,031.86	57.72
Add: Adjustments with Other Equity including Other Comprehensive Income	(25.63)	(68.21)	715.53	(691.94)
Amount appropriated during the year:				
Dividend including Dividend Tax paid	-	-	-	-
Transfer to General Reserve	-	-	-	-
Retained Earnings- Closing Balance	9,684.25	6,637.75	10,437.28	6,689.89

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Today, Sustainability goes beyond the fundamentals of growing business i.e. achieving profitability. With globalization, the organization is thinking about employee empowerment and we have embraced a cultural promise that stands by the following motto: Grow with SITE (Sustainability, Innovation, Transparency, and Expertise).

SITE works when CFS is able to adapt itself to the changing market environment. It demands problem-solving abilities with the goal to minimize its occurrence and tackle them head-on. CFS believes the best solutions come from its people thereby, encouraging transparency, proactiveness, using employee's expertise, problem-solving abilities and the keenness to innovate and grow together. The Company designed an ideas- platform, "CFS Ideathon" for the employees and by the employees in its quest to sustain momentum through innovation.

CFS has collaborative departments and business units worldwide making up a strong ecosystem with the right intellectual capital to ensure SITE. The diversity of thoughts serve as a unifying force to leverage unique thinking and opportunities to sustain growth. A global leadership team that sees the glass as half full - even when everyone else is seeing it as empty.

With the business spread across internationally, the Company is conscious and supports employee's wellness. Flexible working hours have been beneficial with employees facing less stress of a commute, better time management providing a conducive work environment. The Company also believes in giving opportunities for professional and personal growth by handing over responsibilities, creating an appropriate risk-free environment for decision-making, developing ownership and in nurturing talent and shaping young leaders. To keep up the positive spirit as well as maintain bonding between departments; its Employee Engagement activities was found to be motivating. The Company employees took part in various cultural celebrations and very recently celebrated International Women's Day with an empowering self-development seminar. Going forward, CFS plans to sustain such engagement activities.

With the Covid-19 crisis, workplaces have experienced unprecedented disruption. CFS has taken pre-emptive steps with a complete lockdown in several parts of the world. It has considered the safety and health of its employees as the highest priority. It has allowed a smooth transition to work-from-home-setting for its office employees starting from mid-March 2020, easing employees' concerns. The Company equipped them with all the necessary infrastructure enabling remote collaborative working solutions for internal as well as its external customers.

The production facilities around the world have been able to keep the cogwheels running with quick implementation of a crisis management plan along with safety protocols. CFS honours the efforts of its factory workers who with passion and solidarity ensured production is unhindered with the support of its operational team. CFS is proud of servicing its customers with their "essential services" requirements.

CFS has consistently proven its ability to survive and thrive in difficult times and the Company is sure this uncertain crisis too shall pass. As on 31st March 2020, the Company has 382 permanent employees. The industrial relations were cordial.

REPORT ON CORPORATE GOVERNANCE

Your Directors present the Company's Report on Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2020.

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 is more than 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	4	10	Yes	Nil		Nil
Mr. Ashish S. Dandekar Managing Director	ED / Promoter	4	8	Yes	Nil		Nil
Mr. Pramod M. Sapre	NED (I)	4	1	Yes	Nil		Nil
Mr. Sharad M. Kulkarni	NED (I)	4	2	Yes	2		Nil
Mr. Abeezar E. Faizullahoy*	NED (I)	2	-	Yes	-		-
Mr. Bhargav A. Patel*	NED (I)	2	-	Yes	-		-
Mr. Nirmal V. Momaya	NED	4	13	Yes	1		Nil
Mr. Atul R. Pradhan	NED (I)	4	4	Yes	Nil		Nil
Mr. Nicola A. Paglietti	NED (I)	4	-	Yes	Nil		Nil
Mr. Ajit S. Deshmukh*	NED	1	-	NA	-		-
Ms. Anagha S. Dandekar	NED	3	-	Yes	Nil		Nil
Mr. Arjun S. Dukane	ED	4	2	Yes	Nil		Nil
Mr. Amol J. Shah*	NED (I)	-	9	NA	Nil		Nil
Mrs. Sutapa Banerjee*	NED (I)	-	9	NA	4		17

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

- Mr. Ajit S. Deshmukh – Resigned w.e.f. – 24th May, 2019.
- Mr. Abeezar E. Faizullahoy – Retirement upon completion of term w.e.f. – 3rd August, 2019.
- Mr. Bhargav R. Patel – Retirement upon completion of term w.e.f. – 3rd August, 2019.
- Mr. Amol J. Shah – Appointed w.e.f. – 2nd August, 2019.
- Mrs. Sutapa Banerjee – Appointed w.e.f. – 7th February, 2020.

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/Pages/BusinessConductEthics>.

Details of Directorship in listed Companies:

Sr. No.	Name of the Director	Name of the Company	Category
1.	Mr. Dilip D. Dandekar	Kokuyo Camlin Ltd.	Chairman & Executive Director
		Datamatics Global Services Limited	Non-Executive/ Independent
2.	Mr. Nirmal V. Momaya	Dhanvarsha Finvest Ltd	Non-Executive/ Independent
3.	Mr. Sharad M. Kulkarni	Hindustan Construction Co. Ltd.	Non-Executive/ Independent
		Navin Fluorine International Ltd.	Non-Executive/ Independent
4.	Mrs. Sutapa Banerjee	JSW Holdings Limited	Independent Director
		JSW Cement Limited	Independent Director
		Manappuram Finance Limited	Independent Director
		Axis Capital Limited	Independent Director
		Monnet Ispat and Energy Limited	Independent Director
		Niyogin Fintech Limited	Independent Director
		Godrej properties Limited	Independent Director

Following is the chart setting out the skills/expertise/competence of the board of directors and the list of core skills/expertise/competencies identified by the board of directors as required in the context of the business of the Company for it to function effectively and those actually available with the board;

Sr. No.	Areas of core skills/expertise/competencies
1	Business Development
2	Marketing
3	Technical
4	Finance & Accounting
5	Law
6	Engineering

Number of Board Meetings:-

During the financial year 2019-2020, 4 (Four) Board Meetings were held on the following dates:

Sr. No.	Date	Board Strength	No. of Directors Present
1	24th May, 2019	12	12
2	02nd August, 2019	12	11
3	08th November, 2019	10	9
4	07th February, 2020	10	8

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/Pages/BusinessConductEthics>.

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. Dilip Digambar Dandekar

Mr. Dilip D. Dandekar, aged 69 years is Director of the Company since June 2006. Mr. Dilip D. Dandekar, G.C.D., has long and vast experience in the field of Marketing, Administration and overall Management.

He is director in the following Companies/LLP:

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

Mr. Dilip Dandekar holds 15,89,443 equity shares of the Company.

(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 53 years, holds Bachelor's degree in Commerce and is a Chartered Accountant.

Mr. Momaya is the founder of "Pagoda Advisors Pvt. Ltd." ("Pagoda Advisors") which focuses on consulting for various businesses. Pagoda Advisors is 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. Pagoda Advisors 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 Private Limited
2	Smokin Lees Restaurants Private Limited
3	Ashar Locker (India) Private Limited
4	Fine Lifestyle Brands Limited
5	Fine Lifestyle Solutions Limited
6	Abana Medisys Private Limited
7	Fine Renewable Energy Limited
8	Payce Business Solutions Private Limited
9	MJ Medical Devices Private Limited

Sr. No.	Names of the Companies
10	Capital Foods Private Limited
11	CFS Europe S.p.A
12	Varuna D Jani Brand Holdings Private Limited
13	Hod Innovation Labs Private Limited
14	Dresen Quimica SAPI De C.V.
15	CFS International Trading (Shanghai) Limited
16	CFS Wanglong Flavours (Ningbo) Co., Limited

Mr. Nirmal Momaya holds 36,01,520 equity shares of the Company.

(C) MS. SUTAPA BANERJEE

Ms. Sutapa Banerjee has close to 24 years of experience in financial services across large multinational banks - ANZ Grindlays and ABN AMRO. She built and headed several businesses, and is a well-recognized thought leader in the wealth management space. She headed and successfully built the Private Wealth businesses at both ABN AMRO Bank and Ambit Capital from scratch.

She was voted one of the 'Top 20 Global Rising Stars of Wealth Management' by the institutional investor group in 2007 - the only Indian and one of only two winners from Asia. Under her leadership, as the CEO of Ambit Private Wealth the team won 'Best Private Bank in India in the 2013' Asia Money polls. She has the laurels of being voted as among the top '50 most Powerful Women by Fortune India in 2012'.

Sutapa, is an advanced leadership fellow (2015) of Harvard University. Her area of study at Harvard was responsible investing, business practices and the use of a gender lens. She currently works, writes and speaks actively in this space.

Currently, she is consulting in the wealth, investments management area and is on the board of directors (independent director) for leading companies (JSW Group, IL&FS Group) and non-profits (Oxfam India and Dignity Foundation). She also represents women's world banking as a nominee director on the board of their investee company Ananya Finance in India.

Ms. Sutapa Banerjee does not hold any shares of the Company.

Sr. No.	Names of the Companies /Bodies Corporate
1.	JSW Holdings Limited
2.	JSW Cement Limited
3.	JSW Industrial Gases Private Limited
4.	Manappuram Finance Limited
5.	Axis Capital Limited
6.	Monnet Ispat and Energy Limited
7.	Niyogin Fintech Limited
8.	Godrej properties Limited
9.	Ananya Finance for Inclusive Growth Private 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 in place five (5) Committees: Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Compensation Committee. The role and responsibilities assigned to these Committees are covered under the terms of reference approved by the Board and are subject to review by the Board from time to time. The minutes of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social

Responsibility Committee and Compensation Committee are placed before the Board periodically for its information and noting. The details as to the composition, terms of reference, number of meeting and the related attendance etc., of these Committees are given below:

a) AUDIT COMMITTEE:

Composition, meetings and the attendance during the year:

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

During the financial year 2019-2020, 4 (four) meetings of the Audit Committee were held on the 24th May, 2019, 2nd August, 2019, 8th November, 2019 and 7th February, 2020.

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

Name	Designation	Category	No. of Meetings attended
Mr. Sharad M. Kulkarni	Chairman	NED (I)	4
Mr. Pramod M. Sapre	Member	NED (I)	4
Mr. Abeezer E. Faizullabhoy	Member	NED (I)	2
Mr. Bhargav A Patel	Member	NED (I)	2
Mr. Atul R. Pradhan	Member	NED (I)	2
Mr. Amol J. Shah	Member	NED (I)	Nil
Mrs. Sutapa Banerjee	Member	NED (I)	Nil

- Mr. Abeezer E. Faizullabhoy - Retirement upon completion of term w.e.f. - 3rd August, 2019.
- Mr. Bhargav R. Patel - Retirement upon completion of term w.e.f. - 3rd August, 2019.
- Mr. Amol J. Shah - Appointed w.e.f. - 2nd August, 2019.
- Mrs. Sutapa Banerjee - Appointed w.e.f. - 7th February, 2020.

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

b) NOMINATION AND REMUNERATION COMMITTEE:

Composition, meetings and the attendance during the year:

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

During the financial year 2019-2020, 3 (three) meetings of the Committee was held on the 24th May, 2019, 8th November, 2019 and 7th February, 2020.

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)	3
Mr. Abeezer E. Faizullabhoy	Member	NED (I)	1
Mr. Bhargav A. Patel	Member	NED (I)	1
Mr. Atul R. Pradhan	Member	NED (I)	2
Mr. Amol J. Shah	Member	NED (I)	Nil
Mrs. Sutapa Banerjee	Member	NED (I)	Nil

- Mr. Abeezer E. Faizullabhoy – Retirement upon completion of term w.e.f. – 3rd August, 2019.
- Mr. Bhargav R. Patel – Retirement upon completion of term w.e.f. – 3rd August, 2019.
- Mr. Amol J. Shah – Appointed w.e.f. – 2nd August, 2019.
- Mrs. Sutapa Banerjee – Appointed w.e.f. – 7th February, 2020.

Terms of reference:

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Remuneration Policy and Performance evaluation criteria for Independent Directors

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

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

Remuneration to Directors:

(A) MANAGING DIRECTOR

Following are the remuneration details of the Managing Director for the financial year ended 31st March, 2020:

(Rs. In Lakhs)

Name	Salary	Perquisites #	Commission	Contribution to P.F. and Other Funds	Total
Mr. Ashish S. Dandekar	112.46	44.25	-	18.90	175.61

#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, 2018 has been entered into with the Managing Director.

(B) EXECUTIVE DIRECTOR

Following are the remuneration details of the Executive Director for the financial year ended 31st March, 2020:

(Rs. In Lakhs)

Name	Salary	Perquisites #	Contribution to P.F. and Other Funds	Total
Mr. Arjun S. Dukane	22.70	34.80	3.88	61.38

#Perquisites inter alia, 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 June, 2018 has been entered into with the Executive Director.

(C) NON-EXECUTIVE DIRECTORS / INDEPENDENT DIRECTORS

During the financial year 2019-2020, the Company has paid remuneration (excluding sitting fees) to Mr. Dilip D. Dandekar. The detail of payment is given below:

(Rs. In Lakhs)

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, the Company pays commission to Non-Executive Directors / Independent Directors, subject to profitability except to Mr. Dilip D. Dandekar. However, no commission was recommended for the financial year 2019-2020. The details of remuneration (including sitting fees, salaries, arrears, commission and perquisites) of the existing Non-Executive Directors during the year 2019-2020 are given below:

(Rs. In Lakhs)

Name	Category	Commission / Remuneration	Sitting Fees	Total
Mr. Dilip D. Dandekar	NED (Chairman)	32.40	4.90	37.30
Mr. Sharad M. Kulkarni	NED (I)	-	9.25	9.25
Mr. Pramod M. Sapre	NED (I)	-	9.70	9.70
Mr. Abeezar E. Faizullahoy	NED (I)	-	4.50	4.50
Mr. Bhargav A. Patel	NED (I)	-	4.25	4.25
Mr. Nirmal V. Momaya	NED	-	4.00	4.00
Mr. Atul R. Pradhan	NED (I)	-	7.20	7.20
Mr. Nicola A. Paglietti	NED (I)	-	4.25	4.25
Mr. Ajit S. Deshmukh	NED	-	1.00	1.00
Ms. Anagha S. Dandekar	NED	-	3.00	3.00
Mr. Amol J. Shah	NED (I)	-	-	-
Mrs. Sutapa Banerjee	NED (I)	-	-	-

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

- Mr. Ajit S. Deshmukh – Resigned w.e.f. – 24th May, 2019.
- Mr. Abeezar E. Faizullabhoy – Retirement upon completion of term w.e.f. – 3rd August, 2019.
- Mr. Bhargav R. Patel – Retirement upon completion of term w.e.f. – 3rd August, 2019.
- Mr. Amol J. Shah – Appointed w.e.f. – 2nd August, 2019.
- Mrs. Sutapa Banerjee – Appointed w.e.f. – 7th February, 2020.

Details of Shareholding of Present Non-Executive Director/Independent Directors as on 31st March, 2020.

Presents Directors Name	Shares held
Mr. Dilip D. Dandekar	15,89,443
Mr. Pramod M. Sapre	1,04,990
Mr. Sharad M. Kulkarni	1,61,400
Mr. Atul R. Pradhan	21,500
Mr. Nicola Paglietti	-
Mr. Nirmal V. Momaya	36,01,520
Ms. Anagha S. Dandekar	15,17,056
Mr. Amol J. Shah	-
Mrs. Sutapa Banerjee	-

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 for redressal of Shareholders and Investors complaints concerning transfer of shares, non-receipt of Annual Reports, and non receipt of Dividend etc.

During the financial year 2019-2020 one (1) meeting was held on 7th February, 2020.

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. Atul R. Pradhan	Chairman	NED (I)	1
Mr. Dilip D. Dandekar	Member	NED	1
Mr. Ashish S. Dandekar	Member	ED	1

The Board has designated the Company Secretary as the Compliance Officer.

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

During the year, no complaint was received from the shareholders.

4. COMPENSATION COMMITTEE:

Composition, meeting and the attendance during the year

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

During the financial year 2018-2019 1 (one) meeting was held on 24th May, 2019.

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

Name	Designation	No. of Meetings attended	No. of Meetings attended
Mr. Atul R. Pradhan	Chairman	NED (I)	1
Mr. Abeezar E. Faizullabhoy	Chairman	NED (I)	1
Mr. Sharad M. Kulkarni	Member	NED (I)	1
Mr. Amol J. Shah	Member	NED (I)	1
Mrs. Sutapa Banerjee	Member	NED (I)	-

- Mr. Abeezar E. Faizullabhoy – Retirement upon completion of term w.e.f. – 3rd August, 2019.

- Mr. Bhargav R. Patel – Retirement upon completion of term w.e.f. – 3rd August, 2019.
- Mr. Amol J. Shah – Appointed w.e.f. – 2nd August, 2019.
- Mrs. Sutapa Banerjee – Appointed w.e.f. – 7th February, 2020.

Terms of reference

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

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Composition, meeting and the attendance during the year

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

During the financial year 2019-2020 1 (one) meeting was held on 7th February, 2020.

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. Atul R. Pradhan	Chairman	NED (I)	1
Mr. Dilip D. Dandekar	Member	NED	1
Mr. Ashish S. Dandekar	Member	ED	1

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

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

6. INDEPENDENT DIRECTORS' MEETING:

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

During the financial year 2019-2020 1 (one) meeting was held on 7th February, 2020.

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

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

In the opinion of the Board, all Independent Directors meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended from time to time and they are independent of the management.

7. Chart/ Matrix setting out the skills/ expertise/ competence of the Board of Directors is as follows:

Skills/expertise/competencies identified by the Board as required in the context of the Company's business and sector for it to function effectively	Skills/expertise/competencies available with the Board
Industry knowledge/ experience:	Yes
Industry experience	Yes
Knowledge of FMCG sector	Yes

Skills/expertise/competencies identified by the Board as required in the context of the Company's business and sector for it to function effectively	Skills/expertise/competencies available with the Board
Understanding of government legislation / legislative process	Yes
Technical skills/ experience:	Yes
Accounting and Finance	Yes
Law	Yes
Marketing experience	Yes
Monitoring risk management systems	Yes
Strategy development and implementation	Yes
Governance Competencies:	Yes
Financial literacy	Yes
Strategic thinking/planning from a governance perspective	Yes
Director's performance management	Yes
Compliance focus	Yes
Behavioral competencies:	Yes
Integrity and high ethical standards	Yes
Interpersonal relations	Yes
Communication skills	Yes
Willingness and ability to devote time and energy to the role	Yes

8. The brief summary of the competencies of the Directors is as under:

Mr. Dilip Dandekar, Chairman

Been with the Company since 2006 and has long and vast experience in Marketing, Administration and overall Management.

Mr. Ashish Dandekar, Managing Director

BA in Economics and Management studies from Temple University, USA. Wide experience of over 28 years in Pharmaceuticals and Fine Chemical Products including Business Planning, Information Systems, Research & Development, Product Development and Marketing.

Mr. Pramod M. Sapre, Independent Director

BSc and Diploma in Marketing Management with varied experience in Marketing of Pharmaceutical Products.

Mr. Sharad M. Kulkarni, Independent Director

Degree of Engineering from University of Pune. Acts as a Business Advisor and Management Consultant to several Indian and International companies and his areas of expertise covers Business Development, International Alliance Management, Strategic Planning.

Mr. Atul R. Pradhan, Independent Director

Holds Diploma in Electronics and Electrical Communication Engineering and MBA. Senior business advisor with more than 25 years of experience in Management Consultancy industry.

Mr. Nicola Paglietti, Independent Director

Masters in Law and member of the Bar of New York and Rome and possesses over 20 years of professional experience in Contracts and Corporate law.

Mr. Amol Shah, Independent Director

Bachelor of Science (Electronics Engineering) from University of Kent, Canterbury and MBA from University of Southern California. Currently the Managing Director of the MJ Group with more than 25 years of experience in the industry covering Human Healthcare, Flavors/ Fragrances compounds, Plant protection and water treatment chemicals.

Ms. Anagha Dandekar, Non-Executive Director

MBA in Finance from University of South Carolina, USA. President, co-founder of Hardware Renaissance, a manufacturer of highend, hand crafted door hardware and accessories.

Mr. Nirmal V. Momaya, Non-Executive Director

CA with over 25 years of experience in Finance, Taxation, Audit and Management consultancy. Founder at Pagoda Advisors Pvt. Ltd. with a focus on consulting for various businesses as well as advising CFS on important business and strategic matters since 2009.

Mr. Arjun Dukane, Executive Director - Technical

Chemical Engineer with 31 years of experience in the Chemical Industry and has been associated with CFS for about 12 years.

Ms. Sutapa Banerjee, Independent Director

Gold medalist in Economics from the XLRI school of Management in India, and an Economics honours graduate from Presidency College Kolkata. Over 24 years of experience in the financial services industry and currently serves as an Independent Director on the boards of several companies

9. 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
2018-2019	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400020.	2nd August, 2019 at 3.00 p.m.
2017-2018	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400020.	13th August, 2018 at 3.30 p.m.
2016-2017	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400020.	21st July, 2017 at 3.30 p.m.

2 (two) Special Resolutions were passed at the 24th Annual General Meeting for FY 2016-17, 2 (two) Special Resolutions were passed at the 25th Annual General Meeting for FY 2017-18 and 1 (one) Special Resolutions were passed at the 26th Annual General Meeting for FY 2018-19.

10. 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.

Weblink where policy for determining 'material' subsidiaries is disclosed; <http://www.camlinfs.com>.

Weblink where policy on dealing with related party transactions; <http://www.camlinfs.com>.

Fees paid to the Statutory Auditor

Following is the total fees paid by the Company for all services availed by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is as detailed below:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Audit Fees	32.50	25.00
Certification	1.92	3.14
Reimbursement of Expenses	0.56	0.78
Total	34.98	28.92

Credit Ratings

India Ratings & Research, vide its letter dated May 13, 2020, has revised the outlook of the Company to Stable, from Negative, while reaffirming its Long Term Issuer rating at “IND BBB+”

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.

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. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year - Nil
- b. number of complaints disposed of during the financial year – Not applicable
- c. number of complaints pending as on end of the financial year - Not applicable

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.

11. MEANS OF COMMUNICATION:

- The quarterly and half-yearly results are published in widely circulating national and local dailies such as Financial Express and Loksatta.
- Official news releases and presentations made to investors are disclosed to the Stock Exchange(s) and are also provided on the Company’s website 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 website i.e. www.camlinfs.com within the time frame prescribed in this regard.

12. GENERAL SHAREHOLDER INFORMATION:

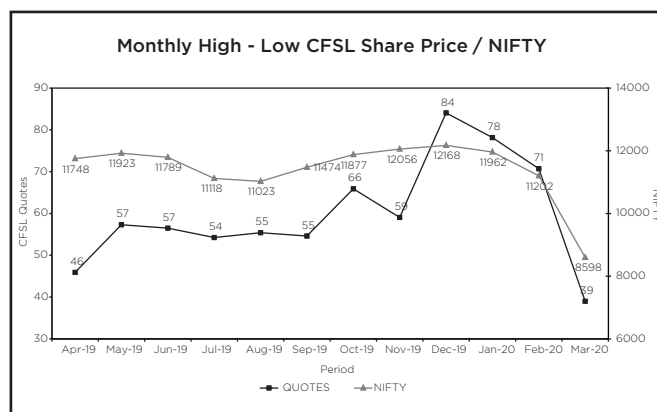
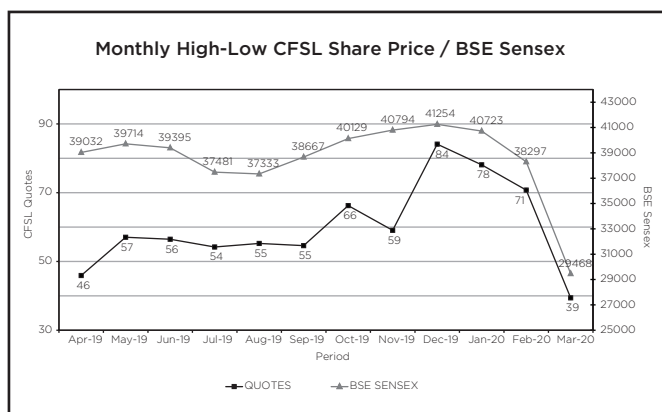
As indicated in the Notice to our Shareholders, the 27th Annual General Meeting of the members of Camlin Fine Sciences Limited, will be held on Monday, August 10, 2020 at 3.00 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”).

i. Financial Calendar	Financial Reporting by
Financial Year	: April – March
Unaudited Results for the quarter ending 30th June, 2020.	: Mid of August, 2020
Unaudited Results for the quarter ending 30th September, 2020.	: Mid of November, 2020
Unaudited Results for the quarter ending 31st December, 2020.	: Mid of February, 2021
Audited Results for the year ending 31st March, 2021.	: end of May, 2021
ii. Date of Book Closure	: 4th August, 2020 to 10th August, 2020 (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 2019-2020 at BSE and NSE	:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2019	53.30	42.00	53.30	44.85
May, 2019	63.00	38.80	62.70	38.70
June, 2019	58.50	44.60	58.10	44.90
July, 2019	62.75	48.00	62.70	47.70
August, 2019	66.35	50.40	66.50	50.30
September, 2019	65.70	52.75	65.40	52.70
October, 2019	71.05	51.30	71.20	51.20
November, 2019	67.40	57.40	67.50	57.00
December, 2019	84.10	55.50	84.05	57.00
January, 2020	89.90	76.00	89.90	76.40
February, 2020	84.50	65.30	84.40	65.10
March, 2020	73.50	33.40	73.55	33.00

Stock Performance:

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



vii. Registrars and Share Transfer Agents for Shares:

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

viii. Share Transfer System:

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

ix. Distribution of Shareholding as on 31st March, 2020.

No. of Equity Shares Held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
Up to 500	31760	74.784	4737739	3.9073
501 - 1000	4682	11.0245	3892367	3.2101
1001 - 2000	2891	6.8073	4736477	3.9062
2001 - 3000	941	2.2157	2408895	1.9867
3001 - 4000	566	1.3327	2076932	1.7129
4001 - 5000	476	1.1208	2222671	1.8331
5001 - 10000	581	1.3681	4343131	3.5818
10001 and above	572	1.3469	96835784	79.8619
TOTAL	42469	100.00	121253996	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, 2020, 98.70% 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 at its 25th Annual General Meeting held on 13th August, 2018 approved the CFS Employees Stock Option Scheme, 2018 which provides for allotment of up to 15,00,000 (Fifteen Lacs) Options convertible into equivalent number of equity shares of Re. 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.

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 Members of the Company on 26th December, 2017 for preferential allotment of 90,00,000 warrants (Warrants) and each warrant to be convertible into one equity share of the Company of face value of Re. 1/-. 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 Rs. 92.69/- per warrant aggregating to Rs. 8,342.10 Lacs. As per SEBI regulations, the Warrants were to 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. The Allottees have not exercise the Warrants within 18 (Eighteen) months from the date of allotment of the Warrants, and hence the Warrants have lapsed and the amount paid on such Warrants have been forfeited by the Company and the amount has been transferred to the capital reserve.

Further the approvals were accorded by the Board of Directors of the Company, at its meeting held on 24th May, 2018 and the Special Resolution passed by the Members of the Company on 22nd June, 2018 for raising of funds through borrowing money or issue of securities including QIP/ADR/GDR/FCCB etc. upto Rs. 250 crores. Pursuant to the said approvals, 30 (thirty) Foreign Currency Convertible Bonds aggregating to USD 15 million were issued and allotted to International Finance Corporation on 14th September, 2018.

xii. Disclosure in relation to demat suspense account or unclaimed suspense account, as applicable:

- (a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; Nil
- (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year; N.A.
- (c) number of shareholders to whom shares were transferred from suspense account during the year; N.A.
- (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; N.A.
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
Nil

xiii. Subsidiary Company

During the year under review, 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.

- xiv. Plant Location** : D-2/3 M.I.D.C. Boisar, Tarapur, Dist. Thane 401 506.
: Plot No. Z/96/D, Dahej SEZ Ltd; Part-II, Tal. Varga, Dist. Bharuch, Pin Code:392130,Gujarat,India
- R & D Location** : N/165 M.I.D.C. Boisar, Tarapur, Dist. Thane 401 506.

xv. Address for correspondence:

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

Tel No. : 022-6700 1000
Fax No. : 022-28324404
E-mail : secretarial@camlinfs.com

xvi. Secretarial Department:

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

12. NON-MANDATORY REQUIREMENTS:

Non-Executive Chairman's Office:

The Chairman of the Company is a Non-Executive Chairman

Shareholders rights:

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

Audit Qualifications:

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

Separate post for chairman & CEO

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

Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

For & On behalf of the Board

Ashish S. Dandekar
Managing Director

Dilip D. Dandekar
Chairman

Place : Mumbai
Dated : 25th June, 2020

ANNEXURE A TO CORPORATE GOVERNANCE REPORT

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

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

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

OBJECTIVES

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

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

APPLICABILITY

The Policy is applicable to:

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

DEFINITIONS

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

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

GUIDING PRINCIPLES

The Policy ensures that:

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

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

A. ROLE OF THE COMMITTEE:

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

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

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

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

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

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

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

1. Based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
2. Approving the remuneration of the Directors and key managerial personnel of the Company for maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
3. Delegating any of its powers to one or more of its members of the Committee.
4. Considering any other matters as may be requested by the Board.

COMMITTEE MEMEBERS INTEREST AND VOTING

A. COMMITTEE MEMEBERS INTEREST

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

B. VOTING

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

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

A. APPOINTMENT CRITERIA AND QUALIFICATIONS

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

B. TERM/TENURE

1. MANAGING DIRECTOR/ WHOLETIME DIRECTOR:

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

2. INDEPENDENT DIRECTOR:

1. An Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
2. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
3. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

C. EVALUTION:

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

D. REMOVAL/VACANCY:

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

E. RETIREMENT:

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

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

1. REMUNERATION:

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

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

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

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

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

2. MINIMUM REMUNERATION:

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

3. PROVISIONS FOR REMUNERATION:

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

PROVISIONS RELATING TO REMUNERATION TO NON-EXECUTIVE/ INDEPENDENT DIRECTOR

1. REMUNERATION/ COMMISSION:

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

2. SITTING FEES:

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

3. STOCK OPTIONS:

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

4. PROVISIONS FOR REMUNERATION:

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

REVIEW, AMENDMENT AND DEVIATIONS FROM POLICY

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

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

DISSEMINATION OF POLICY

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

ANNEXURE B TO CORPORATE GOVERNANCE REPORT

EVALUATION CRITERIA OF INDEPENDENT DIRECTORS

Background

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

Evaluation Mechanism

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

Evaluation Process

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

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

ANNEXURE - I

Template for Performance Evaluation of the Independent Directors

Name and signature of the Director giving the feedback:

Parameters	Remark#
Name of the Independent Director:	
01 <u>Engagement</u> (commitment and discipline)	
(maintains satisfactory attendance)	
(diligently prepares and remains well-informed)	
02 <u>Leadership</u> (knowledge and inspiration)	
(contributes by displaying good functional* and business* leadership)	
(contributes by displaying good people** leadership)	
03 <u>Analysis</u> (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 <u>Quality of decision-making</u> (participation)	
(probes effectively and constructively to test the assumptions and validate the information for quality decision-making)	
(actively supports worthwhile ideas and proposals)	
05 <u>Interaction</u> (communication)	
(communicates meaningfully in an open, constructive manner)	
(gives a fair chance to others for expressing their views)	
06 <u>Governance</u> (ethics)	
(exercises independent judgment)	
(helps in implementing and sustaining good governance practices and focuses on compliance)	
07 <u>Stakeholders</u> (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, 2020.

Place : Mumbai
Dated : 25th June, 2020

Ashish S. Dandekar
Managing Director

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 ended March 31, 2020 and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We confirm that, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that there are no:
- 1) significant changes in internal control over financial reporting during the year;
 - 2) significant changes in accounting policies during the year; and
 - 3) instances of significant fraud of which we have become aware.

Place : Mumbai
Dated : 25th June, 2020

Ashish S. Dandekar
Managing Director

Santosh Parab
Chief Financial Officer

**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, 2020 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the 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
UDIN: F004317B000446572

Place : Thane

Dated : 25th June, 2020

Certificate from Practicing Company Secretaries Regarding Directors

CERTIFICATE

The Members of Camlin Fine Sciences Limited

Based on our verification of the records maintained by Camlin Fine Sciences Limited including declarations / notices received from the Directors and also information / record available on the website(s) of the Ministry of Corporate Affairs and Stock Exchanges where the equity shares of the Company are listed, we hereby certify that, during the Financial year 2019-20, none of the Directors on the Board of the Company were debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

This certificate is being issued as per the requirements of Schedule V (C) (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **JHR & Associates**
Company Secretaries

J. H. Ranade
(Partner)

FCS: 4317, CP: 2520

UDIN: F004317B000381751

Place : Thane

Dated : 25th June, 2020

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
CAMLIIN FINE SCIENCES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **CAMLIIN FINE SCIENCES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its profits, Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Our Response
Exposure in group entities	
<p>The exposure within the group entities i.e. carrying amount of the Parent Company's investments, loans and advances, trade & other receivables (net of payables) accounts for over 33% (March 31, 2019: over 28%) of the total assets of the Company.</p> <p>Their recoverability is dependent on these group companies generating enough cash flows in future, estimation of which requires significant management judgement.</p> <p>We do not consider valuation of these investments and recovery of intercompany receivables, payables to be at a high risk of significant misstatement. However, due to their materiality in the context of the Company's financial statement, this is considered to be the area that had a significant effect on the company audit.</p> <p>Refer Note 6(i), Note 13.1, Note 16.2, Note 17, and Note 26 read with Note 47(e) forming part of the notes to the Standalone Financial Statements.</p>	<p>We compared the carrying value of these investments, loans and advances, trade & other receivables and trade payables with the respective subsidiaries financial statements to identify whether their net assets were in excess of their carrying amount and assessed whether those subsidiaries have historically been profit-making.</p> <p>For those subsidiaries where carrying amount exceeds the net asset value of the respective subsidiaries, we evaluated the relevant subsidiary's projected statement of profit and loss and projected statement of cash flows with management assumptions relating to key inputs such as projected long term growth and discount rates and assessing the managements assumptions over the recoverability of intercompany receivables against our own knowledge of the trading performance and net assets of the relevant counterparty.</p> <p>Assessed the appropriateness of the disclosure in the Standalone Financial Statements in accordance with the applicable financial reporting framework.</p>

Key Audit Matter Description	Our Response
<p>Valuation of Financial Instruments</p> <p>The fair value of certain financial instruments is determined through the application of the valuation techniques which often involves the exercise of judgements by the Management and the use of assumptions. The estimation uncertainty can be high for those instruments where significant valuation inputs are unobservable (e.g. cash flow projections, finance cost estimation, market volatility, forecast of operational estimates, etc).</p> <p>In respect of valuation of complex financial instruments like the Foreign Currency Convertible Bonds (FCCBs) and the Put Option, the Company has engaged expert(s) to carry out the valuation at its initial recognition and subsequently at each reporting date.</p> <p>The measurement of the Put Option valuation carried out by the external expert engaged by the management has considered certain factors such as projected EBITDA, weighted average cost of capital, probability of option being exercised etc. (Refer Note 27 on Put Option Liability forming part of the notes to the Standalone Financial Statements) and in case of FCCBs certain factors considered are finance cost and payment schedules being determined based on movement in equity share prices of the Company, volatility of shares price over certain period, and observable market input e.g. risk free rate, currency swap rates, etc (Refer Note 21) forming part of the notes to the Standalone Financial Statements). The fair value of the financial instruments in the given case is determined through the application of valuation techniques which involves making significant assumptions and the exercise of judgement.</p>	<p>Our audit work in respect of the valuation of put option instrument included:</p> <p>Obtained an understanding of the determination of fair value of the option and assessed and tested the reasonableness of the significant judgements applied by the management.</p> <p>Evaluating the contractual arrangement governing the option in the hands of the holders and ensuring that the management expert engaged to perform and compute the valuation has necessary expertise and knowledge to provide an acceptable value to the financial instrument. We have also reviewed the valuation report obtained by the Company from their expert for valuing the option.</p> <p>We have independently evaluated the assumptions made and factors considered in the valuation of the option.</p> <p>Our audit work in respect of the valuation of foreign currency convertible bonds included:</p> <p>We understood and assessed the models and methodology used for the valuation of the instruments measured at amortised cost as well as those which are designated at fair value through profit or loss both at the time of initial recognition and subsequent measurement on the reporting dates. Through a series of interaction and discussion with the valuation expert engaged by the management and assessing the appropriateness of various factors and their related assumptions such as share price and its volatility, consideration of risk free rate, borrowing rate of the company for a similar instrument with / without conversion features, interest amount to be paid along with timing etc. used in the overall computation of the fair value, we have drawn our comfort on the principles of recognition and measurement.</p> <p>Assessed the appropriateness of the disclosure in the Standalone Financial Statements in accordance with the applicable financial reporting framework.</p>

Key Audit Matter Description	Our Response
Capital Work-in-Progress in relation to Dahej Project	
<p>Identification of cost that is required to be capitalized requires management judgement. Inaccurate cost capitalization may result in amounts being capitalized that do not meet capitalization criteria and affects the accuracy of cost to be capitalized.</p> <p>Refer Note 2(b) forming part of the notes to the Standalone Financial Statements and intangible assets under development.</p>	<p>Our audit procedures included testing the design, implementation and operating effectiveness of controls in respect of cost of capital work in progress and intangible assets under development.</p> <p>We assessed the nature of costs incurred in capital projects through testing of amounts recorded and considering whether the expenditure met the criteria for capitalization under accounting standards.</p> <p>We tested the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and properly segregated into appropriate categories.</p> <p>Assessed the appropriateness of the disclosure in the Standalone Financial Statements in accordance with the applicable financial reporting framework.</p>
Income tax expenses / benefits	
<p>The Company has extensive international operations and in the normal course of the business, the Management makes significant judgements and estimates in relation to transfer pricing tax issues and in assessing tax exposures in each jurisdiction, many of which require interpretation of local laws, including amount expected to be paid/recovered for uncertain tax positions.</p> <p>Where the amount of tax payable is uncertain, the Company establishes provisions based on management's judgement of the probable amount of liability. This is a key judgement on account of the Company operating in a number of varying tax jurisdictions, the complexity of transfer pricing and other international tax legislations.</p> <p>Given this judgement, there is a risk that tax provisions are misstated.</p>	<p>Our procedures included:</p> <p>An understanding of:</p> <ul style="list-style-type: none"> • the Company's tax strategy and transfer pricing policy; • the methodology for the calculation of the tax charge particularly in relation to any changes implemented during the current financial year; and • management's controls over tax reporting. <p>We assessed the appropriateness of the tax provisions created by the Company and their use of estimates and judgements by involving our in house tax specialist team, having discussions with the Company's management, assessed recent pronouncements affecting the methodology for calculation of tax charge and copies of external tax advice reports related to tax treatments applied and the corresponding provisions recorded.</p> <p>We have also evaluated whether the liabilities and potential exposures were appropriately disclosed in the Standalone Financial Statements.</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely Financial Highlights, Directors' Report, Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility Report but does not include the Standalone Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and review the steps taken by the management to communicate to those in receipt of the other information, if previously issued, to inform them of the revision.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 Financial Statement that give

a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of the reasonably knowledgeable users of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial

Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards 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, 2020 taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2020 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (g) According to information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the provisions of Section 197 of the Act.
- (h) 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 in its financial position in its Standalone Financial Statements – Refer Note 45(I) to the Standalone Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts during the

year ended March 31, 2020, for which there were any material foreseeable losses.

- 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
UDIN: 20127355AAAACI8702

Place: Mumbai
Dated: June 19, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2020.

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. However, the management was unable to conduct the planned physical verification of fixed assets during the year as the same was scheduled during the period of nationwide lockdown declared by the Government of India and it was impracticable to perform the verification procedures on account of closure of all factories and offices. Hence, our comment on the discrepancies, if any, noticed during the physical verification of fixed assets and whether the same has been properly dealt with in the books of account does not arise.
- 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 owned by the Company are held in the name of the Company except as tabulated below:

Particulars	Gross Block (Rs. in Lakhs)	Net Block (Rs. in Lakhs)	Remarks
Freehold land at Pali	207.19	207.19	In the erstwhile name of Camlin Fine Chemicals Ltd.

In respect of immovable properties taken on lease, 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. According to information and explanation given to us, the Company has granted unsecured loans to five companies covered in the register maintained under

section 189 of the Act. The Company has not granted any loans, secured or unsecured, to firms or other parties covered in the register required to be maintained under Section 189 of the Act.

- a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans granted by the Company to companies covered in the register required to be maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
- b) According to the information and explanations given to us and based on the audit procedures conducted by us, the unsecured loans granted to companies and the interest thereon are repayable on demand except in respect of one unsecured loan wherein the principal is repayable after two years and the accrued interest is payable on demand or alongwith repayment of the loan. In respect of unsecured loans which are repayable on demand, the Company did not demand any sums towards principal or interest during the year and in respect of one unsecured loan, the stipulated repayment date of the principal did not fall due during the year and the Company has not demanded for the interest payment during the year and hence the question of commenting on whether repayment of principal and interest are regular does not arise.
- c) There are no overdue amounts of more than 90 days in respect of the unsecured loans granted to companies by the Company.
- 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 27.2 to the Standalone 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, 2020 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 undisputed dues outstanding as at March 31, 2020, 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, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, 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	Amount (INR 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
Income Tax Act, 1961 of Income Tax- (Appeals)	Income tax	44.41	2015-2016	Commissioner

- 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 nor has issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- 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, accordingly 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 and based on our examination of the records of the Company, 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 Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- 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. Accordingly, reporting under (xvi) of the Order is not applicable.

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
UDIN: 20127355AAAACI8702

Place: Mumbai
Dated: June 19, 2020

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 Financial Statements for the year ended March 31, 2020.

Report on the Internal Financial Controls with reference to financial statements 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, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 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 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 controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 the Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

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, 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control

stated in the “Guidance Note on Audit of Internal Financial Controls Over Financial Reporting” issued by the Institute of Chartered Accountants of India.

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
UDIN: 20127355AAAACI8702

Place: Mumbai
Dated: June 19, 2020

BALANCE SHEET

as at March 31, 2020

Particulars	Notes	INR (in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2(a)	6,864.83	7,892.90
Capital Work-in-Progress	2(b)	17,421.46	5,237.16
Right-Of-Use Assets	3	2,458.20	-
Investment Property	4	207.19	207.19
Intangible Assets	5	33.67	66.80
Intangible Assets under development		2,398.59	1,610.46
Financial Assets			
Investments	6	7,402.24	6,571.95
Loans	7	359.83	2,878.17
Deferred Tax Assets (Net)	8	-	120.71
Income Tax Assets (Net)	9	332.63	337.96
Other Non-Current Assets	10	538.89	2,400.44
Total Non-Current Assets		38,017.53	27,323.74
Current Assets			
Inventories	11	9,721.82	10,930.99
Financial Assets			
Investments	12	-	325.49
Trade Receivables	13	32,348.22	26,185.91
Cash and Cash Equivalents	14	69.83	1,889.02
Bank Balances other than Cash and Cash Equivalents	15	1,242.27	5,023.02
Loans	16	3,010.16	1,595.43
Other Financial Assets	17	2,355.58	2,211.80
Other Current Assets	18	2,369.42	2,590.65
Total Current Assets		51,117.30	50,752.31
TOTAL ASSETS		89,134.83	78,076.05
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	19	1,212.54	1,212.54
Other Equity	20	36,467.78	33,530.10
Total Equity		37,680.32	34,742.64
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	21	11,296.43	11,110.46
Lease Liabilities	3	499.80	-
Other Financial Liabilities	22	1.62	-
Provisions	23	284.87	236.88
Deferred Tax Liabilities (Net)	8	208.18	-
Other Non Current Liabilities	24	105.25	138.22
Total Non-Current Liabilities		12,396.15	11,485.56
Current Liabilities			
Financial Liabilities			
Borrowings	25	21,841.64	19,900.13
Trade Payables	26		
Total outstanding dues of Micro Enterprises and Small Enterprises and		851.43	400.09
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		12,444.20	10,188.82
Lease Liabilities	3	100.36	-
Other Financial Liabilities	27	2,498.59	1,154.61
Other Current Liabilities	28	611.35	146.09
Provisions	29	47.64	29.74
Current Tax Liabilities (Net)	30	663.15	28.37
Total Current Liabilities		39,058.36	31,847.85
Total Liabilities		51,454.51	43,333.41
TOTAL EQUITY AND LIABILITIES		89,134.83	78,076.05
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: June 19, 2020

Signatures to the Balance Sheet and Notes to Financial Statements.

For and on behalf of the Board

Dilip D. Dandekar
 Chairman
 DIN: 00846901
 Mumbai, Dated: June 19, 2020

Santosh Parab
 Chief Financial Officer

Mumbai, Dated: June 19, 2020

Ashish S. Dandekar
 Managing Director
 DIN: 01077379
 Khandala, Dated: June 19, 2020

Mandar Godbole
 Company Secretary & General Manager - Legal
 ICSI Membership No: A30240

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

Particulars	Notes	INR (in Lakhs)	
		For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from Operations	31	57,977.90	54,812.29
Other Income	32	2,406.44	1,365.80
Total Income		60,384.34	56,178.09
EXPENSES			
Cost of Materials Consumed	33	37,741.66	39,570.84
Purchases of Stock-in-Trade		1,348.05	547.65
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	34	(205.83)	748.42
Employee Benefits Expense	35	2,801.12	2,266.19
Finance Costs	36	2,806.82	2,034.37
Depreciation and Amortisation Expense	37	1,128.21	908.82
Other Expenses	38	10,321.62	8,683.17
Total Expenses		55,941.65	54,759.46
Profit Before Exceptional Items and Tax		4,442.69	1,418.63
Exceptional Items	42	314.07	-
Profit Before Tax		4,128.62	1,418.63
Tax Expense			
Current tax	8(b)	750.04	320.41
Deferred tax	8(b)	306.45	25.40
Total Tax Expenses		1,056.49	345.81
Profit for the Year		3,072.13	1,072.82
Other Comprehensive Income			
Items that will not be subsequently reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plans		(44.80)	(46.30)
Income Tax relating to items that will not be reclassified to Profit or Loss	8(c)	15.66	16.18
Total Other Comprehensive Income for the Year		(29.14)	(30.12)
Total Comprehensive Income for the Year		3,042.99	1,042.70
Earnings per Equity Share (Face Value of INR 1 each)	43		
Basic		2.53	0.88
Diluted		2.53	0.88
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: June 19, 2020

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
 Mumbai, Dated: June 19, 2020

Santosh Parab
 Chief Financial Officer

Mumbai, Dated: June 19, 2020

Ashish S. Dandekar
 Managing Director
 DIN: 01077379
 Khandala, Dated: June 19, 2020

Mandar Godbole
 Company Secretary & General Manager - Legal
 ICSI Membership No: A30240

STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

Particulars	INR (in Lakhs)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Cash Flow from Operating Activities		
Profit Before Taxation	4,128.62	1,418.63
Adjustment for:		
Depreciation and Amortization Expense	1,128.21	908.82
Finance Costs	2,806.82	2,034.37
Foreign Exchange Gain (Unrealised)	(1,635.29)	(666.75)
(Gain)/Loss on sale of Property, Plant & Equipment and Intangible Assets	5.25	-
Allowance/(Reversal) of Credit Loss	(264.09)	68.22
Allowances for Doubtful advances	234.74	-
Provision for impairment in investments, loans and advances	314.07	-
Expense/(reversal) recognised in respect of equity-settled share-based payments	39.97	(3.07)
Provision for Compensated Absences	65.88	34.36
Interest Income	(351.10)	(350.31)
Remeasurements of defined benefit plans	(44.80)	(46.30)
Rent Expenses	4.11	-
Net Gain arising on Financial Liabilities measured at Fair Value Through Profit or Loss (FVTPL)	(183.52)	(199.47)
Net (Gain) / Loss arising on sale of mutual funds	(10.19)	85.66
Operating Profit before working capital changes	6,238.68	3,284.16
Adjustment for:		
Increase/(Decrease) in Non Financial Liabilities	465.26	(188.74)
Increase/(Decrease) in Financial Liabilities	2,065.53	(988.23)
(Increase)/Decrease in Non Financial Assets	3,291.95	(958.62)
(Increase)/Decrease in Financial Assets	(4,561.96)	(5,233.49)
Cash generated from/(used in) operations	1,260.78	(7,369.08)
Taxes Paid (Net)	(109.93)	(375.51)
Net Cash Flow from/(used in) Operating activities	7,389.53	(4,460.43)
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(11,511.13)	(5,154.96)
Sale of Property, Plant & Equipment and Intangible Assets	6.49	-
Purchase of Non-Current Investments	-	(1,956.09)
Sale/(Purchase) of Mutual funds (Net)	335.68	10,363.87
Maturity of / (Investment in) Fixed Deposits	4,061.03	(4,065.58)
Interest Received	505.40	521.83
Net Cash Flow from/(used in) Investing Activities	(6,602.53)	(290.93)
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital	-	16.49
Proceeds from / (Repayment of) Foreign Currency Convertible Bonds	-	10,753.80
Proceeds from / (Repayment of) Long Term Borrowings (Net)	(248.37)	(1,033.20)
Proceeds from / (Repayment of) Short Term Borrowings (Net)	1,853.48	(141.84)
Payment of lease liabilities	(298.21)	-
Interest Paid	(3,913.09)	(3,134.19)
Net Cash Flow from Financing Activities	(2,606.19)	6,461.06
Net Increase / (Decrease) in Cash & Cash Equivalents	(1,819.19)	1,709.70
Cash & Cash Equivalents at the beginning of the year	1,889.02	179.32
Cash & Cash Equivalents at the end of the year	69.83	1,889.02

STATEMENT OF CASH FLOWS (Contd.)

for the year ended March 31, 2020

Note :

(a) The above Cash Flow Statement has been prepared under the "Indirect Method as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) Cash and Cash Equivalents comprises of :

Particulars	INR (in Lakhs)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Balances with Banks in Current Accounts	62.72	35.08
Bank deposits with original maturity of less than three months	-	1,849.25
Cash on Hand	7.11	4.69
Cash and cash equivalents in Cash Flow Statement	69.83	1,889.02

(c) Movement in Borrowings in accordance with Ind AS 7

Particulars	INR (in Lakhs)			
	March 31, 2019	Cash Flows	Non-cash changes	March 31, 2020
Long term borrowings	11,110.46	(248.37)	435.96	11,298.05
Short term borrowings	20,238.16	1,853.48	-	22,091.64
Total borrowings	31,348.62	1,605.11	435.96	33,389.69

Particulars	INR (in Lakhs)			
	March 31, 2018	Cash Flows	Non-cash changes	March 31, 2019
Long term borrowings	1,449.86	9,720.60	(60.00)	11,110.46
Short term borrowings	20,380.00	(141.84)	-	20,238.16
Total borrowings	21,829.86	9,578.76	(60.00)	31,348.62

(d) Previous year's figures have been regrouped/reclassified wherever applicable.

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: June 19, 2020

Signatures to the Statement of Cash Flow to Financial Statements.

For and on behalf of the Board

Dilip D. Dandekar
 Chairman
 DIN: 00846901
 Mumbai, Dated: June 19, 2020

Santosh Parab
 Chief Financial Officer

Mumbai, Dated: June 19, 2020

Ashish S. Dandekar
 Managing Director
 DIN: 01077379
 Khandala, Dated: June 19, 2020

Mandar Godbole
 Company Secretary & General Manager - Legal
 ICSI Membership No: A30240

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

a) Equity Share Capital

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the reporting year	1,212.54	1,212.30
Issued pursuant to exercise of Employee Stock Options	-	0.24
Changes in equity share capital during the year	-	0.24
Balance at the end of the reporting year	1,212.54	1,212.54

b) Other Equity

Particulars	Equity component of Foreign Currency Convertible Bonds (FCCB)	Reserves and Surplus					Put Option	Money received against Preferential Share Warrants	Total
		Capital Reserve	Securities Premium	Employee Stock Option Outstanding	General Reserve	Retained Earnings			
Balance as at April 1, 2018	-	80.60	21,445.95	156.28	2,532.04	5,633.14	-	2,085.53	31,933.54
Profit for the year	-	-	-	-	-	1,072.82	-	-	1,072.82
Remeasurement of Defined Benefit Plans	-	-	-	-	-	(30.12)	-	-	(30.12)
Total Comprehensive Income for the Year	-	-	-	-	-	1,042.70	-	-	1,042.70
Issue of Equity Shares pursuant to exercise of Employee Stock Options	-	-	16.25	-	-	-	-	-	16.25
Deferred Tax on QIP Issue Expenses	-	-	-	-	-	(38.09)	-	-	(38.09)
Fair valuation of Share Based Payment	-	-	-	(3.07)	-	-	-	-	(3.07)
Put Option (Refer Note 6.4)	-	-	-	-	-	-	247.80	-	247.80
Equity component of foreign currency convertible bonds (Refer Note 20(1))	330.97	-	-	-	-	-	-	-	330.97
Balance as at March 31, 2019	330.97	80.60	21,462.20	153.21	2,532.04	6,637.75	247.80	2,085.53	33,530.10
Profit for the year	-	-	-	-	-	3,072.13	-	-	3,072.13
Remeasurement of Defined Benefit Plans	-	-	-	-	-	(29.14)	-	-	(29.14)
Total Comprehensive Income for the year	-	-	-	-	-	3,042.99	-	-	3,042.99
Deferred Tax on QIP Issue Expenses	-	-	-	-	-	(38.09)	-	-	(38.09)
Termination of Employee Stock Option Scheme, 2014	-	-	-	(153.21)	-	41.60	-	-	(111.61)
Fair valuation of Share Based Payment (ESOP-2018)	-	-	-	44.39	-	-	-	-	44.39
Forefeiture of share warrants	-	2,085.53	-	-	-	-	-	(2,085.53)	-
Balance as at March 31, 2020	330.97	2,166.13	21,462.20	44.39	2,532.04	9,684.25	247.80	-	36,467.78

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: June 19, 2020

Signatures to the Statements of Changes in Equity
 For and on behalf of the Board

Dilip D. Dandekar
 Chairman
 DIN: 00846901
 Mumbai, Dated: June 19, 2020

Santosh Parab
 Chief Financial Officer

Mumbai, Dated: June 19, 2020

Ashish S. Dandekar
 Managing Director
 DIN: 01077379
 Khandala, Dated: June 19, 2020

Mandar Godbole
 Company Secretary & General Manager - Legal
 ICSI Membership No: A30240

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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 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 prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Amendment Rules as amended from time to time. The Company’s Financial Statements for the year ended March 31, 2020 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows, Statement of Changes in Equity and Notes to Financial Statements.

The Financial Statements of the Company for the year ended March 31, 2020 are approved by the Board of Directors on June 19, 2020.

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 equivalents, 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 or amortised cost 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 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

- (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 and applicable discount rate.
- (vii) Impairment of financial assets.
- (viii) Measurement of Lease Liabilities and Right of Use Assets.
- (ix) Key assumptions used in discounted cash flow projections.

Estimation of uncertainties relating to the global health pandemic from COVID -19 (COVID-19)

Due to pandemic of COVID-19 virus, there have been several restrictions imposed by the Governments across the globe on manufacturing activities, on the travel, goods movement and transportation considering public health and safety measures, which had some impact on the Company's supply chain during March, 2020. The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information on the expected future performance of the Company, its ability to meet its liabilities as and when they fall due, and in assessing the recoverability and carrying values of its assets comprising property, plant and equipment (including work in progress), intangible assets, receivables and other financial assets. There is no material change in the internal control environment in the Company. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

D 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:

- 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.

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. Leases

As a lessee

The Company's lease assets primarily consist of land and buildings. The Company assesses whether a contract contains a lease at the inception of the contract. Leases of assets (other than short term leases or leases for which the underlying asset is of low value) are recognised if the lease contract conveys the right to the Company to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

A contract conveys the right to control the use of an identified asset for a period of time, if throughout the period of lease, the Company has both of the following:

- a) The right to obtain substantially all of the economic benefits from use of the identified asset.
- b) The right to direct the use of the identified asset.

At the date of commencement of lease, the Company recognises a Right-Of-Use asset and a corresponding lease liability for all lease arrangements in which it is a lessee except for leases for a term of twelve months or less (short term leases) and low value leases. For short term leases and low value leases, the Company recognises the lease payments as an expense on a straight-line basis over the lease term. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. It is remeasured when there is a change in future lease payments or if Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Lease liability and Right Of Use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

The Company's lease assets primarily consist of buildings and plant & machinery.

Leases for which the Company is a lessor is classified either as a finance or operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rent income is recognised as income on a straight line basis over lease term unless the receipts are structured to increase in line with expected general inflation.

d. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

(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.

e. 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 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.

f. 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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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 expense 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.

g. 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.

h. 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 on the basis of its business model for managing the financial assets:

- 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)

(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 Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

(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 Company 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:

- 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

II. Financial Liabilities

(i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost except hybrid instruments with embedded derivatives where the embedded derivative cannot be measured separately either at inception or at the end of a subsequent reporting financial period in which case it is measured at Fair Value through Profit or Loss. In case the embedded derivatives can be separated, the same is measured at Fair Value Through Profit or Loss and the host contract is 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.

(v) Compound financial instruments

Compound financial instruments issued by the Company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, FCCB being a hybrid contract, if the embedded derivative can be separated and measured, then the same is measured at fair value and designated as FVTPL, while the remaining liability component is subsequently measured at amortised cost. The equity component of a compound financial instrument is not remeasured subsequently.

(vi) 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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

i. Inventories

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

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.

j. 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.

k. 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.

l. Revenue Recognition

(i) Sale of goods

- Revenue from the domestic sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

- Revenue from the export sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery, usually on the basis of dates of bill of lading which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.

(ii) Sale of Service

Revenue is recognised from sale of services and services rendered by the Company pertaining to scaling of production process, engineering assistance, pilot projecting etc, when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts.

(iii) 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.

(iv) Interest Income

(a) Interest income is recognized as the interest accrues (using the effective interest rate, that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

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

(v) Dividend Income

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

m. 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, 2020

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.

n. Share-based payment transactions

Employees Stock Options Plans (“ESOPs”): The 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”.

o. 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 also include exchange differences on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investments, 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.

p. 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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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.

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 other equity or in other comprehensive income, in which case, the tax is also recognized directly in other 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.

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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 other 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. As per Ind AS-108 'Operating Segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given in the consolidated financial statements.

u. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

v. Non-current Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

The non-current assets classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

2 (a) Property, Plant & Equipment

Particulars	Other than Research & Development ("R&D") Assets							R&D Assets		Total Property, Plant and Equipment
	Leasehold Land	Factory & Other Building	Site Development	Plant, Equipment & Machinery	Furniture & Fixtures	Vehicles	Computer/ Hardware Cost	Equipment & Furniture	Building	
Gross Block										
Balance as at April 1, 2019	1,895.63	892.06	27.61	6,251.25	146.03	133.19	105.99	809.85	212.60	10,474.21
Transition impact of Ind AS 116 (Refer Note 3)	(1,895.63)	-	-	-	-	-	-	-	-	(1,895.63)
Restated Balance as at April 1, 2019	-	892.06	27.61	6,251.25	146.03	133.19	105.99	809.85	212.60	8,578.58
Additions	-	-	-	1,588.73	24.52	-	38.70	13.66	-	1,665.61
Deletions / Disposals	-	-	-	22.71	-	31.80	0.12	-	-	54.63
Balance as at March 31, 2020	-	892.06	27.61	7,817.27	170.55	101.39	144.57	823.51	212.60	10,189.56
Accumulated Depreciation										
Balance upto April 1, 2019	88.37	78.67	4.62	1,906.97	96.82	35.18	57.56	271.93	41.19	2,581.31
Transition impact of Ind AS 116 (Refer Note 3)	(88.37)	-	-	-	-	-	-	-	-	(88.37)
Restated Balance upto April 1, 2019	-	78.67	4.62	1,906.97	96.82	35.18	57.56	271.93	41.19	2,492.94
Depreciation for the year (Refer Note 2.a.ii)	-	34.43	1.54	659.23	22.24	25.87	27.73	90.98	12.66	874.68
Deletions / Disposals	-	-	-	22.46	-	20.31	0.12	-	-	42.89
Balance upto March 31, 2020	-	113.10	6.16	2,543.74	119.06	40.74	85.17	362.91	53.85	3,324.73
Net Carrying Amount as at March 31, 2020	-	778.96	21.45	5,273.53	51.49	60.65	59.40	460.60	158.75	6,864.83

Particulars	Other than Research & Development ("R&D") Assets							R&D Assets		Total Property, Plant and Equipment
	Leasehold Land	Factory & Other Building	Site Development	Plant, Equipment & Machinery	Furniture & Fixtures	Vehicles	Computer/ Hardware Cost	Equipment & Furniture	Building	
Gross Block										
Balance as at April 1, 2018	919.65	580.29	27.61	5,718.43	145.00	106.29	78.48	784.55	212.60	8,572.90
Additions	975.98	311.77	-	532.82	1.03	26.90	27.51	25.30	-	1,901.31
Deletions / Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	1,895.63	892.06	27.61	6,251.25	146.03	133.19	105.99	809.85	212.60	10,474.21
Accumulated Depreciation										
Balance upto April 1, 2018	58.42	52.00	3.08	1,297.65	74.42	8.36	35.77	180.91	27.46	1,738.07
Depreciation for the year	29.95	26.67	1.54	609.32	22.40	26.82	21.79	91.02	13.73	843.24
Deletions / Disposals	-	-	-	-	-	-	-	-	-	-
Balance upto March 31, 2019	88.37	78.67	4.62	1,906.97	96.82	35.18	57.56	271.93	41.19	2,581.31
Net Carrying Amount as at March 31, 2019	1,807.26	813.39	22.99	4,344.28	49.21	98.01	48.43	537.92	171.41	7,892.90

2. a.i Refer Note 21.2 and 25 for information on Property, Plant and Equipment pledged as security for borrowings.
2. a.ii Depreciation during the year amounting to INR 0.64 lakhs has been accounted in Capital Work in Progress.
2. a.iii Property, Plant & Equipment in Note 2(a) includes assets given on lease as under:

Particulars	INR (in Lakhs)		
	Plant, Equipment & Machinery	Factory & Other Building	Total
Gross Block			
Balance as at April 1, 2019	23.80	-	23.80
Additions	-	212.40	212.40
Deletions / Disposals	-	-	-
Balance as at March 31, 2020	23.80	212.40	236.20
Accumulated Depreciation			
Balance upto April 1, 2019	0.11	0.26	0.37
Depreciation for the year	2.97	6.73	9.70
Deletions / Disposals	-	-	-
Balance upto March 31, 2020	3.08	6.99	10.07
Net Carrying Amount as at March 31, 2020	20.72	205.41	226.13

The Company has given on lease buildings, plant, equipment & machinery to a subsidiary for its manufacturing operation.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

2 (b) Capital Work-in-Progress

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Capital Work-in-Progress	17,421.46	5,237.16
	17,421.46	5,237.16

2. b.i The detailed break up of capital work-in-progress is as given in the below table:-

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
A Capital Work-In-Progress		
Property, Plant & Equipment under erection/ construction	12,516.00	3,699.99
Inventories for trial run production:		
Raw materials & Catalysts	1,237.02	-
Stores and Consumables	8.26	-
Semi Finished Goods	20.70	-
Total	13,781.98	3,699.99
B Construction period expenditure pending allocation		
Balance at the opening of the year	1,537.17	291.28
Add : Expenditure incurred during year (Net)		
Trial Run Production Expenses	923.44	-
Employee Benefits Expense	209.24	81.55
Finance Cost	662.86	1,042.69
Depreciation and Amortisation Expense	0.64	-
Other Expenses	306.13	121.65
Balance at the closing of the year	3,639.48	1,537.17
TOTAL	17,421.46	5,237.16

2. b.ii Capital Work-in-Progress includes INR 154.36 lakhs (2018-2019: INR 91.73 lakhs) towards borrowing costs on general borrowing capitalised during the year. The average capitalisation rate for general borrowing is 11.09% (2018-2019: 11.08%). Further, the borrowing cost of INR 508.50 lakhs (including exchange loss of INR 555.26 lakhs and net of interest income on temporary investments amounting to INR 69.71 lakhs) ((2018-2019: the borrowing cost of INR 950.96 lakhs (net of interest income on temporary investments amounting to INR 314.45 lakhs)) is towards specific borrowing capitalised during the year. The effective interest rate is 8.15% p.a.
2. b.iii Refer Note 45 (II) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

3 Right-of-Use Assets:

(a) Transition To Ind AS 116

Effective from 1 April 2019, the Company has applied Ind AS 116, which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. The Company has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information.

On transition, the adoption of new standard resulted in recognition of Right-of-Use assets amounting to INR 2,664.23 lakhs and corresponding lease liability amounting to INR 689.08 lakhs. Existing prepaid lease rentals in respect of lands obtained on long term lease and leases in respect of few office / residential premises have been reclassified as right of use assets. Since these are entirely prepaid, the Company does not have any future lease liability towards the same.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

(b) Changes in the carrying value of right of use assets for the year ended March 31, 2020

INR (in Lakhs)

Particulars	Category of Asset		
	Land	Buildings	Total
Balance as at April 1, 2019	-	-	-
Additions, pursuant to initial application of Standard	1,813.02	851.21	2,664.23
Additions during the year	4.44	7.48	11.92
Deletions	-	-	-
Depreciation / Amortisation	(45.44)	(172.51)	(217.95)
Balance as at March 31, 2020	1,772.02	686.18	2,458.20

(c) Movement in lease liabilities during the year ended March 31, 2020

INR (in Lakhs)

Particulars	Category of Asset		
	Land	Buildings	Total
Balance as at April 1, 2019	-	-	-
Additions, pursuant to initial application of Standard	5.76	683.32	689.08
Additions during the year	-	3.05	3.05
Deletions	-	-	-
Interest incurred during the year	-	68.72	68.72
Payment of lease liabilities	-	(160.69)	(160.69)
Balance as at March 31, 2020	5.76	594.40	600.16

(d) Break-up of current and non-current lease liabilities as at March 31, 2020

INR (in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current lease liabilities	499.80	-
Current lease liabilities	100.36	-
Total	600.16	-

(e) Details regarding the contractual maturities of lease liabilities

INR (in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Less than one year	100.36	-
One to five years	494.48	-
More than five years	5.32	-
Total	600.16	-

(f) Amounts recognised in Statement of Profit and Loss

INR (in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation / Amortisation on Right Of Use assets	217.95	-
Interest on lease liabilities	68.72	-
Expenses relating to short term leases (Refer Note 38)	65.71	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

4 Investment Property

INR (in Lakhs)

Particulars	Gross and Net Carrying Amount		Fair Value	
	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Freehold Land	207.19	207.19	Refer Note 4.6	302.00
	207.19	207.19	-	302.00

- 4.1** Refer Note 21.2 and 25 for information on Investment Property pledged as security for borrowings.
- 4.2** The erstwhile name of the Company viz; Camlin Fine Chemicals Limited is on the title deeds of freehold land.
- 4.3** Direct operating expenses, arising from investment property that did not generate rental income during the year, is INR 0.43 lakhs (2018-2019: INR 0.29 lakhs)

4.4 Fair Value Hierarchy

The fair value of investment property had 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.

4.5 Description of valuation technique used.

The Company had obtained independent valuation of its investment property as at March 31, 2018. There has been no material movement in fair value of investment property. The fair value of the investment property had 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.

- 4.6** The Company has carried out valuation of investment property as on May 18, 2019 amounting to INR 523.20 lakhs. However, the Company could not carry out fair valuation of investment property as at March 31, 2020 due to complete lockdown announced by the Government of India in view of COVID-19 pandemic. In the opinion of the management, there is no major change in fair value.

5 Intangible Assets

INR (in Lakhs)

Particulars	Software Cost	Technical Knowhow	R & D Process Development	Total Intangible Assets
Gross Block				
Balance as at April 1, 2019	155.74	170.57	80.20	406.51
Additions	3.09	-	-	3.09
Deletions / Disposals	-	-	-	-
Balance as at March 31, 2020	158.83	170.57	80.20	409.60
Accumulated Amortisation				
Balance upto April 1, 2019	88.94	170.57	80.20	339.71
Amortisation for the year	36.22	-	-	36.22
Deletions / Disposals	-	-	-	-
Balance upto March 31, 2020	125.16	170.57	80.20	375.93
Net Carrying Amount as at March 31, 2020	33.67	-	-	33.67

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

Particulars	INR (in Lakhs)			
	Software Cost	Technical Knowhow	R & D Process Development	Total Intangible Assets
Gross Block				
Balance as at April 1, 2018	139.24	170.57	80.20	390.01
Additions	16.50	-	-	16.50
Deletions / Disposals	-	-	-	-
Balance as at March 31, 2019	155.74	170.57	80.20	406.51
Accumulated Amortisation				
Balance upto April 1, 2018	45.23	170.57	58.38	274.18
Amortisation for the year	43.71	-	21.82	65.53
Deletions / Disposals	-	-	-	-
Balance upto March 31, 2019	88.94	170.57	80.20	339.71
Net Carrying Amount as at March 31, 2019	66.80	-	-	66.80

6 Investments

Particulars	INR (in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments (Fully Paid) (At Cost)				
Unquoted				
(i) Subsidiaries				
CFCL Mauritius Private Limited (of US \$ 1 each) (Refer Note 6.1)	-	-	132,000	59.73
CFS Do Brasil Industria, Comercio, Importacao E Exportacao De Aditivos Alimenticios LTDA (of Brazilian Real \$ 1 each)	7,851,644	1,603.12	7,851,644	1,603.12
Solentus North America Inc.(of CAD \$ 1 each) (Refer Note 6.2)	98,600	56.01	98,600	56.01
CFS North America LLC (of USD \$ 1 each)	1,490,000	978.17	1,490,000	978.17
Dresen Quimica S.A.P.I de C.V (of Mexican Pesos 1 each) (from February 01, 2019) (Refer Note 6.3, 6.4 and Note 6.5)	50,820,277	1,996.38	50,820,277	1,996.38
CFS Europe S.p.A. (Refer Note 6.1 and 6.6)	2,000,000	1,178.56	-	125.33
Industrias Petrotec de Mexico S.A. de C.V. (Refer Note 6.7)	-	2.21	-	111.61
Chemolutions Chemicals Limited (of INR 10 each)	6,366,499	950.00	6,366,499	950.00
CFS International Trading (Shanghai) Ltd.		50.32		50.32
CFS Wanglong Flavors (Ningbo) Company Ltd. (Refer Note 6.8)		625.10		622.89
CFS Pahang Asia Pte Ltd (Refer Note 6.9)	25,500	17.89	25,500	17.89
Total (i)		7,457.76		6,571.45
(ii) Associate (Fully Paid) (At Cost)				
Fine Lifestyle Brand Limited (of INR 10 each)	254,994	25.50	254,944	25.50
(iii) Others (Fully Paid) (At Cost)				
Fine Renewable Energy Limited (of INR 10 each)	50,995	5.10	50,995	5.10
Saraswat Co-Operative Bank Limited (of INR 10 each)	5,000	0.50	5,000	0.50
Total (iii)		5.60		5.60
(iv) Total (i+ii+iii)		7,488.86		6,602.55
(v) Provision for impairment in value of investments (Refer Note 6.10)		(86.62)		(30.60)
(vi) Net Investments (iv-v)		7,402.24		6,571.95
Aggregate amount of unquoted investments		7,488.86		6,602.55
Aggregate amount of impairment in value of investments		86.62		30.60

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

- 6.1** Nil (March 31, 2019: 132,000) Equity Shares of CFCL Mauritius Private Limited ('CFCL Mauritius') pledged in respect of term loan availed by the Company. With effect from June 25, 2019 CFCL Mauritius was reverse merged into its wholly owned subsidiary CFS Europe SpA ('CFS Europe'). Consequently, CFCL Mauritius ceased to be subsidiary of the Company with effect from June 25, 2019. Pursuant to this reverse merger, Company has received 2,000,000 equity shares of CFS Europe amounting to INR 1,053.23 lakhs against investment of INR 59.73 lakhs in CFCL Mauritius and loan given to CFCL Mauritius amounting to INR 993.50 lakhs.
- 6.2** The Company had invested INR 56.01 lakhs (March 31, 2019 : INR 56.01 lakhs) in the share capital of Solentus North America Inc., its wholly owned subsidiary company ("the subsidiary"). The Company has decided to close the said subsidiary and has started the process of closure. Consequently, during the year, the Company has made full provision for impairment in the value of said investment.(Refer Note 42).
- 6.3** On May 4, 2016, Company had invested a sum of INR 1,301.24 lakhs equivalent to US\$ 1.95 million in an intermediate wholly owned subsidiary CFS Antioxidantes De Mexico S.A.de C.V. ("CFS de Mexico") which was registered in Mexico. For the purpose of acquisition of 65% in Dresen Quimica S.A.P.I De C.V, CFS de Mexico had borrowed US\$ 5.85 million as a loan from EXIM Bank. The Company had provided a corporate guarantee against the payment of interest and principal on the aforesaid loan amounting to US\$ 6.435 million. 50,820,277 Equity Shares of Dresen Quimica S.A.P.I De C.V (March 31, 2019: 50,820,277 Equity Shares) were pledged in respect of the said term loan.

With effect from January 31, 2019 CFS de Mexico was reverse merged in its subsidiary Dresen Quimica S.A.P.I De C.V. Consequently, CFS De Mexico ceased to be subsidiary of the Company with effect from January 31, 2019. Under the merger scheme, Company was issued 50,820,277 shares of Dresen Quimica S.A.P.I De C.V in exchange of 34,343 shares of CFS de Mexico.

The Company prior to merger was holding 65% stake in Dresen Quimica S.A.P.I. De C.V. through CFS de Mexico, post-merger the Company's holding in Dresen Quimica S.A.P.I. De C.V. remains unchanged.

6.4 Recognition of Put Option

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 the 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'. Upon reverse merger of CFS de Mexico with Dresen Quimica, the said option had become an obligation of the Company and accordingly, 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 247.80 lakhs has been recognised as part of other equity in FY 2018-2019.

- 6.5** Includes INR 78.08 lakhs (March 31, 2019: INR 78.08 lakhs) towards adjustment on account of fair value of financial guarantees issued to a Bank in relation to loan availed.
- 6.6** With effect from June 25, 2019 CFCL Mauritius was reversed merged into its wholly owned subsidiary CFS Europe SpA (CFS Europe). Consequently, CFCL Mauritius ceased to be subsidiary of the Company with effect from June 25, 2019. Pursuant to this reverse merger, Company has received 2,000,000 equity shares of CFS Europe amounting to INR 1,053.23 lakhs against investment of INR 59.73 lakhs in CFCL Mauritius and loan given to CFCL Mauritius amounting to INR 993.50 lakhs.

It also includes INR 125.33 lakhs (March 31, 2019: INR 125.33 lakhs) 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

6.7 INR Nil (March 31, 2019: INR 111.61 lakhs) is towards adjustment on account of fair value of employee stock options under ESOP Scheme, 2014 given to an employee of Industrias Petrotec de Mexico S.A. de C.V. On December 31, 2019, ESOP Scheme, 2014 was terminated. Pursuant to the termination of Scheme, INR 111.61 lakhs towards unexercised employee stock options has been adjusted in other equity (Refer Note 20 (iv)).

INR 2.21 lakhs (March 31, 2019: INR Nil) is towards adjustment on account of fair value of employee stock options under CFS Employee Stock Option Scheme, 2018 (ESOP 2018) given to an employee of Industrias Petrotec de Mexico S.A. de C.V. (Refer Note 20 (iv)).

6.8 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 (INR 622.89 lakhs). The acquisition was completed in FY 2017-2018 on completion of certain conditions by the counter party.

It also includes INR 2.21 lakhs (March 31, 2019: INR Nil) towards adjustment on account of fair value of employee stock options under CFS Employee Stock Option Scheme, 2018 (ESOP 2018) given to an employee of CFS Wanglong Flavours (Ningbo) Co. Ltd.

6.9 On April 09, 2018, CFS Pahang Asia Pte. Ltd., Singapore was incorporated pursuant to joint-venture agreement with Pahang Pharma (S) Pte. Ltd., in which the Company has subscribed to 51% shareholding amounting to INR 17.89 lakhs.

6.10 The provision for impairment in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited, Fine Lifestyle Brand Limited and Solentus North America Inc.

7 Loans

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
I. Unsecured, considered Good		
Security Deposits	284.44	189.78
Loans to related parties (Refer Note 7.1, 7.2 and 16.2 (b))	75.39	2,512.35
II. Unsecured, Credit Impaired		
Loans to related parties	189.18	176.04
Less:- Allowance for Credit Impaired (Refer Note 42 and Note 46(III)(5))	(189.18)	-
	359.83	2,878.17

7.1 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.

7.2 No loans are due to Directors or other officers of the Company either severally or jointly with any other person or amount due by firms or private companies in which any director is a partner, a director or a member.

7.3 The Company had given loans of INR 189.18 lakhs (INR 242.27 lakhs including interest of INR 53.09 lakhs (Refer Note 17)) to Solentus North America Inc., its wholly owned subsidiary company. The Company had also provided advances of INR 15.79 lakhs to Solentus North America Inc. The Company has decided to close the said subsidiary and has started the process of closure. Consequently, the Company has made full provision for the said loans and advances. (Refer Note 6.2 & 42).

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

8 Deferred Tax Assets / Liabilities (Net) (a) Movement in Deferred Tax Balances

Particulars	As at April 1, 2019	Movement during the year			INR (in Lakhs)
		Recognised in Profit and Loss	Recognised in Equity	Recognised in OCI	As at March 31, 2020
					Deferred Tax (Liabilities)/ Assets
Deferred Tax Asset/ (Liabilities)					
Property, Plant and Equipment and Intangible Assets	(806.26)	(38.01)	-	-	(844.27)
Provision for Doubtful Debts and Advances	195.47	99.47	-	-	294.94
QIP Issue Expenses	103.63	-	(38.09)	-	65.54
Employee Benefits	41.26	21.78	-	15.66	78.70
Unabsorbed Business Losses	340.21	(340.21)	-	-	-
Disallowances under the Income-Tax Act	(3.11)	23.16	-	-	20.05
Unutilised MAT Credit	334.45	(171.82)	-	-	162.63
Transaction cost relating to FCCBs	(147.79)	-	-	-	(147.79)
Interest income from temporary investment of FCCBs funds	109.72	24.17	-	-	133.89
Lease Liabilities	-	28.14	-	-	28.14
Others	(46.87)	46.87	-	-	-
Deferred Tax Asset/ (Liabilities)	120.71	(306.45)	(38.09)	15.66	(208.18)

Particulars	As at April 1, 2018	Movement during the year			INR (in Lakhs)
		Recognised in Profit or Loss	Recognised in Equity	Recognised directly in OCI	As at March 31, 2019
					Deferred Tax (Liabilities)/ Assets
Deferred Tax Asset/ (Liabilities)					
Property, Plant and Equipment & Intangible Assets	(563.14)	(243.12)	-	-	(806.26)
Provision for Doubtful Debts and Advances	217.53	(22.06)	-	-	195.47
QIP Expenses	141.72	-	(38.09)	-	103.63
Employee Benefits	30.23	(5.15)	-	16.18	41.26
Unabsorbed business losses	338.59	1.62	-	-	340.21
Disallowances under the Income-Tax Act	14.58	(17.69)	-	-	(3.11)
Unutilised MAT Credit	14.04	320.41	-	-	334.45
Transaction cost relating to FCCBs	-	(147.79)	-	-	(147.79)
Interest income from temporary investment of FCCBs funds	-	109.72	-	-	109.72
Others	(25.53)	(21.34)	-	-	(46.87)
Deferred Tax Asset/ (Liabilities)	168.02	(25.40)	(38.09)	16.18	120.71

Deferred Tax Asset on unabsorbed business losses has been recognised at INR Nil (March 31, 2019 INR 340.21 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, 2020

(b) Tax expense recognised in Profit and Loss

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax		
In respect of the current year	942.91	320.41
In respect of prior year	(21.06)	-
Utilisation of MAT Credit Entitlement	(171.81)	-
	750.04	320.41
Deferred Tax		
Origination and reversal of Tax on Temporary Differences	134.64	345.81
Utilisation of MAT Credit Entitlement	171.81	(320.41)
	306.45	25.40
Tax expense for the year	1,056.49	345.81

(c) Tax recognised in Other Comprehensive Income

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Items that will not be subsequently reclassified to Profit and Loss		
Remeasurements of Defined Benefit Plans	(15.66)	(16.18)
	(15.66)	(16.18)

(d) Reconciliation of Effective Tax Rate

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit Before Tax	4,128.62	1,418.63
Expected income tax rate #	34.94%	21.55%
Expected Income Tax Expense	1,442.71	305.71
Tax effect of:		
Property, Plant and Equipment & Intangible Assets	(38.01)	243.12
Tax expenses in respect of prior years	(21.06)	-
Tax rate difference	-	14.70
Employee Benefits	21.78	5.15
Unabsorbed Business Losses	(340.21)	(1.62)
Disallowances under the Income-Tax Act	23.16	17.69
Transaction cost relating to FCCB	-	147.79
Interest income from temporary investment of FCCB funds	24.17	(109.72)
Utilised MAT Credit	(171.81)	(320.41)
Lease Liabilities	28.14	-
Provision for Doubtful Debts and Advances	99.47	22.06
Others	(11.85)	21.34
Total Income Tax Expense	1,056.49	345.81

The Company has elected not to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for the current financial year. Accordingly, the tax rate applicable to the Company for the current financial year is 34.944%.

Further, the Company was chargeable to tax under Minimum Alternate Tax (MAT) during financial year 2018-2019. Hence, tax rate applicable was 21.55% instead of normal rate of income tax of 34.944%.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

9 Income Tax Assets (Net)

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Advance Tax and Tax Deducted at Source (Net)	332.63	337.96
	332.63	337.96

10 Other Non-Current Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Capital Advances (Refer Note 10.1)	516.92	2,332.68
Prepaid Expenses	21.97	67.76
	538.89	2,400.44

10.1 Capital Advances include INR Nil (March 31, 2019: INR 980.46 lakhs) towards Related Parties (Refer Note 46(III)(8))

11 Inventories

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(a) Raw material and Components		
(i) in stock	3,364.18	4,109.00
(ii) in transit	411.61	1,164.97
(b) Work-in-Progress	4,240.66	3,599.45
(c) Finished Goods	1,374.52	1,636.63
(d) Stock-in-Trade	37.29	210.56
(e) Stores and Spares	293.56	210.38
	9,721.82	10,930.99

12 Investments

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unquoted, carried at Fair Value Through Profit or Loss		
Investment in Mutual Funds	-	325.49
	-	325.49
Aggregate amount of Unquoted Investments and Market Value thereof	-	325.49
Aggregate amount of impairment in value of Investments	-	-

13 Trade Receivables

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured		
(i) Trade Receivables Considered Good (Refer Note 47(e))	32,348.22	26,185.91
(ii) Trade Receivables Credit impaired	295.29	559.38
Less: Allowance for Credit Impaired receivables (Refer Note 13.2)	(295.29)	(559.38)
	32,348.22	26,185.91

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

13.1 Above balances of trade receivables includes INR 24,012.48 lakhs (March 31, 2019: INR 16,073.90 lakhs) from related parties. (Refer Note 46(III)(1))

13.2 Details of allowance for credit impaired receivables

The Company 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 with respect to credit impaired of receivables calculated on the basis of ageing of the days the receivables are due and the expected credit loss rate. The Company is still pursuing the recovery of the receivables which are credit impaired.

The movement in allowance for credit impaired is as follows:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at Beginning of the Year	559.38	491.16
Add: Created during the Year	-	68.22
Less: Released during the Year	(264.09)	-
Balance as at end of the Year	295.29	559.38

14 Cash and Cash Equivalents

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(a) Balances with Banks in Current Accounts	62.72	35.08
(b) Bank deposits with original maturity of less than three months	-	1,849.25
(c) Cash on Hand	7.11	4.69
	69.83	1,889.02

15 Bank Balances other than Cash and Cash Equivalents

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(a) Earmarked balances with banks (Refer Note 15.1)	24.06	26.21
(b) Bank deposits with original maturity of more than three months but less than 12 months.	-	4,061.03
(c) 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.	1,218.21	935.78
	1,242.27	5,023.02

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

16 Loans

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good		
(a) Security Deposits	77.65	204.15
(b) Loans to related parties (Refer Note 16.1, 16.2 and 16.3)		
Loans considered good	2,932.51	1,335.30
Loans which have significant increase in Credit Risk (Refer Note: 7.3)	-	13.83
(c) Loans to Employees	-	0.15
(d) Loans to others	-	42.00
	3,010.16	1,595.43

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:(Refer Note 46 (III)(5))

Particulars	INR (in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
(a) CFCL Mauritius Private Limited	-	943.08	977.04	1,060.48
(b) CFS Do Brasil Industria, Comercio, Importacao E Exportacao De Aditivos Alimenticios LTDA	1,507.72	1,507.72	1,383.43	1,450.95
(c) Solentus North America Inc	189.17	189.17	189.87	199.14
(d) CFS North America LLC	1,500.18	1,500.18	1,376.50	1,443.69
(e) Dresen Quimica S.A.P.I De C.V	-	110.27	110.68	116.08
	3,197.07	4,250.42	4,037.52	4,270.34

16.3 Additional information on the above

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Disclosed as		
Current	2,932.51	1,349.13
Non-Current (before provision for impairment of INR 189.17 lakhs towards Solentus North America Inc (Refer Note 7.3))	264.56	2,688.39
	3,197.07	4,037.52

17 Other Financial Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Export Benefits Receivable	1,012.97	928.60
Receivable from Subsidiaries		
Interest on loans		
Considered Good	651.51	467.19
Considered Credit Impaired (Refer Note 7.3 and Note 46 (III)(6))	53.09	-
Less: Allowance for Credit Impaired	(53.09)	-
Other receivable		
Considered Good	539.25	672.95
Considered Credit Impaired (Refer Note 7.3 and Note 46 (III)(7))	15.79	-
Less: Allowance for Credit Impaired	(15.79)	-
Others	151.85	143.06
	2,355.58	2,211.80

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

18 Other Current Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good		
Advances to Vendors	946.41	571.84
Prepaid Expenses	585.45	501.61
Balance with Gratuity Fund (Refer Note 35.1 (c))	124.49	115.12
Balance with Government Authorities	691.32	1,378.06
Others	21.75	24.02
Unsecured, Credit Impaired		
Advances to Vendors	245.50	10.77
Less:- Allowance for Credit Impaired	(245.50)	(10.77)
	2,369.42	2,590.65

19 Equity Share Capital

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
a) Authorised :		
150,000,000 Equity Shares of INR 1 each (March 31, 2019: 150,000,000 Equity Shares of INR 1 each).	1,500.00	1,500.00
	1,500.00	1,500.00
b) Issued, Subscribed and Paid - up:		
121,253,996 Equity Shares of INR 1 each (March 31, 2019: 121,253,996 Equity Shares of INR 1 each).	1,212.54	1,212.54
	1,212.54	1,212.54

c) During the year, the Company has issued Nil Equity Shares (2018-2019: 24,625 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, 2020		As at March 31, 2019	
	No. of Shares	INR (in Lakhs)	No. of Shares	INR (in Lakhs)
Equity Shares				
Outstanding at the beginning of the Year	121,253,996	1,212.54	121,229,371	1,212.30
Add: Issued pursuant to exercise of employee stock options (Refer Note 19 (c))	-	-	24,625	0.24
Outstanding at the end of the Year	121,253,996	1,212.54	121,253,996	1,212.54

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
(i) Ashish S. Dandekar	14,060,400	11.60	14,010,550	11.55
(ii) SBI Magnum Multicap Fund	10,985,844	9.06	11,808,706	9.74
(iii) ICICI Prudential Midcap Fund	6,924,965	5.71	-	-
	31,971,209	26.37	25,819,256	21.29

g) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

- i) The Company has 541,000 (March 31, 2019: Nil) Equity Shares reserved for issue under Employee Stock Option Scheme, 2018 as at March 31, 2020 (Refer Note 35.2.1 for terms of employee stock options). The Company has Nil (March 31, 2019: 543,563) Equity Shares reserved for issue under Employee Stock Option Scheme, 2014 ('ESOP 2014 Scheme') as at March 31, 2020 (Refer Note 35.2.2 for terms of employee stock options). On December 31, 2019, ESOP 2014 Scheme was terminated."
- ii) The Company has 8,603,029 (March 31, 2019: 8,603,209) Equity Shares reserved towards conversion of Foreign Currency Convertible Bonds issued to International Finance Corporation (Refer Note 21.1 for terms of Foreign Currency Convertible Bonds).
- iii) The Company has Nil (March 31, 2019: 9,000,000) Equity Shares reserved for preferential warrants (Refer Note 20.2.(i) for terms of preferential warrants)

20 Other Equity

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
i) Equity component of foreign currency convertible bonds (Refer Note 20.1)	330.97	330.97
ii) Capital Reserve (Refer Note 20.2)		
Opening Balance	80.60	80.60
Additions during the year	2,085.53	-
Closing Balance	2,166.13	80.60
iii) Securities Premium (Refer Note 20.3)		
Opening Balance	21,462.20	21,445.95
Additions during the Year	-	16.25
Closing Balance	21,462.20	21,462.20
iv) Employee Stock Option Outstanding (Refer Note 20.4)		
Opening Balance	153.21	156.28
Additions/(Reversal) during the Year	44.39	(3.07)
Termination of ESOP Scheme, 2014	(153.21)	-
Closing Balance	44.39	153.21
v) General Reserve (Refer Note 20.5)	2,532.04	2,532.04

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

Particulars		INR (in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
vi)	Retained Earnings		
	Opening Balance	6,637.75	5,633.14
	Profit for the year	3,072.13	1,072.82
	Deferred tax on QIP Expenses	(38.09)	(38.09)
	Termination of ESOP Scheme, 2014 (Refer Note 20.4)	41.60	-
	Remeasurement of Defined Employee Benefit Plan	(29.14)	(30.12)
	Closing Balance	9,684.25	6,637.75
vii)	Recognition of Put Option (Refer Note 6.4)	247.80	247.80
viii)	Money received against Preferential Share Warrants (Refer Note 20.2 (i))		
	Opening Balance	2,085.53	2,085.53
	Transfer to Capital Reserve	(2,085.53)	-
	Closing Balance	-	2,085.53
		36,467.78	33,530.10

Nature and Purpose of Reserves:**20.1 Equity component of foreign currency convertible bonds**

Pursuant to Ind AS 32, Foreign Currency Convertible Bonds (FCCB) issued by the Company are split into equity and liability component and presented under other equity and Non-Current Financial Liabilities respectively.

20.2 Capital Reserve

- i Pursuant to preferential share warrants issued during financial year ended March 31, 2018, 9,000,000 warrants at a price of INR 92.69 each were allotted on a preferential basis to certain proposed allottees aggregating to INR 8,342.10 lakhs. An upfront subscription amount equal to 25% of the price amounting to Rs. 2,085.53 lakhs had been received from the allottees during the financial year ended March 31, 2018 and balance 75% of the consideration to be received at the time of allotment on or before August 8, 2019. The allottees have not exercised the option on these warrants within the stipulated period and hence the options have lapsed. As per SEBI Guidelines and terms of the issue, the advance received against these warrants of INR 2,085.53 lakhs has been forfeited by the Company and transferred to Capital Reserve.
- ii 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.

20.3 Securities Premium

The Securities premium account has been created to record the premium on issue of Equity Shares.

20.4 Employee Stock Option Outstanding

The Company has Employees' Stock Option Scheme under which options to subscribe to the Company's shares have been given to certain employees of the Group. 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, 2020

On December 31, 2019 Employees' Stock Option Scheme, 2014 (ESOP-2014) scheme was terminated. The unexercised options granted to an employee of a subsidiary amounting to INR 111.61 lakhs has been adjusted with non-current investments (Refer Note 6.7) and balance of INR 41.60 lakhs transferred to Retained Earnings. The addition to Employee Stock Options Outstanding during the year is on account of CFS Employees' Stock Option Scheme, 2018."

20.5 General Reserve

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

21 Borrowings

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
I Foreign Currency Convertible Bonds (Refer Note 21.1)	11,129.76	-	10,693.80	-
II Term Loans				
From Banks -Secured				
In Rupees (Refer Note 21.2)	166.67	250.00	416.66	338.03
	11,296.43	250.00	11,110.46	338.03

21.1 Foreign Currency Convertible Bonds

Foreign Currency Convertible Bonds (FCCBs) denominated in USD carried at INR 11,129.76 lakhs as at March 31, 2020 (March 31, 2019: INR 10,693.80 lakhs) represent 30 unsecured, unlisted and unrated FCCBs of US\$ 5,00,000 each aggregating to US\$ 15,000,000. FCCBs are convertible into the Company's fully paid equity shares of INR 1 each at a conversion price of INR 125 per share at the option of the bond holder. If the conversion option is not exercised by the bond holder, the amount is payable in two equal instalments at the end of September 14, 2023 and September 14, 2024. The simple interest at the rate of 4.5% per annum is payable semi-annually on the outstanding amount of FCCBs, compound interest @ 2% shall accrue on semi-annual basis and be payable in two equal instalments on the 5th and 6th anniversary of the FCCB subscription date. In addition to the above, additional coupon @ 0.5% shall accrue on semi-annual basis as simple interest on the outstanding amount of FCCBs and shall be payable on each interest payment date until the occurrence of the additional coupon event as per the terms of the FCCB Subscription Agreement.

In the financial year ended March 31, 2019, the liability component of the compound financial instrument i.e FCCB was measured at Fair Value Through Profit or Loss (FVTPL) since the embedded derivative which is principally towards the finance cost and repayment tenure impacting cash flows, could not be separated from the host contract. In the current financial year ended March 31, 2020, the Company has been able to separate and measure the aforesaid embedded derivative. Pursuant to the above, the Company has measured the embedded derivative at FVTPL (Refer Note 22) and the host contract has been accounted at the amortised cost using effective rate method. The corresponding impact has been accounted in the current financial year.

Fair value of FCCBs as at March 31, 2020 is INR 12,512.93 lakhs.

21.2 Term Loans from Banks in Rupees

- INR 416.67 lakhs (March 31, 2019: INR 754.69 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 10.90% p.a.
- INR Nil (March 31, 2019: INR 4.69 lakhs) secured by hypothecation of vehicles. The interest rate ranges from 11.50% to 12.50% p.a.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

22 Other Financial Liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Derivative liability (Refer Note 21.1)	1.62	-
	1.62	-

23 Provisions

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Compensated Absences	284.87	236.88
	284.87	236.88

24 Other Non-Current Liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unearned premium on financial guarantees given to subsidiaries	105.25	138.22
	105.25	138.22

25 Borrowings

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
I Loans repayable on demand		
From Banks -Secured		
Working capital loans (Refer Note 25.1)	20,224.02	19,900.13
II Other Short Term Borrowings		
From Banks -Secured		
Working capital loans (Refer Note 25.2)	1,617.62	-
	21,841.64	19,900.13

25.1 Loans repayable on demand - Secured

INR 20,224.02 lakhs (March 31, 2019: INR 19,900.13 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 10.65% to 12.30%.

25.2 Other Short Term Borrowings - Secured

INR 1,617.62 lakhs (March 31, 2019: INR Nil) towards buyers credit availed from banks and are secured by security stated against Note 25.1 above. The current interest rates range from 1.51% to 2.42%.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

26 Trade Payables

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
I Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 26.1) and	851.43	400.09
II Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note: 47(e))	12,444.20	10,188.82
	13,295.63	10,588.91

26.1 Due to Micro and Small Enterprises

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 information 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:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	752.15	334.11
Interest	99.28	65.98
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	81.11	54.10
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	18.17	65.98
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	99.28	65.98
f) Balance as at the year end	851.43	400.09

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

27 Other Financial Liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term debt (Refer Note 21 (II))	250.00	338.03
Interest accrued but not due on borrowings	100.75	82.57
Unpaid / Unclaimed dividends (Refer Note 27.1)	20.13	22.29
Deposits	0.79	0.79
Unclaimed Interest on public deposit	2.53	2.53
Unclaimed public deposit (Refer Note 27.2)	4.10	4.10
Payable towards purchase of property, plant and equipment	1,760.34	186.03
Put Option Liability (Refer Note 27.3)	26.82	177.38
Other outstanding liabilities	333.13	340.89
	2,498.59	1,154.61

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 public deposits of INR 4.10 lakhs outstanding at March 31, 2020 (March 31, 2019: INR 4.10 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 USD 0.04 million (INR 26.82 lakhs) (March 31, 2019: USD 0.26 million (INR 177.38 lakhs)) as calculated by the Independent Valuer based on the shareholders agreement using 'Income Approach'. (Refer Note 6.4)

28 Other Current Liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Statutory Dues	215.08	138.81
Others	396.27	7.28
	611.35	146.09

29 Provisions

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Compensated absences	47.64	29.74
	47.64	29.74

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

30 Current Tax Liabilities (Net)

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Provision for Tax (Net)	663.15	28.37
	663.15	28.37

31 Revenue from Operations

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Sale of Products		
Finished goods	53,411.51	52,786.61
Traded goods	1,517.17	646.08
	54,928.68	53,432.69
(b) Other Operating Revenues		
Export Incentives	831.14	846.46
Service Income (Refer Note 31.4)	2,212.94	526.69
Sale of Scrap	5.14	6.45
	3,049.22	1,379.60
	57,977.90	54,812.29

31.1 Revenue from contracts with customers disaggregated based on geography

The revenue from contracts with customers are disaggregated based on geography to comply with Ind AS 115, although it is not reviewed for evaluating financial performance for the purpose of segment reporting.

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Domestic	13,640.28	10,898.34
Exports	41,288.40	42,534.35
Total	54,928.68	53,432.69

31.2 The amounts receivable from customers become due after expiry of credit period which ranges between 15 to 120 days. There is no significant financing component in any transaction with the customers.

31.3 The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a short duration.

31.4 The Company has started rendering services pertaining to scale up of production process of new chemical products. Service income for the financial year ended March 31, 2020 includes INR 1,005.54 lakhs (2018-2019: Nil) pertaining to such services.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

32 Other Income

		INR (in Lakhs)	
Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Interest income On		
	Bank Deposits	79.48	56.52
	Loans to subsidiaries	248.49	263.95
	Refund of Value Added Taxes	21.15	22.32
	Other financial assets carried at amortised cost	1.98	7.52
		351.10	350.31
(b)	Other Non-Operating Income		
	Guarantee Commission Income	32.97	32.84
	Gain on foreign exchange transactions and translation	1,825.84	281.15
	Net gain on fair value changes on instruments classified as FVTPL (Refer Note 32.1)	10.19	368.89
	Gain on fair valuation of put option liability (Refer Note 27.3)	150.55	199.47
	Rent Received	35.79	0.03
	Miscellaneous Income	-	133.11
		2,055.34	1,015.49
		2,406.44	1,365.80

32.1 Net gain on fair value changes includes INR 10.19 lakhs (2018-2019: INR 487.16 lakhs) as 'net gain on sale of investments'.

33 Cost of Materials Consumed

		INR (in Lakhs)	
Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Material and Packing Material Consumed			
	Opening Inventories	5,273.97	5,162.09
	Add: Purchases	36,243.48	39,682.72
	Less: Closing Inventories	(3,775.79)	(5,273.97)
		37,741.66	39,570.84

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

		INR (in Lakhs)	
Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Inventories			
	Finished Goods	1,636.63	2,098.73
	Stock-in-Trade	210.56	108.60
	Work-in-Progress	3,599.45	3,987.73
		5,446.64	6,195.06
Closing Inventories			
	Finished Goods	1,374.52	1,636.63
	Stock-in-Trade	37.29	210.56
	Work-in-Progress	4,240.66	3,599.45
		5,652.47	5,446.64
		(205.83)	748.42

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

35 Employee Benefits Expense

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and Wages (Refer Note 35.1(a))	2,502.15	2,039.25
Contributions to -		
Provident Funds and other Funds (Refer Note 35.1 (b))	148.54	133.05
Gratuity Fund (Refer Note 35.1(c))	20.01	15.13
Share based payments to Employees (Employee Stock Option Plan) (Refer Note 35.2)	39.97	(3.07)
Staff Welfare Expenses	107.23	99.67
	2,817.90	2,284.03
Less:		
Reimbursement of expenses	(16.78)	(17.84)
	2,801.12	2,266.19

35.1 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:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Current	47.64	29.74
Non-Current	284.87	236.88
	332.51	266.62

(ii) Recognised in Statement of Profit and Loss

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Expenses	65.89	34.36

(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 148.54 lakhs (2018-19: INR 133.05 lakhs).

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

(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, 2020. 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 and Loss, the details of the defined benefit obligation and the funded status of the Company's gratuity plan:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
I Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the beginning of the Year	375.75	337.55
Interest Cost	29.27	26.26
Current Service Cost	28.98	25.17
Benefits paid from the Fund	(44.14)	(54.55)
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	9.82	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	22.63	(0.25)
Actuarial (Gains) / Losses on Obligations - Due to Experience	10.59	41.57
Present Value of Benefit Obligation at the end of the Year	432.90	375.75
II Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the Year	490.87	479.26
Interest Income	38.24	37.29
Contributions by the Employer	74.19	33.85
Benefits paid from the Fund	(44.14)	(54.55)
Return on Plan Assets, excluding Interest Income	(1.77)	(4.98)
Fair Value of Plan Assets at the end of the Year	557.39	490.87
III Net Asset / (Liability) recognised in Balance Sheet.		
Present value of defined benefit obligation at the end of the year	(432.90)	(375.75)
Fair value of plan assets at the end of the year	557.39	490.87
Net Asset / (Liability) at the end of the year	124.49	115.12
IV Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	28.98	25.17
Net Interest Cost	(8.97)	(11.03)
Expenses recognised in the Statement of Profit and Loss	20.01	14.14

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

		INR (in Lakhs)	
Particulars	As at March 31, 2020	As at March 31, 2019	
V	Expenses recognised in the Other Comprehensive Income (OCI)		
	Actuarial (Gains) / Losses on Obligation for the year	43.04	41.32
	Return on Plan Assets, excluding Interest Income	1.77	4.98
	Net (Income) / Expense for the year recognised in OCI	44.81	46.30
VI	Actuarial assumptions considered		
(i)	Discount rate	6.87%	7.79%
(ii)	Expected return on plan assets	6.87%	7.79%
(iii)	Salary escalation rate	5.00%	5.00%
(iv)	Rate of employee turnover	4.00%	2.00%
(v)	Mortality Table	Indian Assured Lives Mortality (2006-2008) Ult	Indian Assured Lives Mortality (2006-2008) Ult
	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	58.07	35.24
(ii)	Year 2	47.38	31.90
(iii)	Year 3	30.98	53.17
(iv)	Year 4	38.08	28.33
(v)	Year 5	61.60	29.32
(vi)	Years 6 -10	195.53	190.31
(vii)	Years 11 and above	298.36	370.02
	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	432.90	375.75
	1% increase in Discount Rate	(24.49)	(23.42)
	1% decrease in Discount Rate	27.66	26.62
	1% increase in Salary Escalation Rate	27.49	26.78
	1% decrease in Salary Escalation Rate	(24.95)	(23.91)
	1% increase in Rate of Employee Turnover	2.86	4.95
	1% decrease in Rate of Employee Turnover	(3.23)	(5.56)

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 assumptions 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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.

35.2 Employee Stock Option Scheme

35.2.1 Employee Stock Option Scheme 2018

The Company has granted options on April 08, 2019 to eligible employees of Group under “CFS - Camlin Fine Sciences Employees Stock Option Scheme, 2018” (ESOP - 2018) 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	Details of options				Total
	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	
Options granted	135,250	135,250	135,250	135,250	5,41,000
Exercise Price	50	50	50	50	
Market Price of shares as on grant date	50	50	50	50	
Basis of Exercise Price	At market price				
Vesting Period	1 year	2 years	3 years	4 years	

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)
	March 31, 2020		March 31, 2019	
Options outstanding at the beginning of the year	-	-	-	-
Options granted during the year	541,000	50.00	-	N.A.
Options exercised during the year	-	50.00	-	-
Options expired / lapsed and forfeited during the year	50,000	50.00	-	-
Options eligible for re-issue	50,000	50.00	-	-
Options outstanding at the end of the year	541,000	50.00	-	-
Exercisable at the end of the year	541,000	50.00	-	-
Other Information:				
Average of exercise price of options outstanding at the end of the year (INR)		50.00		
Average Share price during the year (INR)		59.45		N.A.
Weighted average remaining contractual life of the option outstanding at the end of the year		1.52 years		N.A.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (INR)	No. of Options	Weighted Average Exercise Price (WAEP) (INR)
	March 31, 2020		March 31, 2019	
Weighted average fair value of the options as on date of grant (granted during the year)		19.97		N.A.
The options lapsed under the Scheme are added to the stock inventory and may be granted afresh by the Compensation Committee to such eligible employees as it may deem fit in its sole discretion.				
Option pricing model used	Black-Scholes Option Pricing Model			

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

Particulars	Vesting Period				Description of input used
	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	
Risk free interest rate	7.41%	7.41%	7.41%	7.41%	Based on yield to maturity on zero coupon government securities maturing after 1 year.
Expected life of stock options	1 year	2 years	3 years	4 years	Period for which options are expected to be alive
Expected volatility	59.31%	59.31%	59.31%	59.31%	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	Nil	Nil	Nil	Nil	The dividends declared by the Company in the past and its share price.
Price of share on the date of granting of options	50	50	50	50	Fair market value
Fair value of options	12.78	18.43	22.64	26.02	

35.2.2 Employee Stock Option Scheme 2014

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	1,638,000	300,000	1,938,000
Exercise Price	67	96.75	
Market Price of shares as on grant date	67	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		

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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.)
	March 31, 2020		March 31, 2019	
Options outstanding at the beginning of the year	543,563	82.28	583,988	82.28
Options granted during the year	-	N.A.	-	N.A.
Options exercised during the year	-	67.00	24,625	67.00
Options expired / forfeited / lapsed during the year#	543,563	67.00	15,800	67.00
Options outstanding at the end of the year	-	82.28	543,563	82.28
Exercisable at the end of the year	-	82.28	543,563	82.28
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	
Average Share price during the year (INR)	69.57		96.75	
Weighted average remaining contractual life of the option outstanding at the end of the year	N.A.		1.25 years	
Weighted average fair value of the options as on date of grant (granted during the year)	N.A.		N.A.	
Option pricing model used	Black-Scholes Option Pricing Model			

#During the financial year ended March 31, 2020, ESOP Scheme, 2014 was terminated resulting in lapse of 543,563 options.

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	

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

36 Finance Costs

INR (in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expense	2,412.84	2,751.50
Interest on lease liabilities (Refer Note 3(f))	68.72	-
Foreign Exchange Loss / (Gain) (Refer Note 36.1)	944.94	(389.68)
Other Borrowing Cost	112.89	1,029.69
Total Finance Costs	3,539.39	3,391.51
Less: Interest income from temporary investments (Refer Note 2.b.ii)	(69.71)	(314.45)
Less: Capitalised to Capital Work in Progress (Refer Note 2.b.ii)	(662.86)	(1,042.69)
	2,806.82	2,034.37

36.1 Foreign Exchange Loss/(Gain) includes exchange loss on FCCBs amounting to INR 555.26 lakhs for the period 2019-2020, regarded as an adjustment to interest costs.

37 Depreciation and Amortisation Expenses

INR (in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Property, Plant and Equipment (Refer Note 2(a))	874.04	843.29
Depreciation / Amortisation on Right-Of-Use Assets (Refer Note 3(f))	217.95	-
Amortisation on Intangible Assets (Refer Note 5)	36.22	65.53
	1,128.21	908.82

38 Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of Stores and Spares	308.31	187.74
Power and Fuel	2,163.83	2,040.48
Short term Leases (Refer Note 3(f))	65.71	-
Operating Leases	-	256.85
Rates and Taxes	41.56	59.76
Insurance	490.81	270.54
Repairs to Plant and Equipment	381.72	291.15
Sub-Contract Charges	1,492.27	1,136.82
Labour Charges	664.22	563.05
Advertisement and Sales Promotion	716.52	487.64
Transport and Forwarding Charges	902.52	810.05
Commission / Discount / Service Charges on Sales	233.84	275.98
Travelling and Conveyance	671.73	643.22
Directors' Fees	52.05	65.25
Auditor's Remuneration (Refer Note 39)	34.98	28.92
Legal & Professional Fees	1,249.21	725.94

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Allowances for Credit Loss	(264.09)	68.22
Allowances for Doubtful advances	234.74	-
Loss on Property, Plant and Equipment sold / discarded	5.25	-
Corporate Social Responsibility Contribution (Refer Note 40)	-	-
Bank Charges	325.97	292.98
Miscellaneous Expenses	576.16	534.35
	10,347.31	8,738.94
Less:		
Reimbursement of Expenses	(25.69)	(55.77)
	10,321.62	8,683.17

39 Amount paid to Auditors *

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Audit Fees	32.50	25.00
Certification	1.92	3.14
Reimbursement of Expenses	0.56	0.78
Total	34.98	28.92

* The above amounts are net of applicable taxes.

40 Corporate Social Responsibility

The Company has spent INR Nil during the financial year (2018-2019: INR Nil) as per the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII thereof, towards Corporate Social Responsibility (CSR) activities, since there were insufficient profits in accordance with the said section.

41 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 404.56 lakhs (2018-2019: INR 311.91 lakhs). The details are as below:

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue expenditure eligible u/s 35(2AB)		
Salaries and Incentives	222.18	179.36
Travelling & Conveyance	9.35	13.52
Laboratory Expenses	97.18	48.40
Other Expenses	75.85	70.63
	404.56	311.91

42 Exceptional Items

Exceptional item includes the provision for impairment in the value of investment of Solentus North America INC., a wholly owned subsidiary, amounting to INR 56.01 lakhs and provision towards loan (including interest) receivable amounting to INR 242.27 lakhs and other receivable amounting to INR 15.79 lakhs from the subsidiary. (Refer Note 7.3 and 16).

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

43 Earnings Per Share

a) Basic Earnings Per Share

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

i) Profit attributable to ordinary shareholders

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to ordinary shareholders of the Company as per Statement of Profit and Loss	3,072.13	1,072.82

ii) Weighted average number of ordinary shares

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Number of Equity Shares at the beginning of the year	121,253,996	121,229,371
Add: Effect of share options exercised	-	13,156
Weighted average number of equity shares for basic EPS	121,253,996	121,242,527
Basic Earnings Per Share (Amount in INR)	2.53	0.88

b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

i) Profit attributable to ordinary shareholders

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to ordinary shareholders of the Company as per Statement of Profit and Loss	3,072.13	1,072.82

ii) Weighted average number of ordinary shares

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted Average number of Equity Shares outstanding (Basic)	121,253,996	121,242,527
Add: Potential equity shares under Employee Stock Option Scheme (Refer Note 35.2)	85,979	9,579
Weighted average number of equity shares for diluted EPS	121,339,975	121,252,106
Diluted Earnings Per Share (Amount in INR)	2.53	0.88

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

- (c) The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earnings per share:

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Conversion of foreign currency convertible bonds	8,603,029	8,603,029
Preferential warrants granted	-	9,000,000

44 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.

45 Contingent Liabilities and Commitments

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
I Contingent liabilities		
a) Claims for Excise Duties, Taxes and Other Matters		
i) In respect of Income Tax matter	55.61	16.25
ii) In respect of VAT / CST and Excise Matter	356.02	356.02
b) In respect of Bank guarantees issued to VAT, Excise and Custom Authorities	408.35	603.18
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
Loan balance outstanding in respect of the above guarantee is INR 2,455.87 lakhs (March 31, 2019: INR 2,854.29 lakhs)	15,077.18	13,834.26
Loan balance outstanding in respect of the above guarantee is INR 3,131.89 lakhs (March 31, 2019: INR 3,582.37 lakhs)		
ii) Dressen Quimica S.A.P.I. De C.V	4,851.08	4,451.17
Loan balance outstanding in respect of the above guarantee is INR 2,928.98 lakhs (March 31, 2019: INR 3,372.10 lakhs)		
iii) Chemolutions Chemicals Limited	50.00	50.00
Loan balance outstanding in respect of the above guarantee is INR Nil lakhs (March 31, 2019: INR 4.39 lakhs.)		

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

Particulars		INR (in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
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	2,836.97	3,656.67
	Contractors payment obligations outstanding in respect of the above guarantee is INR 981.75 Lakhs (March 31, 2019: INR 640.02 lakhs.)		
ii)	Commitments		
	Value of contracts (net of advance) remaining to be executed on capital account not provided for	234.68	3,926.07

Note: * Includes INR 4,068.96 lakhs (Euro 49 lakhs) being facility cancelled by Axis Bank UK Ltd. and pending for amendment in guarantee documents.

45.1 There are numerous interpretative issues relating to the Supreme Court judgements on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the Supreme Court Order. The Company will update its provisions, on receiving further clarity on the subject.

44 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 (ceases to exist with effect from June 25, 2019)

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. (ceases to exist with effect from January 31, 2019)

CFS International Trading (Shanghai) Limited

Chemolutions Chemicals Limited

CFS Wanglong Flavors (Ningbo) Company Ltd.

Dresen Quimica S.A.P.I. De.C.V. (from January 31, 2019)

CFS Pahang Asia Pte Ltd (from April 09, 2018)

CFS Europe S.P.A. (from June 25, 2019)

Step down subsidiaries

CFS Europe S.P.A. (ceases to exist with effect from June 25, 2019)

Industrias Petrotec de Mexico S.A.De.C.V.

Britec S.A.

Inovel S.A.S

Nuvel S.A.C

Grinel S.R.L

CFS De Chile SpA (from July 27, 2018)

CFS Argentina S.A (from April 11, 2018)

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

ii Associate

Fine Lifestyle Brands Limited

iii Directors and Key Management Personnel (KMP)

Mr. Dilip D. Dandekar - Non Executive Director (Chairman)
Mr. Ashish S. Dandekar - Managing Director
Ms. Anagha Dandekar - Non-Executive Director (from August 13, 2018)
Mr. Nirmal V. Momaya - Non Executive Director
Mr. Ajit S. Deshmukh - Non Executive Director (upto May 24, 2019)
Mr. Sharad M. Kulkarni - Non Executive Director (Independent)
Mr. Pramod M. Sapre - Non Executive Director (Independent)
Mr. Abeezer E. Faizullahoy - Non Executive Director (Independent) (upto August 3, 2019)
Mr. Bhargav A. Patel - Non Executive Director (Independent) (upto August 3, 2019)
Mr. Atul R. Pradhan - Non Executive Director (Independent)
Mr. Nicola A. Paglietti - Non Executive Director (Independent)
Mr. Amol J. Shah- Non Executive Director (Independent) (from August 2, 2019)
Ms. Sutapa Banerjee- Non Executive Director (Independent) (from February 8, 2020)
Mr. Arjun Dukane- Executive Director (Technical) (from June 1, 2018)
Mr. Santosh Parab - Chief Financial Officer
Ms Lavanya Rastogi - Company Secretary (November 8, 2019 to February 7, 2020)
Mr. Mandar Godbole - Company Secretary (from February 7, 2020)
Mr. Rahul Sawale - Company Secretary (up to July 16, 2019)

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

v Entities where control / significant influence by Directors, KMPs and their relatives exist and with whom transactions have taken place

Fine Lifestyle Solutions Limited
Fine Renewable Energy Limited
Focussed Event Management Private Limited
Vibha Agencies Private Limited
Abana Medisys Private Limited
Pagoda Advisors Private Limited
Hardware Renaissance Inc (from August 13, 2018)
Hemant Sahai Associates (Mr. Abeezer Z. Faizullahoy resigned as Partner from February 4, 2019)
MK Falcon Agrotech Private Limited
Pillar Properties Private Limited
V R Momaya & Associates
Kokuyo Camlin Ltd
Studio Internazionale
Argus Partners (Mr. Abeezer Z. Faizullahoy appointed as Partner from February 5, 2019)

vi Post-employment benefit plan

Camlin Fine Sciences Limited Group Gratuity Scheme

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

II The details of transactions with related parties during the year are given below:

Sr. No.	Nature of Transactions	Name of Related Party	INR (in Lakhs)		
			For the year ended March 31, 2020	For the year ended March 31, 2019	
1	Sale of products	CFS Europe S.P.A	2,498.78	2,869.68	
		CFS do Brazil	3,467.28	1,227.05	
		CFS North America LLC	1,324.81	1,171.62	
		CFS Wanglong Flavors (Ningbo) Company Ltd	7,317.09	7,896.90	
		Dresen Quimica S.A.P.I. De.C.V.	3,037.02	2,558.30	
		Inovel S.A.S.	456.58	175.56	
		CFS Argentina S.A	128.71	17.75	
		Chemolutions Chemicals Limited	51.25	120.25	
		Hardware Renaissance Inc	133.62	102.08	
				18,415.14	16,139.19
2	Services availed:				
		(a) Reimbursement of IT services	CFS Europe S.P.A	15.40	27.72
			CFS do Brazil	2.30	7.85
			CFS North America LLC	3.82	6.62
			Dresen Quimica S.A.P.I. De.C.V.	13.54	16.94
			CFS Wanglong Flavors (Ningbo) Company Ltd	7.41	14.47
			42.47	73.60	
		(b) Reimbursement of expenses	Kokuyo Camlin Limited	0.07	0.16
(c) Job work charges paid	Chemolutions Chemicals Limited	290.63	295.51		
3	Purchase of goods	CFS Europe S.P.A	13,047.98	19,592.00	
		Chemolutions Chemicals Limited	101.82	259.81	
		CFS Wanglong Flavors (Ningbo) Company Ltd	3,431.20	3,396.44	
		Dresen Quimica S.A.P.I. De.C.V.	-	121.23	
			16,581.00	23,369.48	
4	Commission paid	CFS do Brazil	120.99	109.47	
5	Interest received	CFS do Brazil	119.87	117.44	
		Solentus North America Inc	3.95	15.53	
		CFS North America LLC	119.27	116.85	
		CFS Antioxidantes S.A. De.C.V.	-	9.40	
		Dresen Quimica S.A.P.I. De.C.V.	4.57	-	
		247.66	259.22		

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

Sr. No.	Nature of Transactions	Name of Related Party	INR (in Lakhs)	
			For the year ended March 31, 2020	For the year ended March 31, 2019
6	Loans given	Solentus North America Inc	-	18.14
		CFCL Mauritius Private Limited	-	18.14
			-	36.28
7	Material advance given	CFS Wanglong Flavors (Ningbo) Company Ltd	-	289.17
8	Capital advance given	CFS Europe S.P.A	-	980.46
9	Purchase of Property, Plant and Equipments / fixed assets / intangible assets under development	CFS Europe S.P.A	2,584.77	778.71
10	Investments	CFS Europe S.P.A. (Refer Note 6.1)	993.50	-
		CFS North America LLC	-	666.66
		CFS do Brazil	-	1,271.53
		CFS Pahang Asia Pte Ltd	-	17.90
			993.50	1,956.09
11	Consultancy / Professional services	Mr. Subhash D. Dandekar	6.60	6.00
		Mrs. Rajani S. Dandekar	3.15	5.40
		V.R. Momaya & Associates	4.25	3.40
		Pagoda Advisors Private Limited	75.84	60.65
		Hemant Sahai Associates	-	23.55
			89.84	99.00
12	Reimbursement of expenses	CFS Europe S.P.A	43.16	-
13	Rent received	Abana Medisys Private Limited	0.01	0.01
		Fine Renewable Energy Limited	0.01	0.01
		Chemolutions Chemicals Limited	35.77	0.01
			35.79	0.03
14	Provision for impairment in value of investment	Solentus North America Inc	56.01	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

Sr. No.	Nature of Transactions	Name of Related Party	INR (in Lakhs)	
			For the year ended March 31, 2020	For the year ended March 31, 2019
15	Compensation paid to Directors and Key Management Personnel	Short term employee benefits (including bonus and value of perquisites)*		
		Mr. Ashish S. Dandekar	175.61	184.81
		Mr. Dilip D. Dandekar	32.40	32.40
		Mr. Arjun Dukane	61.38	35.54
		Mr. Santosh Parab	61.36	54.18
		Mr. Rahul Sawale	11.40	25.46
		Ms. Lavanya Rastogi	1.85	-
		Mr. Mandar Godbole	3.09	-
			347.09	332.39
		Post employment benefits to Key Management Personnel		
		Mr. Ashish Dandekar	3.38	4.31
		Mr. Arjun Dukane	11.11	0.29
		Mr. Santosh Parab	3.39	1.27
		Mr. Rahul Sawale	-	1.72
		Mr. Mandar Godbole	0.11	-
			17.99	7.59
		Share based payment to Key Management Personnel		
		Mr. Arjun Dukane	4.42	-
		Mr. Santosh Parab	4.42	-
		Mr. Rahul Sawale	0.61	-
			9.45	-
		Sitting fees paid to Non-Executive Directors		
		Mr. Dilip D. Dandekar	4.90	5.25
		Mr. Nirmal V. Momaya	4.00	5.00
Mr. Ajit S. Deshmukh	1.00	3.00		
Mr. Sharad M. Kulkarni	9.25	10.25		
Mr. Pramod M. Sapre	9.70	10.80		

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

			INR (in Lakhs)	
Sr. No.	Nature of Transactions	Name of Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
		Mr. Abeezer E, Faizullabhoy	4.50	10.45
		Mr. Bhargav A. Patel	4.25	10.00
		Mr. Atul R. Pradhan	7.20	5.50
		Mr. Nicola A. Paglietti	4.25	2.00
		Ms. Anagha Dandekar	3.00	3.00
			52.05	65.25
16	Contribution paid to the Group Gratuity Scheme	Paid to Life Insurance Corporation on behalf of Camlin Fine Sciences Limited Group Gratuity Scheme	74.19	33.85

*The compensation to Key Managerial Personnel figures does not include premium paid for group medical and accident insurance.

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, 2020	As at March 31, 2019
1	Trade Receivable	CFS Europe S.P.A	1,138.12	2,294.95
		CFS do Brazil	5,943.31	2,921.70
		Dresen Quimica S.A.P.I. De.C.V.	1,360.86	827.97
		CFS North America LLC	4,175.31	2,824.66
		Inovel S.A.S.	223.90	42.71
		CFS Wanglong Flavors (Ningbo) Company Ltd	10,855.57	7,010.67
		CFS Argentina S.A	214.20	76.34
		Hardware Renaissance Inc	101.21	74.90
			24,012.48	16,073.90
2	Trade Payable	CFS Europe S.P.A	3,095.70	4,122.96
		CFS Wanglong Flavors (Ningbo) Company Ltd	2,983.42	643.33
		Dresen Quimica S.A.P.I. De.C.V.	-	65.67
		Chemolutions Chemicals Limited	234.71	139.89
			6,313.83	4,971.85
3	Other Payable	CFS do Brazil	95.57	115.57
		CFS Europe S.P.A	36.52	0.54
		CFS Wanglong Flavors (Ningbo) Company Ltd	-	1.00
			132.09	117.11

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

Sr. No	Nature of transactions	Name of Related party	INR (in Lakhs)	
			As at March 31, 2020	As at March 31, 2019
4	Payable on purchase of Property, Plant and Equipment	CFS Europe S.P.A	373.72	40.02
5	Loan and Advances Receivable	CFCL Mauritius Private Limited (Refer Note 6.1)	-	977.04
		CFS do Brazil	1,507.72	1,383.43
		Solentus North America Inc	189.18	189.87
		Less: Allowance for Credit Impaired (Refer Note 7.3 and Note 42)	(189.18)	-
		CFS North America LLC	1,500.18	1,376.50
		CFS Antioxidantes De Mexico S.A. De C.V.	-	-
		Dresen Quimica S.A.P.I De C.V.	-	110.68
			3,007.90	4,037.52
6	Interest Receivable	CFS do Brazil	250.03	130.55
		Solentus North America Inc	53.09	49.91
		Less: Allowance for Credit Impaired (Refer Note 7.3, Note 17 and Note 42)	(53.09)	-
		CFS North America LLC	399.43	268.12
		Dresen Quimica S.A.P.I De C.V.	2.05	18.61
			651.51	467.19
7	Other Receivable	CFS Europe S.P.A	345.94	427.46
		CFS do Brazil	15.89	17.59
		Solentus North America Inc	15.79	15.85
		Less: Allowance for Credit Impaired (Refer Note 7.3, Note 17 and Note 42)	(15.79)	-
		CFS North America LLC	140.02	157.56
		CFS Antioxidantes De Mexico S.A. De C.V.	-	-
		Dresen Quimica S.A.P.I De C.V.	7.13	35.90
		CFS Wanglong Flavors (Ningbo) Company Ltd	30.27	18.59
			539.25	672.95
8	Capital Advance	CFS Europe S.P.A	-	980.46
9	Long term gratuity benefits to Key Management Personnel	Mr. Ashish Dandekar	85.65	82.27
		Mr. Arjun Dukane	28.84	17.73
		Mr. Santosh Parab	10.09	6.70
		Mr. Rahul Sawale	-	4.02
		Mr. Mandar Godbole	0.11	-
			124.69	110.72
10	Rent Receivable	Abana Medisys Private Limited	0.48	0.47
		Fine Renewable Energy Limited	0.02	0.01
			0.50	0.48

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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, 2020	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	264.57	264.57	-	-	-	-
Deposits	-	284.44	284.44	-	-	-	-
Current							
Investments	-	-	-	-	-	-	-
Trade Receivables	-	32,348.22	32,348.22	-	-	-	-
Cash and cash equivalents	-	69.83	69.83	-	-	-	-
Bank balances other than above	-	1,242.27	1,242.27	-	-	-	-
Loans	-	2,932.51	2,932.51	-	-	-	-
Deposits	-	77.65	77.65	-	-	-	-
Other Financial Assets	-	2,355.58	2,355.58	-	-	-	-
	-	39,575.07	39,575.07	-	-	-	-
Financial Liabilities							
Non Current							
Foreign Currency Convertible Bonds*	-	11,129.76	11,129.76	-	-	-	-
Term Loans	-	166.67	166.67	-	-	-	-
Lease Liabilities	-	499.80	499.80	-	-	-	-
Derivative Liabilities	1.62	-	1.62	-	1.62	-	1.62
Current							
Borrowings	-	21,841.64	21,841.64	-	-	-	-
Trade Payables	-	13,295.63	13,295.63	-	-	-	-
Lease Liabilities	-	100.36	100.36	-	-	-	-
Current maturities of long term borrowings	-	250.00	250.00	-	-	-	-
Put Option Liability	26.82	-	26.82	-	-	26.82	26.82
Other Financial Liabilities	-	2,221.77	2,221.77	-	-	-	-
	28.44	49,505.63	49,534.07	-	1.62	26.82	28.44

* Fair value of FCCBs is INR 12,512.93 lakhs with Level 2 of fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

INR (in Lakhs)

March 31, 2019	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair Value Through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	2,688.39	2,688.39	-	-	-	-
Deposits	-	189.78	189.78	-	-	-	-
Current							
Investments	325.49	-	325.49	-	325.49	-	325.49
Trade Receivables	-	26,185.91	26,185.91	-	-	-	-
Cash and Cash Equivalents	-	1,889.02	1,889.02	-	-	-	-
Bank Balances other than above	-	5,023.02	5,023.02	-	-	-	-
Loans	-	1,391.28	1,391.28	-	-	-	-
Deposits	-	204.15	204.15	-	-	-	-
Other Financial Assets	-	2,211.80	2,211.80	-	-	-	-
	325.49	39,783.35	40,108.84	-	325.49	-	325.49
Financial Liabilities							
Non Current							
Foreign Currency Convertible Bonds	10,693.80	-	10,693.80	-	10,693.80	-	10,693.80
Borrowings	-	416.66	416.66	-	-	-	-
Current							
Borrowings	-	19,900.13	19,900.13	-	-	-	-
Trade Payables	-	10,588.92	10,588.92	-	-	-	-
Current maturities of long term borrowings	-	338.03	338.03	-	-	-	-
Put Option Liability	177.38	-	177.38	-	-	177.38	177.38
Other Financial Liabilities	-	639.20	639.20	-	-	-	-
	10,871.18	31,882.94	42,754.12	-	10,693.80	177.38	10,871.18

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).

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:

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

- (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.
- (iv) The embedded derivative in FCCB is fair valued by an external independent valuer by computing the average cash flows determined through the Monte Carlo Simulation technique based on the market observable rates and published price.
- (v) Movement of items measured using unobservable inputs (Level 3):**

Particulars	INR (in Lakhs)
	Amount
Balance as at April 01, 2018	367.33
(Gains) / Losses recognised in Statement of Profit and Loss during 2018-2019	(199.47)
Unrealised exchange (gain)/loss on fair valuation of put option	9.52
Balance as at March 31, 2019	177.38
(Gains) / Losses recognised in Statement of Profit and Loss during 2019-2020	(150.55)
Balance as at March 31, 2020	26.83

Unobservable inputs used in Level 3 of fair value hierarchy

The fair value of put option is calculated by independent expert based on the shareholders agreement using 'Income Approach'. The unobservable inputs used in fair valuation under level 3 are determined by considering historical financial statements, management's estimates of probability of put option being exercised by the minority shareholders, Share Holder's Agreement, discount rate and the review of projected revenue and earnings before interest, tax, depreciation and amortization.

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 of currency risk and interest rate risk. The Company's Senior Management and Key Management Personnel have the ultimate responsibility for managing these risks. The Company has a process to identify and analyse the risks faced by the Company, to set appropriate risk limits, to control and 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Outstanding for less than one year	8,331.75	10,628.67
Others	179.83	154.75
	8,511.58	10,783.42
Less: - Allowance for Doubtful Debts	(295.29)	(559.38)
	8,216.29	10,224.04

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.

(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.

Tabulated below is 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.

March 31, 2020	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings						
Foreign Currency Convertible Bonds#	11,129.76	14,302.15	573.25	573.25	13,155.65	-
Term Loans	166.67	485.11	295.42	189.69	-	-
Lease Liabilities	499.80	499.80	-	110.73	383.75	5.32
Other Financial Liabilities	1.62	1.62	1.62	-	-	-
Current						
Borrowings	21,841.64	21,841.64	21,841.64	-	-	-
Trade Payables	13,295.63	13,295.63	13,295.63	-	-	-
Lease Liabilities	100.36	100.36	100.36	-	-	-
Current maturities of long term borrowings	250.00	250.00	250.00	-	-	-
Other Financial Liabilities	2,248.59	2,248.59	2,248.59	-	-	-
Financial Guarantee*	-	24,715.23	24,715.23	-	-	-
	49,534.07	77,740.13	63,321.74	873.67	13,539.40	5.32

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

March 31, 2019	Carrying Amount	Contractual cash flows					INR (in Lakhs)
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years	
Financial Liabilities							
Non Current							
Borrowings							
Foreign Currency Convertible Bonds#	10,693.80	14,013.67	523.82	522.39	7,085.23	5,882.23	
Term Loans	416.66	665.77	165.79	416.20	83.78	-	
Current							
Borrowings	19,900.13	19,900.13	19,900.13	-	-	-	
Trade Payables	10,588.91	10,588.91	10,588.91	-	-	-	
Current maturities of long term borrowings	338.03	338.03	338.03	-	-	-	
Other Financial Liabilities	816.58	816.58	816.58	-	-	-	
Financial Guarantee*	-	23,892.10	23,892.10	-	-	-	
	42,754.11	70,215.19	56,225.36	938.59	7,169.01	5,882.23	

The contractual cash flows of FCCBs are calculated on the assumption that the FCCBs will not get converted into equity shares of the company before the maturity date.

* 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:

a) Trade receivables

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	374.61	28,240.06	338.28	23,399.17
EURO	3.82	316.87	9.54	741.16
	378.42	28,556.93	347.82	24,140.33

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

b) Loan and other receivable

INR (in Lakhs)

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	51.11	3,852.72	55.11	3,811.85
EURO	4.17	345.94	17.58	1,365.82
	55.27	4,198.66	72.68	5,177.67

c) Borrowings

INR (in Lakhs)

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	169.12	12,749.00	154.59	10,693.80
	169.12	12,749.00	154.59	10,693.80

d) Trade payable

INR (in Lakhs)

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	110.84	8,355.90	82.45	5,703.25
EURO	1.43	118.42	-	-
	112.27	8,474.32	82.45	5,703.25

e) Other payable

INR (in Lakhs)

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	1.62	122.39	-	-
EURO	4.94	410.24	0.52	40.02
	6.56	532.63	0.52	40.02

The following significant exchange rates have been applied during the year:

Foreign Currency	Year end spot rate as at	
	March 31, 2020	March 31, 2019
USD / INR	75.3859	69.1713
EUR / INR	83.0496	77.7024

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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 2020 and 31st March 2019:

Foreign Currency	INR (in Lakhs)			
	Impact on profit before tax		Impact on equity	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
USD / INR increase by 5%	543.27	554.16	353.43	434.74
USD / INR decrease by 5%	(543.27)	(554.16)	(353.43)	(434.74)
EUR / INR increase by 5%	6.71	105.35	4.37	82.65
EUR / INR decrease by 5%	(6.71)	(105.35)	(4.37)	(82.65)

(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:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Financial Liabilities		
Borrowings		
Fixed rate instruments		
Foreign Currency Convertible Bonds	11,129.76	10,693.80
Variable rate instruments		
Term Loans (including current maturities)	416.67	754.69
Cash Credit	20,224.02	19,900.13
Other short term loans	1,617.62	-
	33,388.07	31,348.62
Financial Assets		
Fixed rate instruments		
Fixed Deposits	1,218.21	6,846.06
Security Deposits	362.09	393.93
Loans given	3,197.08	4,037.52
	4,777.38	11,277.51

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

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.

Particulars	INR (in Lakhs)			
	Impact on profit before tax		Impact on equity (Net of Tax)	
	100 BP increase	100 BP decrease	100 BP increase	100 BP decrease
March 31, 2020				
Financial Liabilities				
Variable rate instruments				
Borrowings	(222.58)	222.58	(144.80)	144.80
Cash flow sensitivity	(222.58)	222.58	(144.80)	144.80
March 31, 2019				
Financial Liabilities				
Variable rate instruments				
Borrowings	(206.50)	206.50	(162.00)	162.00
Cash flow sensitivity	(206.50)	206.50	(162.00)	162.00

e Offsetting Financial Assets and Financial Liabilities (Refer Note 13 and Note 26)

The amount of trade receivables and trade payables offset in the Balance Sheet is INR 2,920.53 lakhs (March 31, 2019: INR 5,417.51 lakhs). The gross amount of trade receivables is INR 35,268.75 lakhs (March 31, 2019: INR 31,603.42 lakhs) and trade payables is INR 16,216.15 lakhs (March 31, 2019: INR 16,006.41 lakhs).

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:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Non-Current Borrowings #	11,296.43	11,110.46
Current Borrowings	21,841.64	19,900.13
Current maturities of Long Term Debts	250.00	338.03
Gross Debt	33,388.07	31,348.62
Less : Cash and Cash Equivalents	69.83	1,889.02
Less : Bank balances other than above	1,242.27	5,023.02
Less : Current Investments	-	325.49
Net Debt	32,075.97	24,111.09
Total Equity	37,680.32	34,742.64
Net Debt to Equity Ratio	0.85	0.69

Non-Current Borrowings includes FCCBs, being compound financial instruments convertible into equity shares of the Company at the option of the holder of bonds.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

49 Disclosures u/s 186(4) of the Companies Act, 2013

- a Details of investments made are disclosed in Note 6.
- 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: 45(I)(c) and (d).

50 Disclosures made in terms of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

For disclosure of loans, investments and Guarantee- 'Refer Note 49'. Further, there is no investment in shares of the Company by the parties to whom loan have been given.

- 51** Previous year's figures have been regrouped / restated wherever necessary to conform to current year's classification. All figures have been rounded off to the nearest lakhs.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2020

Form AOC-1

Statement pursuant to first proviso to sub-section (3) of Section 129 of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, in the prescribed form AOC-1 relating to Subsidiary Companies and Associate.

Part "A": Subsidiaries

(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	CFS Europe S.p.A.	Apr 19 to Mar 20	EUR	83.05	1,053.23	9,625.92	31,241.63	24,125.14	3,562.66	30,908.26	3,273.35	(933.29)	2,340.06	-	100%
2	CFS Do Brasil Importacao E Exportacao De Aditivos Alimenticios LTDA.	Apr 19 to Mar 20	BRL	14.47	1,603.11	(3,851.84)	6,311.58	8,656.05	95.74	6,178.99	(1,832.06)	(227.20)	(2,059.26)	-	100%
3	Solentus North America Inc	Apr 19 to Mar 20	CAD	53.49	56.01	(360.20)	5.25	309.44	-	-	(51.86)	-	(51.86)	-	100%
4	CFS North America LLC	Apr 19 to Mar 20	USD	75.39	978.17	(4,472.16)	3,071.48	6,565.47	3,858.06	3,858.06	(783.37)	-	(783.37)	-	100%
5	CFS International Trading (Shanghai) Ltd	Apr 19 to Mar 20	CNY	10.64	50.32	(88.10)	8.76	46.54	-	-	(5.09)	-	(5.09)	-	100%
6	Dresen Quimica, S.A.P.I. de C.V.	Apr 19 to Mar 20	MXP	3.17	2,477.61	5,620.42	12,191.76	8,331.43	4,237.69	18,787.98	3,069.18	(1,064.33)	2,004.85	-	65%
7	Industrias Petrotec de Mexico, S.A. de C.V.	Apr 19 to Mar 20	MXP	3.17	3.46	252.40	443.06	187.21	-	2,148.66	86.16	(37.29)	48.87	-	65%
8	Inovel, S.A.S.	Apr 19 to Mar 20	MXP	3.17	70.87	309.64	1,208.76	828.25	-	2,316.50	75.42	(61.45)	13.97	-	65%
9	Nuvel, S.A.C.	Apr 19 to Mar 20	MXP	3.17	26.95	1,132.74	1,901.46	741.76	-	1,710.60	77.41	(28.95)	48.46	-	65%
10	Britec, S.A.	Apr 19 to Mar 20	MXP	3.17	27.10	513.98	890.85	349.77	-	1,450.68	61.94	(15.71)	46.22	-	65%
11	Grinel, S.R.L.	Apr 19 to Mar 20	MXP	3.17	1.30	-	1.30	-	-	-	-	-	-	-	65%
12	Chemolutions Chemicals Ltd.	Apr 19 to Mar 20	INR	1.00	676.70	(315.36)	512.07	150.73	-	391.76	115.72	(78.99)	36.73	-	94.08%
13	CFS Wanglong Flavors (Ningbo) Co.Ltd.**	Apr 19 to Mar 20	CNY	10.64	7,798.63	(2,642.39)	18,512.75	13,356.51	-	17,652.61	(2,673.72)	638.80	(2,034.92)	-	51%
14	CFS Argentina SA	Apr 19 to Mar 20	ARG	1.17	45.28	(70.09)	217.89	242.70	-	229.14	(29.88)	-	(29.88)	-	100%
15	CFS Chile SpA	Apr 19 to Mar 20	CLP	0.09	50.46	(1.77)	588.23	539.52	-	634.46	14.31	(3.39)	10.92	-	100%
16	CFS Pahang Asia Pte Ltd.	Apr 19 to Mar 20	SGD	52.99	35.11	(4.62)	32.87	2.38	-	-	(1.86)	-	(1.86)	-	51%

Part "B": Associates and Joint Ventures											
1	Name of Associate	Fine Lifestyle Brands Limited									
2	Latest audited Balance Sheet Date	March 31, 2020									
3	Shares of Associate held by the company on the Year end	254,994									
	Number of Shares	2,549,940									
	Amount of investment in Associate	49.04%									
	Extend of Holding %	Control of 49.04% of Equity Share Capital									
4	Description of how there is Significant Influence	NA									
5	Reason why the Associate is not consolidated	(0.06)									
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (INR in lakhs)	(0.09)									
7	Profit for the Year	-									
	i. Considered in Consolidation (INR in lakhs)	-									
	ii. Not Considered in Consolidation (INR in lakhs)	NA									
8	Names of associates or joint ventures which are yet to commence operations	NA									

Signatures to the Statement of Profit and Loss and Notes to 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: June 19, 2020

Ashish S. Dandekar
 Managing Director
 DIN: 01077379
 Khandala, Dated: June 19, 2020

Mandar Godbole
 Company Secretary & General Manager - Legal
 ICSI Membership No: A30240

Dilip D. Dandekar
 Chairman
 DIN: 00846901
 Mumbai, Dated: June 19, 2020

Santosh Parab
 Chief Financial Officer
 Mumbai, Dated: June 19, 2020

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
CAMLIN FINE SCIENCES LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **CAMLIN FINE SCIENCES LIMITED** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries collectively referred to as "the Group"), which includes the Group's share of loss in its associate which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on the separate financial statements of the subsidiaries and an associate referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs

(financial position) of the Group as at March 31, 2020, of consolidated profit (financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Our Response
Valuation of Financial Instruments	
The fair value of certain financial instruments is determined through the application of the valuation techniques which often involves the exercise of judgements by the Management and the use of assumptions. The estimation uncertainty can be high for those instruments where significant valuation inputs are unobservable (e.g. cash flow projections, finance cost estimation, market volatility, forecast of operational estimates, etc).	Our audit work in respect of the valuation of put option instrument included: Obtained an understanding of the determination of fair value of the option and assessed and tested the reasonableness of the significant judgements applied by the management.

Key Audit Matter Description	Our Response
<p>In respect of valuation of complex financial instruments like the Foreign Currency Convertible Bonds (FCCBs) and the Put option the Holding Company has engaged expert(s) to carry out the valuation at its initial recognition and subsequently at each reporting date.</p> <p>The measurement of the Put Option valuation carried out by the external expert engaged by the management has considered certain factors such as projected EBITDA, weighted average cost of capital, probability of option being exercised etc. (Refer Note 28 on Put Option Liability forming part of the notes to the Consolidated Financial Statements) and in case of FCCBs certain factors considered are finance cost and payment schedules being determined based on movement in equity share prices of the Company, volatility of shares price over certain period, and observable market input e.g. risk free rate, currency swap rates, etc (Refer Note 23) forming part of the notes to the Consolidated Financial Statements). The fair value of the financial instruments in the given case is determined through the application of valuation techniques which involves making significant assumptions and the exercise of judgement.</p>	<p>Evaluating the contractual arrangement governing the option in the hands of the holders and ensuring that the management expert engaged to perform and compute the valuation has necessary expertise and knowledge to provide an acceptable value to the financial instrument. We have also reviewed the valuation report obtained by the Holding Company from their expert for valuing the option.</p> <p>We have independently evaluated the assumptions made and factors considered in the valuation of the option.</p> <p>Our audit work in respect of the valuation of foreign currency convertible bonds included:</p> <p>We understood and assessed the models and methodology used for the valuation of the instruments measured at amortised cost as well as those which are designated at fair value through profit or loss both at the time of initial recognition and subsequent measurement on the reporting dates. Through a series of interaction and discussion with the valuation expert engaged by the management and assessing the appropriateness of various factors and their related assumptions such as share price and its volatility, consideration of risk free rate, borrowing rate of the company for a similar instrument with / without conversion features, interest amount to be paid along with timing etc. used in the overall computation of the fair value, we have drawn our comfort on the principles of recognition and measurement.</p> <p>Assessed the appropriateness of the disclosure in the Consolidated Financial Statements in accordance with the applicable financial reporting framework.</p>
<p>Capital Work-in-Progress in relation to Dahej Project</p>	
<p>Identification of cost that is required to be capitalized requires management judgement. Inaccurate cost capitalization may result in amounts being capitalized that do not meet capitalization criteria and affects the accuracy of cost to be capitalized.</p> <p>Refer Note 2(b) forming part of the notes to the Consolidated Financial Statements and intangible assets under development.</p>	<p>Our audit procedures included testing the design, implementation and operating effectiveness of controls in respect of cost of capital work in progress, PPE and intangible assets under development.</p> <p>We assessed the nature of costs incurred in capital projects through testing of amounts recorded and considering whether the expenditure met the criteria for capitalization under accounting standards.</p> <p>We tested the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and properly segregated into appropriate categories.</p> <p>Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.</p>

Key Audit Matter Description	Our Response
Income tax expenses / benefits	
<p>The Holding Company has extensive international operations and in the normal course of the business, the Management makes significant judgements and estimates in relation to transfer pricing tax issues and in assessing tax exposures in each jurisdiction, many of which require interpretation of local laws, including amount expected to be paid/recovered for uncertain tax positions.</p> <p>Where the amount of tax payable is uncertain, the Holding Company establishes provisions based on management's judgement of the probable amount of liability. This is a key judgement on account of the Holding Company operating in a number of varying tax jurisdictions, the complexity of transfer pricing and other international tax legislations.</p> <p>Given this judgement, there is a risk that tax provisions are misstated.</p>	<p>Our procedures included:</p> <p>An understanding of:</p> <ul style="list-style-type: none"> • the Holding Company's tax strategy and transfer pricing policy; • the methodology for the calculation of the tax charge particularly in relation to any changes implemented during the current financial year; and • management's controls over tax reporting. <p>We assessed the appropriateness of the tax provisions created by the Holding Company and their use of estimates and judgements by involving our inhouse tax specialist team, having discussions with the Holding Company's management, assessed recent pronouncements affecting the methodology for calculation of tax charge and copies of external tax advice reports related to tax treatments applied and the corresponding provisions recorded.</p> <p>We have also evaluated whether the liabilities and potential exposures were appropriately disclosed in the Financial Statements.</p>
Recognition of Deferred Tax Assets (DTA) on tax losses	
<p>CFS North America LLC (Subsidiary of the Holding Company) has recognized DTA on tax losses. Recognition of DTA on tax losses involves significant judgement to determine availability of future taxable profits against which the tax losses can be utilized.</p>	<p>The auditor has involved internal experts in evaluating management's assessment of availability of future taxable profits against which tax losses can be utilised. The auditor has obtained appropriate convincing evidence and challenged management's estimate of projected sales, operating margins and cash flows. Considering the current trend of turnover & order flow from customers coupled with business strategy adopted by the group and overall positive business scenario in the markets in which the company operates, the management believes that sufficient future taxable profits will be available against which unused losses can be utilized. The auditor's procedures included reviewing regulatory provisions relating to limitation on carry forward & its impact on utilization of tax losses, discussion with management on business strategy and reasonableness of assumptions in light of the current developments. The component auditor also assessed and analyzed reliability of management's forecasts through a review of actual performance against previous forecasts.</p>

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely Financial Highlights, Directors' Report, Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility Report but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and review the steps taken by the management to communicate to those in receipt of the other information, if previously issued, to inform them of the revision.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the holding company and its subsidiary company and an associate incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- (e) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

1. We did not audit the financial statements of eleven subsidiaries incorporated outside India and a subsidiary in India included in the consolidated financial statements, whose financial statements reflect total asset of Rs. 81,023.58 lakhs as at March 31, 2020; total revenue of Rs. 84,700.64 lakhs and net cash flows amounting to Rs. 1,741.79 lakhs for the year ended on that date. The consolidated financial statements also include the Group's share of net loss of Rs. 0.09 lakhs for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and an associate, is based solely on the reports of the other auditors.
2. These subsidiaries are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results 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 'Ind AS'). We have audited these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of the other auditors and the conversion adjustments made by the Holding Company's management and audited by us. Our report on the statement is not modified in respect of these matters.
3. We did not audit the financial statements of four subsidiaries whose financial statements reflect total

assets of Rs. 847.72 lakhs as at March 31, 2020, total revenues of Rs. 863.60 lakhs and net cash flows amounting to Rs. 152.18 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and an associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant Rules of the Companies (Accounts) Rules, 2014.
- (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, 2020 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 and its associate company incorporated in India is disqualified as on March 31, 2020 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 Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) According to information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the provisions of Section 197 of the Act.
- (h) 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 its associate has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements - Refer Note 42(I) to the Consolidated Financial Statements.
 - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associate during the year ended March 31, 2020.

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
UDIN: 20127355AAAACJ7166

Place: Mumbai
Dated: June 19, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Consolidated Financial Statements for the year ended March 31, 2020.

Report on the Internal Financial Controls with reference to financial statements 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 and an associate, which are companies incorporated in India, as of March 31, 2020 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary and associate company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 Holding Company, its subsidiary and an associate company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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 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 Holding Company's, subsidiary company's and associate 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 consolidated 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 consolidated 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 consolidated 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 respect 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, the Holding Company, its subsidiary and an associate which are companies incorporated in India have, 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, 2020, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary and an associate companies 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 the subsidiary and an associate which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India.

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
UDIN: 20127355AAAACJ7166

Place: Mumbai
Dated: June 19, 2020

CONSOLIDATED BALANCE SHEET

as at March 31, 2020

Particulars	Notes	INR (in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2(a)	20,341.51	20,545.83
Capital Work-in-Progress	2(b)	17,604.06	5,733.22
Right-of-Use Assets	3	3,374.84	-
Investment Property	4	207.19	207.19
Goodwill		4,443.31	4,443.31
Intangible Assets	5	2,211.77	2,047.91
Intangible Assets under development		273.88	167.10
Investment in Associate	6	13.27	13.36
Financial Assets			
Investments	7	722.55	714.25
Loans	8	1,234.76	1,113.84
Deferred Tax Assets (Net)	9	4,068.58	4,124.60
Income Tax Assets (Net)	10	657.16	739.69
Other Non-Current Assets	11	757.89	1,581.35
Total Non-Current Assets		55,910.77	41,431.65
Current Assets			
Inventories	12	29,814.85	28,541.39
Financial Assets			
Investments	13	-	325.49
Trade Receivables	14	25,280.32	20,931.98
Cash and Cash Equivalents	15	5,236.67	5,321.36
Bank Balances other than Cash and Cash Equivalents	16	1,242.27	5,023.02
Loans	17	113.70	307.14
Other Financial Assets	18	1,165.71	1,074.75
Other Current Assets	19	4,642.06	5,722.51
Total Current Assets		67,495.58	67,247.64
TOTAL ASSETS		123,406.35	108,679.29
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	20	1,212.54	1,212.54
Other Equity	21	39,101.14	35,875.57
Non-Controlling Interests	22	5,696.84	5,939.91
Total Equity		46,010.52	43,028.02
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	23	21,151.27	19,363.44
Lease Liabilities	3	966.74	-
Other Financial Liabilities	24	1.62	-
Provisions	25	284.87	236.88
Deferred Tax Liabilities (Net)	9	208.18	11.84
Total Non-Current Liabilities		22,612.68	19,612.16
Current Liabilities			
Financial Liabilities			
Borrowings	26	27,807.11	24,433.51
Trade Payables	27		
Total Outstanding Dues of Micro Enterprises and Small Enterprises and		898.35	400.09
Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises		16,473.22	16,061.32
Lease Liabilities	3	327.70	-
Other Financial Liabilities	28	6,720.84	3,662.68
Other Current Liabilities	29	1,102.54	729.04
Provisions	30	789.83	703.69
Current Tax Liabilities (Net)	31	663.56	48.78
Total Current Liabilities		54,783.15	46,039.11
Total Liabilities		77,395.83	65,651.27
TOTAL EQUITY AND LIABILITIES		123,406.35	108,679.29
Significant Accounting Policies			

The accompanying notes 1 to 51 form an integral part of the Consolidated 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: June 19, 2020

Signatures to the Consolidated Balance Sheet and Notes to Consolidated
For and on behalf of the Board
Dilip D. Dandekar
Chairman
DIN: 00846901
Mumbai, Dated: June 19, 2020

Santosh Parab
Chief Financial Officer

Mumbai, Dated: June 19, 2020

Ashish S. Dandekar
Managing Director
DIN: 01077379
Khandala, Dated: June 19, 2020

Mandar Godbole
Company Secretary & General Manager - Legal
ICSI Membership No: A30240

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

Particulars	Notes	INR (in Lakhs)	
		For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from Operations	32	104,914.84	89,216.67
Other Income	33	342.84	1,378.73
Total Income		105,257.68	90,595.40
EXPENSES			
Cost of Materials Consumed	34	49,970.58	46,928.06
Purchases of Stock-in-Trade		5,346.60	2,617.41
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	35	(1,939.42)	(2,065.19)
Employee Benefits Expense	36	9,971.26	8,788.52
Finance Costs	37	4,312.91	3,670.73
Depreciation and Amortisation Expense	38	3,280.23	2,899.32
Other Expenses	39	28,495.35	26,081.39
Total Expenses		99,437.51	88,920.24
Profit Before Share of Profit/(Loss) of Associate		5,820.17	1,675.16
Share of Loss of Associate (Net of Tax)		(0.09)	(5.88)
Profit Before Tax		5,820.08	1,669.28
Tax Expense			
Current tax	9	2,488.99	1,582.98
Deferred tax	9	348.01	(214.28)
Total Tax Expense		2,837.00	1,368.70
Profit for the Year		2,983.08	300.58
Other Comprehensive Income			
(A) Items that will not be subsequently reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plans		(44.80)	(46.30)
Income Tax relating to items that will not be reclassified to Profit or Loss		15.66	16.18
Total (A)		(29.14)	(30.12)
(B) Items that will be reclassified subsequently to Profit or Loss			
Exchange differences in translating the financial statements of foreign operations		180.70	133.15
Income Tax relating to items that will be reclassified to Profit or Loss		(21.37)	(49.70)
Total (B)		159.33	83.45
Total Other Comprehensive Income for the Year (A)+(B)		130.19	53.33
Total Comprehensive Income for the Year		3,113.26	353.91
Profit for the Year attributable to:			
Owners of the Company		3,031.86	57.72
Non-Controlling Interests		(48.78)	242.86
Total Other Comprehensive Income for the Year attributable to:			
Owners of the Company		150.35	55.99
Non-Controlling Interests		(20.16)	(2.66)
Total Comprehensive Income for the Year attributable to:			
Owners of the Company		3,182.21	113.71
Non-Controlling Interests		(68.94)	240.20
Earnings per Equity Share (Face Value INR 1 each)			
Basic	41	2.50	0.05
Diluted		2.50	0.05
Significant Accounting Policies	1		

The accompanying notes 1 to 51 form an integral part of the Consolidated 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: June 19, 2020

Signatures to the Consolidated Statement of Profit and Loss and Notes to Consolidated Financial Statements

For and on behalf of the Board

Dilip D. Dandekar

Chairman

DIN: 00846901

Mumbai, Dated: June 19, 2020

Santosh Parab

Chief Financial Officer

Mumbai, Dated: June 19, 2020

Ashish S. Dandekar

Managing Director

DIN: 01077379

Khandala, Dated: June 19, 2020

Mandar Godbole

Company Secretary & General Manager - Legal

ICSI Membership No: A30240

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

Particulars	INR (in Lakhs)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Cash Flow from Operating Activities		
Profit Before Taxation	5,820.08	1,669.28
Adjustment for:		
Depreciation and Amortisation Expense	3,280.23	2,899.32
Finance Costs	4,312.91	3,670.73
Foreign Exchange Loss / (Gain) (Unrealised)	257.55	173.97
(Gain)/Loss on sale of Property, Plant & Equipment and Intangible Assets	(0.45)	(6.73)
Re-measurement of defined benefit plan	(44.80)	15.13
Provision for Compensated Absences	134.13	43.69
Expenses / (reversal) recognised in respect of equity settled share based payments	44.39	(3.07)
Allowance for Credit Loss	719.25	391.93
Allowance for Doubtful Advances	234.73	-
Interest income	(127.21)	(101.55)
Net (Gain) / Loss arising on sale of mutual funds	(10.19)	118.27
Hyperinflationary effect on Consolidated Statement of Profit and Loss	(0.73)	32.88
Net gain arising on Financial Liabilities measured at Fair Value Through Profit or Loss (FVTPL)	(150.55)	(199.47)
Operating Profit before working capital changes	14,469.34	8,704.38
Adjustment for:		
Increase/(Decrease) in Non Financial Liabilities	373.50	(118.08)
Increase/(Decrease) in Financial Liabilities	853.29	(1,308.46)
(Increase)/Decrease in Non Financial Assets	(363.98)	(4,949.41)
(Increase)/Decrease in Financial Assets	(4,938.50)	(1,606.59)
Cash generated from / (used in) operations	(4,075.69)	(7,982.54)
Taxes Paid (Net)	(1,791.68)	(1,621.52)
Net Cash Flow from / (used in) Operating activities	8,601.97	(899.68)
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(13,413.98)	(6,935.23)
Sale of Property, Plant & Equipment and Intangible Assets	14.11	20.20
Sale / (Purchase) of non-current investments	(8.21)	5.88
Sale / (Purchase) of Mutual Funds (Net)	335.68	10,363.87
Maturity of / (Investment in) Fixed Deposits	3,778.60	(4,064.56)
Interest Received	282.05	416.00
Net Cash Flows from/(used in) Investing Activities	(9,011.75)	(193.84)
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital (net of issue expenses)	-	16.49
Proceeds from / (Repayment of) Foreign Currency Convertible Bonds	-	10,753.80
Proceeds from / (Repayment of) Long Term Borrowings (Net)	1,700.55	(1,641.32)
Proceeds from / (Repayment of) Short Term Borrowings (Net)	3,373.60	(245.09)
Interest Paid	(3,933.66)	(5,692.89)
Payment of lease liabilities	(535.72)	-
Dividend paid to other shareholder of Dresen Quimica S.A.P.I de C.V.	(279.68)	(623.73)
Net Cash Flow from Financing Activities	325.09	2,567.26
Net Increase/(Decrease) in Cash & Cash Equivalents	(84.69)	1,473.74
Cash & Cash Equivalents at the beginning of the year	5,321.36	3,847.62
Cash & Cash Equivalents at the end of the year	5,236.67	5,321.36

CONSOLIDATED STATEMENT OF CASH FLOWS (Contd.)

for the year ended March 31, 2020

Note :

(a) The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) **Cash and Cash Equivalents comprises of :**

Particulars	INR (in Lakhs)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Balances with Banks in Current Accounts	5,221.28	3,460.69
Bank deposits with original maturity of less than three months	-	1,849.25
Cash on Hand	15.39	11.42
Cash and cash equivalents in Cash Flow Statement	5,236.67	5,321.36

(c) **Movement in Borrowings in accordance with Ind AS 7**

Particulars	INR (in Lakhs)			
	March 31, 2019	Cash Flow	Non-cash changes	March 31, 2020
Long term borrowings	21,654.79	1,700.55	1,395.90	24,751.24
Short term borrowings	24,433.51	3,373.60	-	27,807.11
Total borrowings	46,088.30	5,074.15	1,395.90	52,558.35

Particulars	INR (in Lakhs)			
	March 31, 2018	Cash Flows	Non-cash changes	March 31, 2019
Long term borrowings	12,602.31	9,112.48	(60.00)	21,654.79
Short term borrowings	24,678.60	(245.09)	-	24,433.51
Total borrowings	37,280.91	8,867.39	(60.00)	46,088.30

(d) **Previous period's figures have been regrouped/reclassified wherever applicable.**

The accompanying notes 1 to 51 form an integral part of the Consolidated 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: June 19, 2020

Signatures to the Consolidated Statement of Cash Flows and Notes to Consolidated Financial Statements

For and on behalf of the Board

Dilip D. Dandekar
 Chairman
 DIN: 00846901
 Mumbai, Dated: June 19, 2020

Santosh Parab
 Chief Financial Officer

Mumbai, Dated: June 19, 2020

Ashish S. Dandekar
 Managing Director
 DIN: 01077379
 Khandala, Dated: June 19, 2020

Mandar Godbole
 Company Secretary & General Manager - Legal
 ICSI Membership No: A30240

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

a) Equity Share Capital

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the reporting year	1,212.54	1,212.54
Issued pursuant to exercise of Employee Stock Options	-	0.24
Changes in equity share capital during the year	-	0.24
Balance at the end of the reporting year	1,212.54	1,212.54

b) Other Equity

Particulars	Equity Component of Foreign Currency Convertible Bonds (FCCBs)	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 Reserve	Retained Earnings					
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
Profit for the Year	-	-	-	-	-	-	57.72	-	-	57.72	-	57.72
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	(30.12)	-	-	(30.12)	-	(30.12)
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	154.87	154.87	-	154.87
Dividend paid to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	(623.73)	-	-	(623.73)	-	(623.73)
Other movements	-	-	-	-	-	2.66	-	-	-	2.66	-	2.66
Total Comprehensive Income for the year	-	-	-	-	-	2.66	(596.13)	-	154.87	(438.60)	-	(438.60)
Issue of Equity Shares pursuant to exercise of Employee Stock Options (ESOP)	-	-	-	16.25	-	-	-	-	-	16.25	-	16.25
Deferred Tax on QIP Issue expenses	-	-	-	-	-	-	(38.09)	-	-	(38.09)	-	(38.09)
Fair valuation Share Based Payments	-	-	-	-	(3.07)	-	-	-	-	(3.07)	-	(3.07)
Acquired pursuant to business combination	-	104.14	-	-	-	-	-	-	-	104.14	-	104.14
Equity component of Foreign Currency Convertible Bonds (Refer Note 21(i))	330.97	-	-	-	-	-	-	-	-	330.97	-	330.97
Changes in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	(281.82)	(281.82)
Balance as at March 31, 2019	330.97	238.66	1,080.63	21,462.20	153.21	2,536.29	6,689.89	2,085.53	1,298.19	35,875.57	5,939.91	41,815.48
Profit for the Year	-	-	-	-	-	-	3,031.86	-	-	3,031.86	-	3,031.86
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	(29.14)	-	-	(29.14)	-	(29.14)
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	179.49	179.49	-	179.49
Other movements	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	3,002.72	-	179.49	3,182.21	-	3,182.21
Issue of Equity Shares pursuant to ESOP	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax on QIP Issue expenses	-	-	-	-	-	-	(38.09)	-	-	(38.09)	-	(38.09)
Lapse of Employee Stock Option Scheme, 2014	-	-	-	-	(153.21)	-	153.21	-	-	-	-	-
Fair valuation Share Based Payments	-	-	-	-	44.39	-	-	-	-	44.39	-	44.39
Transferred pursuant to forfeiture of share warrants	-	2,085.53	-	-	-	-	-	(2,085.53)	-	-	-	-
Other movements	-	(104.14)	-	-	-	-	629.55	-	(488.35)	37.06	105.55	142.61
Changes in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	(348.62)	(348.62)
Balance as at March 31, 2020	330.97	2,220.05	1,080.63	21,462.20	44.39	2,536.29	10,437.28	-	989.33	39,101.13	5,696.84	44,797.98

The accompanying notes 1 to 51 form an integral part of the Consolidated 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: June 19, 2020

Signatures to the Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements

For and on behalf of the Board

Dilip D. Dandekar

Chairman

DIN: 00846901

Mumbai, Dated: June 19, 2020

Santosh Parab

Chief Financial Officer

Mumbai, Dated: June 19, 2020

Ashish S. Dandekar

Managing Director

DIN: 01077379

Khandala, Dated: June 19, 2020

Mandar Godbole

Company Secretary & General Manager - Legal

ICSI Membership No: A30240

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

Note 1:

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 in research, development, manufacturing and marketing of specialty chemicals which are used as antioxidants, industrial chemicals and aroma products. 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 prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Amendment Rules as amended from time to time. The Group’s Financial Statements for the year ended March 31, 2020 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows, Statement of Changes in Equity and the Notes to Consolidated Financial Statements.

The Financial Statements of the Group for the year ended March 31, 2020 are approved by the Board of Directors on June 19, 2020.

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.

a. 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 or amortised cost as described below.
- defined benefit plans which have been measured on the basis of actuarial valuation as required by relevant Ind ASs.
- financial statements of a subsidiary whose functional currency is the currency of hyperinflationary economy are stated in terms of the measuring unit at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

b. 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 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 and applicable discount rate
- (vii) Impairment of financial assets.
- (viii) Measurement of Lease Liabilities and Right of Use Assets.
- (ix) Key assumptions used in discounted cash flow projections.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

Due to pandemic of COVID-19 virus, there have been several restrictions imposed by the Governments across the globe on manufacturing activities, on the travel, goods movement and transportation considering public health and safety measures, which had some impact on the Group's supply chain during March, 2020. The Group is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information on the expected future performance of the Group, its ability to meet its liabilities as and when they fall due, and in assessing the recoverability and carrying values of its assets comprising property, plant and equipment (including work in progress), intangible assets, receivables and other financial assets. There is no material change in the internal control environment in the Group. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

c. 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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.

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.

C. Recent Accounting Developments

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

D. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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 for 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:

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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.

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. Leases

As a Lessee

The Group's lease assets primarily consist of land, buildings and vehicles. The Group assesses whether a contract contains a lease at the inception of the contract. Leases of assets (other than short term leases or leases for which the underlying asset is of low value) are recognised if the lease contract conveys the right to the Group to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time, if throughout the period of lease, the Group has both of the following:

- a) The right to obtain substantially all of the economic benefits from use of the identified asset.
- b) The right to direct the use of the identified asset.

At the date of commencement of lease, the Group recognises a Right-Of-Use asset and a corresponding lease liability for all lease arrangements in which it is a lessee except for leases for a term of twelve months or less (short term leases) and low value leases. For short term leases and low value leases, the Group recognises the lease payments as an expense on a straight-line basis over the lease term. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the incremental borrowing rate in the country of domicile of the leases. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or if Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

The Group's lease assets primarily consist of buildings and plant & machinery.

Leases for which the Group is a lessor is classified either as a finance or operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rent income is recognised as income on a straight line basis over lease term unless the receipts are structured to increase in line with expected general inflation.

j. 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.

After 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.

k. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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.

I. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

m. 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.

n. 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 on the basis of its business model for managing the financial assets

- 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)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

(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 (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 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 Consolidated 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 Consolidated Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Consolidated 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.

(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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

- 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 except hybrid instruments with embedded derivatives where the embedded derivative cannot be measured separately either at inception or at the end of a subsequent reporting financial period in which case it is measured at Fair Value through Profit or Loss. In case the embedded derivatives can be separated, the same is measured at Fair Value Through Profit or Loss and the host contract is 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) Compound financial instruments

Compound financial instruments issued by the Company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, FCCB being a hybrid contract, if the embedded derivative can be separated and measured, then the same is measured at fair value and designated as FVTPL, while the remaining liability component is subsequently measured at amortised cost using Effective Interest Rate method. The equity component of a compound financial instrument is not remeasured subsequently.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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

o. Inventories

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

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.

p. 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.

q. 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 Consolidated financial statements. Contingent Assets if any, are disclosed in the notes to the Consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

r. Revenue Recognition

Revenue is recognised upon transfer of control of goods promised to customers in an amount that reflects the consideration to which the Group is expected to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue excludes taxes collected from customer.

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

(i) Sale of Goods

- Revenue from the domestic sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.
- Revenue from the export sales are recognised net of returns and allowances, trade discounts and volume rebates upon delivery, usually on the basis of dates of bill of lading which is when the control of the goods passes to the Customer and performance obligation is met at a point in time.

(ii) Sale of services

The Group uses output method for measurement of services income.

(iii) 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.

(iv) Interest Income

- (a) Interest income is recognized as the interest accrues (using the effective interest rate, that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).
- (b) Interest income on fixed deposits with banks is recognised on time basis.

(v) Dividend Income

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

s. 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 Consolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

Defined Benefit Plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit those 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 Consolidated 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 Consolidated 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 Consolidated Statement of Profit and Loss in the period in which they arise.

t. Share-Based Payment

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".

u. 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 also include exchange differences on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs pertaining to the period from commencement of activities relating to the construction / development of qualifying asset till the time all activities necessary to prepare the qualifying asset for its intended use or sale are complete are capitalised. Any income earned from temporary investment of borrowed funds is deducted from borrowing costs incurred.

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, 2020

v. 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.

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). The financial statements of a subsidiary whose functional currency is the currency of hyperinflationary economy, the inflation effects of origin country are recognised and subsequently translated into reporting currency. When a foreign operation is disposed of, in part or in full, the relevant amount in FCTR is transferred to the Consolidated Statement of Profit and Loss.

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 other equity or in other comprehensive income, in which case, the tax is also recognized directly in other 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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. Recognition of effects of inflation in countries with hyperinflationary economic environment

The Group recognises the effect of inflation on the financial statements of a subsidiary that operates in hyperinflationary economic environment which consists of:

- using inflation factors to restate non-monetary assets such as inventories, property, plant and equipment including related costs and expenses when such assets are consumed or depreciated.
- applying inflation factors to restate capital stock, net income, retained earnings by the necessary amount to maintain the purchasing power equivalent in the currency of the country on the dates when such capital was contributed or income was generated upto the reporting date.
- include the gain or loss in consolidated statement of profit and loss.

The Group restates the financial information of subsidiary that operates in hyperinflationary economic environment using the general price index of the country.

y. 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.

z. Dividend

The Group recognises a liability for any dividend declared but not distributed at the end of the reporting period,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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.

aa. 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.

ab. Events after the reporting period

When events occur after the reporting period provide evidence of the conditions that existed at the end of the reporting period, the impact of such events is adjusted in the financials statements. Otherwise, events after the reporting period of material size or nature are only disclosed.

ac. Non-current Assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

The non-current assets classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

2 (a) Property, Plant & Equipment

Particulars	Other than Research & Development ("R&D") Assets							R&D Assets				Total Property, Plant and Equipment
	Freehold Land	Leasehold Land	Leasehold Improvement	Factory & Other Building	Site Development	Plant, Equipment & Machinery	Furniture & Fixtures	Vehicles	Computer/Hardware Cost	Equipment & Furniture	Building	
Gross Block	124.70	2,192.61	271.57	3,148.41	27.62	19,980.11	420.42	341.86	142.72	812.43	212.60	27,675.05
Balance as at April 1, 2019	-	(2,192.61)	-	-	-	-	-	-	-	-	-	(2,192.61)
Transition impact of Ind AS 116 (Refer Note 3)	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at April 1, 2019	124.70	-	271.57	3,148.41	27.62	19,980.11	420.42	341.86	142.72	812.43	212.60	25,482.44
Additions	116.26	-	184.92	281.12	82.66	3,060.53	86.95	83.33	54.60	-	13.66	3,964.03
Deletions / Disposals	-	-	-	1.93	-	22.71	-	51.48	0.12	-	-	76.24
Foreign exchange translation difference	8.56	-	(11.60)	152.57	-	1,473.69	(20.88)	(21.92)	1.97	-	(2.58)	1,579.81
Balance as at March 31, 2020	249.52	-	444.89	3,580.17	110.28	24,491.62	486.49	351.79	199.17	812.43	223.68	30,950.04
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Balance upto April 1, 2019	-	102.65	74.98	357.69	4.63	5,790.31	242.63	162.32	78.10	274.72	41.19	7,129.22
Transition impact of Ind AS 116 (Refer Note 3)	-	(102.65)	-	-	-	-	-	-	-	-	-	(102.65)
Restated Balance upto April 1, 2019	-	-	74.98	357.69	4.63	5,790.31	242.63	162.32	78.10	274.72	41.19	7,026.57
Depreciation for the year (Refer Note 2.a.ii)	-	-	18.64	166.75	12.01	2,100.14	48.37	57.22	36.81	90.98	12.66	2,543.58
Deletions / Disposals	-	-	-	-	-	22.46	-	39.99	0.12	-	-	62.57
Foreign exchange translation difference	-	-	(10.92)	58.37	-	1,083.11	(20.36)	(5.79)	(0.67)	(2.79)	-	1,100.95
Balance upto March 31, 2020	249.52	-	82.70	582.81	16.64	8,951.10	270.64	173.76	114.12	362.91	53.85	10,608.53
Net Carrying Amount as at March 31, 2020	-	-	362.19	2,997.36	93.64	15,540.52	215.85	178.03	85.05	449.52	169.83	20,341.51

Particulars	Other than Research & Development ("R&D") Assets							R&D Assets				Total Property, Plant and Equipment
	Freehold Land	Leasehold Land	Leasehold Improvement	Factory & Other Building	Site Development	Plant, Equipment & Machinery	Furniture & Fixtures	Vehicles	Computer/Hardware Cost	Equipment & Furniture	Building	
Gross Block	129.39	1,191.54	255.91	2,778.19	53.69	19,922.15	390.17	290.56	112.13	782.26	212.60	26,118.59
Balance as at April 1, 2018	-	1,001.48	13.69	433.67	-	915.22	28.05	91.96	29.55	27.49	-	2,541.11
Additions	-	-	-	-	-	0.15	0.26	35.00	-	-	-	35.41
Deletions / Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange translation difference	(4.69)	(0.41)	1.97	(63.45)	(26.07)	(857.11)	2.46	(5.66)	1.04	2.68	-	(949.24)
Balance as at March 31, 2019	124.70	2,192.61	271.57	3,148.41	27.62	19,980.11	420.42	341.86	142.72	812.43	212.60	27,675.05
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Balance upto April 1, 2018	-	66.47	65.57	237.05	12.45	4,485.04	203.41	130.26	50.41	178.62	27.46	5,456.74
Depreciation for the year	-	36.19	14.35	148.32	1.54	1,880.26	39.49	56.20	27.27	95.55	13.73	2,312.90
Deletions / Disposals	-	-	-	-	-	0.01	0.05	21.88	-	-	-	21.94
Foreign exchange translation difference	-	(0.01)	(4.94)	(27.68)	(9.36)	(574.98)	(0.22)	(2.26)	0.42	0.55	-	(618.48)
Balance upto March 31, 2019	124.70	2,089.96	196.59	2,790.72	22.99	14,189.80	177.79	179.54	64.62	537.71	171.41	20,545.83
Net Carrying Amount as at March 31, 2019	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

2.a.i Refer Note 23 and Note 26 for information on Property, Plant and Equipment pledged as security for borrowings.

2.a.ii Depreciation during the year amounting to INR 0.64 lakhs has been accounted in Capital Work in Progress.

2 (b) Capital Work-in-Progress

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Capital Work-in-Progress	17,604.06	5,733.22
	17,604.06	5,733.22

2.b.i The detailed break up of capital work-in-progress is as given in the below table:-

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
A Capital Work-In-Progress		
Property, Plant & Equipment under erection/ construction	12,698.61	4,196.05
Inventories for trial run production:		
Raw materials & Catalysts	1,237.02	-
Stores and Consumables	8.26	-
Semi Finished Goods	20.70	-
Total	13,964.59	4,196.05
B Construction period expenditure pending allocation		
Balance at the opening of the year	1,537.17	291.28
Add : Expenditure incurred during year (Net)		
Trial Run Production Expenses	923.44	-
Employee Benefits Expense	209.23	81.55
Finance Cost	662.86	1,042.69
Depreciation and Amortisation Expense	0.64	-
Other Expenses	306.13	121.65
Balance at the closing of the year	3,639.47	1,537.17
TOTAL	17,604.06	5,733.22

2.b.ii Capital Work-in-Progress includes INR 154.36 lakhs (2018-2019: INR 91.73 lakhs) towards borrowing costs on general borrowing capitalised during the year. The average capitalisation rate for general borrowing is 11.09% (2018-2019: 11.08%). Further, the borrowing cost of INR 508.50 lakhs (including exchange loss of INR 555.26 lakhs and net of interest income on temporary investments amounting to INR 69.71 lakhs) ((2018-2019: the borrowing cost of INR 950.96 lakhs (net of interest income on temporary investments amounting to INR 314.45 lakhs)) is towards specific borrowing capitalised during the year. The effective interest rate is 8.15% p.a.

2.b.iii Refer Note 42 (II) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

3 Right-of Use Assets

(a) Transition to Ind AS 116

Effective from 1 April 2019, the Group has applied Ind AS 116, which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. The Group has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

On transition, the adoption of new standard resulted in recognition of Right-of-Use assets amounting to INR 3,403.93 lakhs and corresponding lease liability amounting to INR 1,146.09 lakhs. Existing prepaid lease rentals in respect of lands obtained on long term lease and leases in respect of few office / residential premises have been reclassified as right of use assets. Since these are entirely prepaid, the Company does not have any future lease liability towards the same.

(b) Changes in the carrying value of right of use assets for the year ended March 31, 2020

Particulars	Category of Asset				INR (in Lakhs)
	Land	Buildings	Vehicles	Total	
Balance as at April 1, 2019	-	-	-	-	-
Additions, pursuant to initial application of Standard	2,095.71	1,255.85	52.37	3,403.93	
Additions during the year	4.44	578.53	-	582.97	
Deletions	-	(29.68)	-	(29.68)	
Depreciation/ Amortisation expenses	(51.47)	(401.79)	(19.81)	(473.07)	
Foreign exchange translation difference	8.32	(121.23)	3.60	(109.31)	
Balance as at March 31, 2020	2,057.00	1,281.68	36.16	3,374.84	

(c) Movement in lease liabilities during the year ended March 31, 2020

Particulars	Category of Asset				INR (in Lakhs)
	Land	Buildings	Vehicles	Total	
Balance as at April 1, 2019	-	-	-	-	-
Additions, pursuant to initial application of Standard	5.76	1,087.96	52.37	1,146.09	
Additions during the year	-	574.09	-	574.09	
Deletions	-	(32.21)	-	(32.21)	
Interest incurred during the year	-	104.41	2.23	106.64	
Payment of lease liabilities	-	(378.01)	(20.19)	(398.20)	
Foreign exchange translation difference	-	(104.60)	2.63	(101.97)	
Balance as at March 31, 2020	5.76	1,251.64	37.04	1,294.44	

(d) Break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Non-current lease liabilities	966.74	-
Current lease liabilities	327.70	-
Total	1,294.44	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

(e) Details regarding the contractual maturities of lease liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Less than one year	327.70	-
One to five years	961.42	-
More than five years	5.32	-
Total	1,294.44	-

(f) Amounts recognised in Statement of Profit and Loss

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation Amortisation on Right Of Use assets	473.07	-
Interest on lease liabilities	106.64	-
Expenses relating to short term leases (Refer Note 39)	413.74	-

4 Investment Property

Particulars	INR (in Lakhs)			
	Gross and Net Carrying Amount		Fair Value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Freehold Land	207.19	207.19	Refer Note 4.6	302.00
	207.19	207.19	-	302.00

4.1 Refer Note 23 and Note 26 for information on investment property pledged as security for borrowings.

4.2 The erstwhile name of the Company viz; Camlin Fine Chemicals Limited is on the title deeds of freehold land.

4.3 Direct operating expenses, arising from investment property that did not generate rental income during the year, is INR 0.43 lakhs (2018-2019: INR 0.29 lakhs).

4.4 Fair Value Hierarchy

The fair value of investment property had 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.

4.5 Description of Valuation Technique

The Group had obtained independent valuation of its investment property as at March 31, 2018. There has been no material movement in fair value of investment property. The fair value of the investment property had 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

4.6 The Holding Company has carried out valuation of investment property as on May 18, 2019 amounting to INR 523.20 lakhs. However, the Holding Company could not carry out fair valuation of investment property as at March 31, 2020 due to complete lockdown announced by the Government of India in view of COVID-19 pandemic. In the opinion of the management, there is no major change in fair value.

5 Intangible Assets

INR (in Lakhs)						
Particulars	ERP Software Cost	Technical Know-How	Development Expenditure	R & D Process Development	Patents	Total Intangible Assets
Gross Block						
Balance as at April 1, 2019	175.45	103.47	1,373.51	80.20	1,852.77	3,585.40
Additions	3.09	-	350.68	-	-	353.77
Deletions / Disposals	-	-	-	-	-	-
Foreign exchange translation difference	(1.82)	-	60.86	-	54.58	113.62
Balance as at March 31, 2020	176.72	103.47	1,785.05	80.20	1,907.35	4,052.79
Accumulated Amortisation						
Balance upto April 1, 2019	100.63	103.47	928.96	80.20	324.23	1,537.49
Amortisation for the year	38.15	-	35.34	-	190.73	264.22
Deletions / Disposals	-	-	-	-	-	-
Foreign exchange translation difference	(0.55)	-	30.32	-	9.54	39.31
Balance upto March 31, 2020	138.23	103.47	994.62	80.20	524.50	1,841.02
Net Carrying Amount as at March 31, 2020	38.49	-	790.43	-	1,382.85	2,211.77

INR (in Lakhs)						
Particulars	ERP Software Cost	Technical Know-How	Development Expenditure	R & D Process Development	Patents	Total Intangible Assets
Gross Block						
Balance as at April 1, 2018	159.85	103.47	1,245.89	80.20	1,855.55	3,444.96
Additions	18.14	-	155.06	-	-	173.20
Deletions / Disposals	-	-	-	-	-	-
Foreign exchange translation difference	(2.54)	-	(27.44)	-	(2.78)	(32.76)
Balance as at March 31, 2019	175.45	103.47	1,373.51	80.20	1,852.77	3,585.40
Accumulated Amortisation						
Balance upto April 1, 2018	53.21	103.47	612.86	58.38	139.17	967.09
Amortisation for the year	47.39	-	331.93	21.82	185.28	586.42
Deletions / Disposals	-	-	-	-	-	-
Foreign exchange translation difference	0.03	-	(15.83)	-	(0.22)	(16.02)
Balance upto March 31, 2019	100.63	103.47	928.96	80.20	324.23	1,537.49
Net Carrying Amount as at March 31, 2019	74.82	-	444.55	-	1,528.54	2,047.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

6 Investment in Associate

Particulars	INR (in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments (Fully paid, accounted as per Equity method)				
Unquoted				
Fine Lifestyle Brand Limited (of INR 10 each)	254,994	13.27	254,994	13.36
Aggregate amount of unquoted investments		13.27		13.36
Aggregate amount of impairment in value of investments		-		-

7 Investments

Particulars	INR (in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments (Fully Paid) (At Cost)				
Unquoted				
(i) Subsidiaries				
Dresen Quimica, S.A.P.I de C.V (Refer Note 7.1)	-	615.15	-	615.15
(ii) Others				
Fine Renewable Energy Limited (of INR 10 each)	50,995	5.10	50,995	5.10
Ravenna Servizi Industrial Consortium (of EUR 1 each)	141,783	98.60	141,783	98.60
Unicredit Bank (of EUR 1 each)	10,000	8.30	-	-
Saraswat Co-Operative Bank Limited (of INR 10 each)	5,000	0.50	5,000	0.50
Total (ii)		112.50		104.20
(iii) Total (i+ii)		727.65		719.35
(iv) Provision for impairment in value of investments (Refer Note 7.2)		(5.10)		(5.10)
(v) Net Investments (iii-iv)		722.55	-	714.25
Aggregate amount of unquoted investments		722.55	-	714.25
Aggregate amount of impairment in value of investments		5.10	-	5.10

7.1 The Shareholders Agreement entered into with 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 shareholders agreement using 'Income Approach'. Upon reverse merger of CFS de Mexico with Dresen Quimica, the said option had become an obligation of the Holding Company and accordingly the fair value of the put option as a financial obligation amounting to INR 615.15 lakhs is recognised as an investment.

7.2 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, 2020

8 Loans

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered good		
Security Deposits	1,234.76	1,113.84
	1,234.76	1,113.84

9 Deferred Tax Assets / (Liabilities) (Net)

(a) Movement in Deferred Tax Balances

Particulars	INR (in Lakhs)						
	As at April 1, 2019		Movement during the year			As at March 31, 2020	
	Deferred Tax Assets / (Liabilities)	Deferred Tax Assets / (Liabilities)	Recognised in Consolidated Statement of Profit and Loss	Recognised in Equity	Recognised in OCI	Deferred Tax Assets/ (Liabilities)	Deferred Tax Assets/ (Liabilities)
Deferred Tax Assets/ (Liabilities)							
Property, Plant and Equipment & Intangible Assets	(865.54)	-	(34.02)	-	-	(55.28)	(844.27)
Provision for Bad and Doubtful Debts and Advances	534.44	-	234.59	-	-	474.09	294.94
QIP Issue Expenses	103.63	-	-	(38.09)	-	-	65.54
Employee Benefits	30.98	-	21.78	-	-	-	52.76
Remeasurement of Defined Benefit Plan	10.28	-	-	-	15.66	-	25.94
Unabsorbed business losses	2,652.28	-	(746.70)	-	-	1,905.57	-
Disallowances under the Income-Tax Act	(3.11)	-	26.72	-	-	3.56	20.05
R&D Costs	9.69	-	-	-	-	9.69	-
Deductible costs for cash	277.59	-	(8.35)	-	-	269.24	-
Transaction costs relating to FCCB	(147.79)	-	-	-	-	-	(147.79)
Interest income from temporary investment of FCCB funds	109.72	-	24.17	-	-	-	133.89
Consolidation adjustments	905.31	-	200.27	-	-	1,105.58	-
Unutilised MAT Credit	334.45	-	(171.82)	-	-	-	162.63
Lease Liability	-	-	43.40	-	-	15.26	28.14
Others	23.24	-	61.95	-	-	85.19	-
Exchange Differences (including on translation of foreign operations)	149.43	(11.84)	-	(21.71)	-	255.69	-
Deferred Tax Assets/ (Liabilities)	4,124.60	(11.84)	(348.01)	(59.80)	15.66	4,068.58	(208.17)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

Particulars	INR (in Lakhs)						
	As at April 1, 2018	Movement during the year				As at March 31, 2020	
	Deferred Tax Assets / (Liabilities)	Recognised in Consolidated Statement of Profit and Loss	Recognised in Equity	Recognised in OCI	Deferred Tax Assets/ (Liabilities)	Deferred Tax Assets/ (Liabilities)	Deferred Tax Assets/ (Liabilities)
Deferred Tax Assets/ (Liabilities)							
Property, Plant and Equipment & Intangible Assets	(536.99)	(328.55)	-	-	-	(865.54)	-
Provision for Bad and Doubtful Debts and Advances	495.35	39.09	-	-	-	534.44	-
QIP Issue Expenses	141.72	-	(38.09)	-	-	103.63	-
Employee Benefits	36.13	(5.15)	-	-	-	30.98	-
Remeasurement of Defined Benefit Plan	(5.90)	-	-	-	16.18	10.28	-
Unabsorbed business losses	2,912.55	(260.27)	-	-	-	2,652.28	-
Disallowances under the Income-Tax Act	14.58	(17.69)	-	-	-	(3.11)	-
R&D Costs	71.51	(61.82)	-	-	-	9.69	-
Deductible costs for cash	252.84	24.75	-	-	-	277.59	-
Transaction costs relating to FCCB	-	(147.79)	-	-	-	(147.79)	-
Interest income from temporary investment of FCCB funds	-	109.72	-	-	-	109.72	-
Consolidation Adjustments	406.40	498.91	-	-	-	905.31	-
Unutilised MAT Credit	14.04	320.41	-	-	-	334.45	-
Others	(19.43)	42.67	-	-	-	23.24	-
Exchange Differences	175.35	-	-	-	-	149.43	(11.84)
Deferred Tax Assets/ (Liabilities)	3,958.16	214.28	(38.09)	-	16.18	4,124.60	(11.85)

Deferred Tax Asset has been recognised at INR 1,905.57 lakhs (March 31, 2019: INR 2,652.28 lakhs) based on the current sale contracts on hand, and the probable future taxable profits based on the budgets of the Group.

(b) Tax expense recognised in Consolidated Statement of Profit and Loss

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax		
In respect of current year	2,681.86	1,579.30
In respect of prior year	(21.06)	3.68
Utilisation of MAT Credit Entitlement	(171.81)	-
	2,488.99	1582.98
Deferred Tax		
Origination and reversal of Tax on Temporary Differences	348.01	106.13
Utilisation of MAT Credit Entitlement	-	(320.41)
	348.01	(214.28)
Tax expense for the year	2,837.00	1,368.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

(c) Tax recognised in Other Comprehensive Income

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Items that will not be subsequently reclassified to Profit and Loss		
Remeasurements of defined benefit plans	(15.66)	(16.18)
Items that will be subsequently reclassified to Profit and Loss		
Exchange differences on translation of financial statements of foreign operations	21.37	49.70
Total	5.71	33.52

(d) Reconciliation of Effective Tax Rate

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit Before Tax	5,820.17	1,675.16
Statutory Indian Income Tax rate#	34.94%	21.55%
Expected Income Tax Expense	2,033.80	361.00
Tax effect of:		
	(21.06)	3.68
Effect of tax provision at subsidiaries	476.25	1,258.89
Tax rate difference	(40.59)	(40.59)
Property, Plant and Equipment & Intangible Assets	34.02	328.55
Provision for Doubtful Debts and Advances	(234.59)	(39.09)
Employee Benefits	(21.78)	5.15
Unabsorbed business losses	746.70	260.27
Disallowances under the Income-Tax Act	(26.72)	17.69
Research and Development Expenses	-	61.82
Transaction costs relating to FCCB	-	147.79
Interest income from temporary investment of FCCB funds	(24.17)	(109.72)
Impact of Consolidation Adjustments	(200.27)	(498.91)
Unutilised MAT Credit	171.82	(320.41)
Lease Liability	(43.40)	
Others	(53.59)	(67.42)
Total Income Tax Expense	2837.00	1,368.70

The Holding Company has elected not to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for the current financial year. Accordingly, the tax rate applicable to the Company for the current financial year is 34.944%.

Further, the Holding Company was chargeable to tax under Minimum Alternate Tax (MAT) during financial year 2018-2019. Hence, tax rate applicable was 21.55% instead of normal rate of income tax of 34.944%.

e) Unrecognised tax items

As at March 31, 2020, unrecognised deferred tax assets on account of tax losses for which no deferred tax assets is recognised is INR 1,242.64 lakhs (March 31, 2019: INR 620.31 lakhs) in various jurisdictions, which can be carried forward up to a specified period or indefinitely. The total unused tax losses as at March 31, 2020 is INR 5,416.74 lakhs (March 31, 2019: INR 2,724.48 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

10 Income Tax Assets (Net)

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Advance Tax and Tax Deducted at Source (Net)	657.16	739.69
	657.16	739.69

11 Other Non-Current Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Capital Advances	592.52	1,352.22
Prepaid Expenses	165.37	229.13
	757.89	1,581.35

12 Inventories

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(a) Raw material and Components		
(i) in stock	7,324.62	7,549.01
(i) in transit	2,715.10	3,316.27
(b) Work-in-Progress	7,804.00	6,113.89
(c) Finished goods	9,823.27	8,082.75
(d) Stock-in-Trade	1,169.06	2,660.27
(e) Stores and Spares	978.80	819.20
	29,814.85	28,541.39

13 Investments

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unquoted, carried at Fair Value Through Profit or Loss		
Investment in Mutual Funds	-	325.49
	-	325.49
Aggregate amount of Unquoted Investments and Market Value thereof	-	325.49
Aggregate amount of impairment in value of Investments	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

14 Trade Receivables

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured		
(i) Trade Receivables Considered Good	25,280.32	20,931.98
(ii) Trade Receivables Credit Impaired	3,075.60	2,254.52
Less: Allowance for Credit Impaired receivables (Refer Note 14.2)	(3,075.60)	(2,254.52)
	25,280.32	20,931.98

14.1 Above balances of trade receivables includes INR 101.21 lakhs (March 31, 2019: INR 74.90 lakhs) from related parties. (Refer Note 43(III)(1))

14.2 Details of allowance for credit impaired receivables

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 with respect to credit impaired of receivables calculated on the basis of ageing of the days the receivables are due and the expected credit loss rate. The Group is still pursuing the recovery of the receivables which are credit impaired.

The movement in allowance for credit impaired receivables is as follows:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Balance as at Beginning of the Year	2,254.52	1,927.47
Add: Created during the Year	983.34	391.93
Less: Released during the Year	(264.09)	-
Add /(Less):- Effect of foreign currency exchange differences during the year	101.83	(64.88)
Balance as at end of the Year	3,075.60	2,254.52

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 Consolidated Balance Sheet. The carrying amount of these receivables is INR 2,867.82 lakhs (March 31, 2019: INR 2,665.32 lakhs). The corresponding carrying amount of associated liabilities are recognised as short term borrowings. (Refer Note 26.3 (a) and (b))

15 Cash and Cash Equivalents

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(a) Balances with Banks in Current Accounts	5,221.28	3,460.69
(b) Deposits with original maturity of less than 3 months	-	1,849.25
(c) Cash on Hand	15.39	11.42
	5,236.67	5,321.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

16 Bank Balances other than Cash and Cash Equivalents

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(a) Earmarked balances with banks (Refer Note 16.1)	24.06	26.21
(b) Deposits with original maturity of more than 3 months but less than 12 months	-	4,061.03
(c) 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.	1,218.21	935.78
	1,242.27	5,023.02

16.1 Earmarked balances with banks refers to balance carried in designated banks towards unclaimed dividend.

17 Loans

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good		
(a) Security Deposits	98.97	217.17
(b) Loans to Employees	14.73	47.97
(c) Loans to others	-	42.00
	113.70	307.14

18 Other Financial Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Export Benefits Receivable	1,012.97	928.60
Others	152.74	146.15
	1,165.71	1,074.75

19 Other Current Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Advances to Vendors	1,190.97	1,210.17
Prepaid Expenses	722.62	670.72
Balance with Gratuity Fund (Refer Note 36.1(c))	124.49	115.12
Balance with Statutory/Government Authorities	2,517.40	3,488.21
Others	86.58	238.29
Unsecured, Credit Impaired		
Advances to Vendors	245.50	10.77
Less:- Allowance for Credit Impaired	(245.50)	(10.77)
	4,642.06	5,722.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

20 Equity Share Capital

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
a) Authorised :		
150,000,000 Equity Shares of INR 1 each (March 31, 2019: 150,000,000 Equity Shares of INR 1 each)	1,500.00	1,500.00
	1,500.00	1,500.00
b) Issued, Subscribed and Paid - up:		
121,253,996 Equity Shares of INR 1 each (March 31, 2019: 121,253,996 Equity Shares of INR 1 each)	1,212.54	1,212.54
	1,212.54	1,212.54

c) During the year, Holding Company has issued Nil Equity Shares (2018-2019: 24,625 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, 2020		As at March 31, 2019	
	No. of Shares	INR (in Lakhs)	No. of Shares	INR (in Lakhs)
Equity Shares				
Outstanding at the beginning of the Year	121,253,996	1,212.54	121,229,371	1,212.30
Add: Issued pursuant to exercise of employee stock options (Refer Note 20 (c))	-	-	24,625	0.24
Outstanding at the end of the Year	121,253,996	1,212.54	121,253,996	1,212.54

e) Rights, preferences and restrictions attached to Equity Shares

The Holding 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 Holding 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, the holders of Equity Shares are eligible to receive the remaining assets of the Holding 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, 2020		As at March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
(i) Ashish S. Dandekar	14,060,400	11.60	14,010,550	11.55
(ii) SBI Magnum Multicap Fund	10,985,844	9.06	11,808,706	9.74
(iii) ICICI Prudential Midcap Fund	6,924,965	5.71	-	-
	31,971,209	26.37	25,819,256	21.29

g) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

- (i) The Holding Company has 541,000 (March 31, 2019: Nil) Equity Shares reserved for issue under Employee Stock Option Scheme, 2018 as at March 31, 2020 (Refer Note 36.2.1 for terms of employee stock options).
The Holding Company has Nil (March 31, 2019: 543,563) Equity Shares reserved for issue under Employee Stock Option Scheme, 2014 ('ESOP 2014 Scheme') as at March 31, 2020 (Refer Note 36.2.2 for terms of employee stock options). On December 31, 2019, ESOP 2014 Scheme was terminated.
- (ii) The Holding Company has 8,603,029 (March 31, 2019: 8,603,029) Equity Shares reserved for Foreign Currency Convertible Bonds (Refer Note 23.1 for terms of Foreign Currency Convertible Bonds).
- (iii) The Holding Company has Nil (March 31, 2019: 9,000,000) Equity Shares reserved for Preferential Share Warrants (Refer Note 21.2(i) for terms of Preferential Share Warrants).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

21 Other Equity

Particulars		INR (in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
i)	Equity component of Foreign Currency Convertible Bonds (FCCB) (Refer Note 21.1)	330.97	330.97
ii)	Capital Reserve (Refer Note 21.2)		
	Opening Balance	238.66	134.52
	Additions during the Year	2,085.53	104.14
	Adjustment during the year	(104.14)	-
	Closing Balance	2,220.05	238.66
iii)	Capital Reserve on Consolidation (Refer Note 21.3)	1,080.63	1,080.63
iv)	Securities Premium (Refer Note 21.4)		
	Opening Balance	21,462.20	21,445.95
	Additions during the Year	-	16.25
	Closing Balance	21,462.20	21,462.20
v)	Employee Stock Option Outstanding (Refer Note 21.5)		
	Opening Balance	153.21	156.28
	Additions/(Reversal) during the Year	44.39	(3.07)
	Termination of ESOP Scheme, 2014	(153.21)	-
	Closing Balance	44.39	153.21
vi)	General Reserve (Refer Note 21.6)		
	Opening Balance	2,536.29	2,533.63
	Additions during the Year	-	2.66
	Closing Balance	2,536.29	2,536.29
vii)	Retained Earnings		
	Opening Balance	6,689.89	7,324.11
	Profit for the Year	3,031.86	57.72
	Remeasurement of Defined Employee Benefit Plan	(29.14)	(30.12)
	Termination of ESOP Scheme, 2014 (Refer Note 21.5)	153.21	-
	Dividend paid to non-controlling shareholder of a subsidiary	-	(623.73)
	Adjustment during the year	629.55	-
	Deferred tax on QIP expenses	(38.09)	(38.09)
	Closing Balance	10,437.28	6,689.89
viii)	Money received against Preferential Share Warrants (Refer Note 21.2(i))		
	Opening Balance	2,085.53	2,085.53
	Transferred to Capital Reserve	(2,085.53)	-
	Closing Balance	-	2,085.53
ix)	Foreign Currency Translation Reserve		
	Opening Balance	1,298.19	1,143.32
	Adjustment during the year	(488.35)	-
	Additions during the Year	179.49	154.87
	Closing Balance	989.33	1,298.19
		39,101.14	35,875.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

Nature and Purpose of Reserves :

21.1 Equity component of foreign currency convertible bonds

Pursuant to Ind AS 32, Foreign Currency Convertible Bonds (FCCBs) issued by the Holding Company are split into equity and liability component and presented under other equity and non-current financial liabilities respectively.

21.2 Capital Reserve

- i Pursuant to preferential share warrants issued during financial year ended March 31, 2018, 9,000,000 warrants at a price of INR 92.69 each were allotted on a preferential basis to certain proposed allottees aggregating to INR 8,342.10 lakhs. An upfront subscription amount equal to 25% of the price amounting to Rs. 2,085.53 lakhs had been received from the allottees during the financial year ended March 31, 2018 and balance 75% of the consideration to be received at the time of allotment on or before August 8, 2019. The allottees have not exercised the option on these warrants within the stipulated period and hence the options have lapsed. As per SEBI Guidelines and terms of the issue, the advance received against these warrants of INR 2,085.53 lakhs has been forfeited by the Company and transferred to Capital Reserve.
- ii 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 Holding Company and transferred to Capital Reserve.
- iii 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.

21.3 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.

21.4 Securities Premium

The Securities premium account has been created to record the premium on issue of Equity Shares.

21.5 Employee Stock Option Outstanding

The Holding Company has Employee Stock Option Scheme under which options to subscribe to the Holding Company's shares have been given to certain employees of the Group. 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.

On December 31, 2019 Employees' Stock Option Scheme, 2014 (ESOP-2014) scheme was terminated. The unexercised options granted to employees amounting to INR 153.21 lakhs has been lapsed and the said amount has been transferred to Retained Earnings (Refer Note 21 (vi)). The addition to Employee Stock Options Outstanding during the year is on account of CFS Employees' Stock Option Scheme, 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

21.6 General Reserve

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

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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Dresen Quimica S.A.P.I. de C.V. (Dresen Quimica)*	Mexico	35.00%	35.00%	913.17	704.13	3,120.46	2,693.01
Chemolutions Chemicals Ltd.	India	5.92%	5.92%	2.18	1.47	21.56	19.38
CFS Wanglong Flavors (Ningbo) Co. Ltd.	China	49.00%	49.00%	(963.20)	(460.86)	2,539.77	3,212.17
CFS Pahang Asia Pte Ltd.	Singapore	49.00%	49.00%	(0.93)	(1.88)	15.05	15.35
				(48.78)	242.86	5,696.84	5,939.91

* 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, 2020	As at March 31, 2019
Balance at the beginning of the year	5,939.91	6,221.73
Share of Profit / (Loss) for the year	(48.78)	242.86
Non-Controlling Interests arising on incorporation of CFS Pahang Asia Pte Ltd. during the year	-	17.22
Dividend paid during the year	(279.68)	(623.73)
Effect of foreign currency exchange differences during the year	(20.16)	81.83
Adjustment during the year	105.55	-
Balance at the end of the year	5,696.84	5,939.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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.		CFS Pahang Asia Pte. Ltd.	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Non-current assets	4,001.37	4,254.27	213.40	155.02	8,287.37	7,863.04	1.27	1.23
Current assets	13,709.03	11,982.06	298.67	230.87	10,225.38	10,095.61	31.60	30.58
Non-current liabilities	2,205.22	2,749.07	101.28	-	639.26	519.12	-	-
Current liabilities	6,427.65	5,712.07	49.43	61.26	12,717.30	10,395.28	2.38	0.49
Equity attributable to the owners	5,957.07	5,082.18	339.80	305.25	2,616.42	3,832.08	15.44	15.97
Non-controlling interests	3,120.46	2,693.01	21.56	19.38	2,539.77	3,212.17	15.05	15.35
Total income	26,154.25	21,762.31	392.17	518.67	17,445.26	13,452.51	1.46	0.01
Total expenses	22,130.33	18,628.10	276.45	354.02	20,118.98	14,700.92	3.32	3.84
Profit / (loss) for the year	2,631.93	2,011.79	36.73	24.86	(2,034.92)	(942.77)	(1.86)	(3.83)
Profit / (loss) attributable to owners of the Company	1,718.76	1,307.66	34.55	23.39	(1,071.72)	(481.91)	(0.93)	(1.95)
Profit / (loss) attributable to non-controlling interests	913.17	704.13	2.18	1.47	(963.20)	(460.86)	(0.93)	(1.88)

* 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

Particulars	INR (in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
I Foreign Currency Convertible Bonds (Refer Note 23.1)	11,129.76	-	10,693.80	-
II Term Loans				
(a) From Banks - Secured				
(i) In Foreign Currency (Refer Note 23.2)	6,327.90	1,995.30	7,791.12	1,836.78
(ii) In Rupees (Refer Note 23.3)	166.67	250.00	416.66	338.03
(b) From Banks - Unsecured				
(i) In Foreign Currency (Refer Note 23.4)	3,226.99	1,353.04	208.62	116.54
(c) From Others - Unsecured				
(i) In Foreign Currency (Refer Note 23.5)	299.95	-	253.24	-
	21,151.27	3,598.34	19,363.44	2,291.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

23.1 Foreign Currency Convertible Bonds

Foreign Currency Convertible Bonds (FCCBs) denominated in USD carried at INR 11,129.76 lakhs as at March 31, 2020 (March 31, 2019: INR 10,693.80 lakhs) represent 30 unsecured, unlisted and unrated FCCBs of US\$ 5,00,000 each aggregating to US\$ 15,000,000. FCCBs are convertible into Holding Company's fully paid equity shares of INR 1 each at a conversion price of INR 125 per share at the option of the bond holder. If the conversion option is not exercised by the bond holder, the amount is payable in two equal instalments at the end of September 14, 2023 and September 14, 2024. The simple interest at the rate of 4.5% per annum is payable semi-annually on the outstanding amount of FCCBs, compound interest @ 2% shall accrue on semi-annual basis and be payable in two equal instalments on the 5th and 6th anniversary of the FCCB subscription date. In addition to the above, additional coupon @ 0.5% shall accrue on semi-annual basis as simple interest on the outstanding amount of FCCBs and shall be payable on each interest payment date until the occurrence of the additional coupon event as per the terms of the FCCB Subscription Agreement.

In the financial year ended March 31, 2019, the liability component of the compound financial instrument i.e FCCB was measured at Fair Value Through Profit or Loss (FVTPL) since the embedded derivative which is principally towards the finance cost and repayment tenure impacting cash flows, could not be separated from the host contract. In the current financial year ended March 31, 2020, the Holding Company has been able to separate and measure the aforesaid embedded derivative. Pursuant to the above, the Holding Company has measured the embedded derivative at FVTPL (Refer Note 24) and the host contract has been accounted at the amortised cost. The corresponding impact has been accounted in the current financial year.

Fair value of FCCBs as at March 31, 2020 is INR 12,512.93 lakhs.

23.2 Term Loans from Banks in Foreign Currency - Secured

- a) INR 3,084.92 lakhs (March 31, 2019: INR 3,507.95 lakhs) 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 the Holding Company, pledge of 100% shares of subsidiary in China held by the Holding Company and held by the subsidiary in Italy and corporate guarantee of the Holding Company to the extent of USD 20 million. The loan is repayable in 42 structured instalments commencing after a moratorium period of 17 months from the date of disbursement. The current interest rate is at a spread of 600 basis points over 1 month USD LIBOR.
- b) INR 2,309.30 lakhs (March 31, 2019: INR 2,686.56 lakhs) secured by security stated in note 23.2 (a) above. The loan is repayable in 42 structured instalments commencing after a moratorium period of 17 months from the date of disbursement. The current interest rate is at a spread of 800 basis points over 1 month EURIBOR.
- c) INR 2,928.98 lakhs (March 31, 2019: INR 3,423.49 lakhs) secured by pledge of 65% equity shares of Dresen Quimica S.A.P.I. de C.V. held by the Holding Company and corporate guarantee of the Holding 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. The current interest rate is at a spread of 375 basis points over 6 month USD LIBOR.
- d) INR Nil (March 31, 2019: INR 9.90 lakhs) secured by hypothecation of vehicle.

23.3 Term Loans from Banks in Rupees - Secured

- a) INR 416.67 lakhs (March 31, 2019: INR 754.69 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 10.90% p.a.
- b) INR Nil (March 31, 2019: INR 4.69 lakhs) secured by hypothecation of vehicles.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

23.4 Term Loans from Banks in Foreign Currency - Unsecured

- a) INR Nil (March 31, 2019: INR 325.16 lakh) pertains to a subsidiary in Italy.
- b) INR 2,321.73 lakhs (March 31, 2019: INR Nil) pertains to a subsidiary in Italy. The loan is repayable in 16 structured instalments by October 2023. The interest rate is at a spread of 190 basis points over 3 month EURIBOR.
- c) INR 742.95 lakhs (March 31, 2019: INR Nil) pertains to a subsidiary in Italy. The loan is repayable in 48 structured instalments by October 2023. The interest rate is at a spread of 200 basis points over 1 month EURIBOR.
- d) INR 825.93 lakhs (March 31, 2019: INR Nil) pertains to a subsidiary in Italy. The loan is repayable in 12 structured instalments by March 2023. The interest rate is at a spread of 130 basis points over 3 month EURIBOR.
- e) INR 689.42 lakhs (March 31, 2019: INR Nil) pertains to a subsidiary in Italy. The loan is repayable in 36 structured instalments by September 2022. The interest rate is at a spread of 150 basis points over 3 month EURIBOR.

23.5 Loans (in foreign currency) from others - Unsecured

INR 299.96 lakhs (March 31, 2019: INR 253.24 lakhs) pertains to a subsidiary in China. The interest rate is 6.75% p.a.

24 Other Financial Liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Derivative liability (Refer Note 23.1)	1.62	-
	1.62	-

25 Provisions

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Compensated Absences	284.87	236.88
	284.87	236.88

26 Borrowings

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
I Loans repayable on demand		
(a) From Banks -Secured		
Working Capital loans (Refer Note 26.1)	22,219.81	21,768.19
II Other Short Term Borrowings		
(a) From Banks -Secured		
Working Capital loans (Refer Note 26.2)	1,617.62	-
(b) From Banks -Unsecured		
Working Capital loans (Refer Note 26.3)	3,969.68	2,665.32
	27,807.11	24,433.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

26.1 Loans repayable on demand - Secured

- (a) INR 20,224.02 lakhs (March 31, 2019: INR 19,900.13 lakhs) pertains to the Holding 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 10.65% to 12.30% p.a.
- (b) INR Nil (March 31, 2019: INR 4.39 lakhs) 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.
- (c) INR 1,995.79 lakhs (March 31, 2019: INR 1,863.67 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.

26.2 Other Short Term Borrowings - Secured

INR 1,617.62 lakhs (March 31, 2019: INR Nil) pertains to the Holding Company towards buyers credit availed from banks and is secured by security stated against Note 26.1.a above. The current interest rates range from 1.51% to 2.42%.

26.3 Other short term borrowings - Unsecured

- (a) INR 794.12 lakhs (March 31, 2019: INR 1,231.05 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 2,073.70 lakhs (March 31, 2019: INR 1,434.27 lakhs) pertains to Subsidiary in Italy towards Export Bill Discounting (EBD) availed from banks. The current interest rates range from 1.20% to 5%.
- (c) INR 1,101.86 lakhs (March 31, 2019: INR Nil) pertains to Subsidiary in Italy towards import financing availed from banks. The current interest rates range from 0.85% to 1.60%.

27 Trade Payables

		INR (in Lakhs)	
Particulars		As at March 31, 2020	As at March 31, 2019
(a)	Total Outstanding dues of Micro Enterprises and Small Enterprises	898.35	400.09
(b)	Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	16,473.22	16,061.32
		17,371.57	16,461.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

28 Other Financial Liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Current maturities of foreign currency debt (Refer Note 23 (II) (a) (i) and Note 23 (II) (b) (i))	3,348.34	1,953.32
Current maturities of long-term debt (Refer Note 23 (II) (a) (ii))	250.00	338.03
Interest accrued but not due on borrowings	100.75	103.59
Unpaid / Unclaimed dividends (Refer Note 28.1)	20.13	22.29
Deposits	0.79	0.79
Unclaimed Interest on public deposit	2.53	2.53
Unclaimed public deposit (Refer Note 28.2)	4.10	4.10
Payable towards purchase of Property, Plant and Equipment	1,765.38	146.70
Put Option Liability (Refer Note 28.3)	26.82	177.38
Other outstanding liabilities	1,202.00	913.95
	6,720.84	3,662.68

28.1 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.

28.2 The unclaimed public deposits of INR 4.10 lakhs outstanding at March 31, 2020 (March 31, 2019: INR 4.10 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.

28.3 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. Pursuant to reverse merger of CFS de Mexico with Dresen Quimica, the said option is now an entitlement of the Holding Company. The fair value of put option is USD 0.04 million (INR 26.82 lakhs) (March 31, 2019: USD 0.26 million (INR 177.38 lakhs)) as calculated by the Independent Valuer based on the shareholders agreement using 'Income Approach'. (Refer Note 7.1)

29 Other Current Liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Advances received from customers	-	52.80
Statutory Dues	690.80	668.96
Others	411.74	7.28
	1,102.54	729.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

30 Provisions

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Provision for employment benefits		
Compensated absences	789.83	703.69
	789.83	703.69

31 Current Tax Liabilities (Net)

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Provision for Tax (Net)	663.56	48.78
	663.56	48.78

32 Revenue from Operations

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Sale of Products		
Finished Goods	88,127.46	78,663.18
Traded Goods	13,550.86	9,143.27
	101,678.32	87,806.45
(b) Other Operating Revenues		
Export Incentives	879.68	846.46
Service Income (Refer Note 32.4)	2,232.85	524.97
Commission Income	109.66	-
Scrap Sales	14.33	38.79
	3,236.52	1,410.22
	104,914.84	89,216.67

32.1 Revenue from contracts with customers disaggregated based on geography

The revenue from contracts with customers are disaggregated based on geography to comply with Ind AS 115, although it is not reviewed for evaluating financial performance for the purpose of segment reporting.

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Domestic	13,640.28	10,898.34
Exports	88,038.04	76,908.11
Total	101,678.32	87,806.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

32.2 The amounts receivable from customers become due after expiry of credit period which ranges between 15 to 120 days. There is no significant financing component in any transaction with the customers.

32.3 The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a short duration.

32.4 The Holding Company has started rendering services pertaining to scale up of production process of new chemical products. Service income for the financial year ended March 31, 2020 includes INR 1,005.54 lakhs (2018-2019: Nil) pertaining to such services.

33 Other Income

Particulars		INR (in Lakhs)	
		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Interest Income		
	Bank Deposits	104.63	68.67
	Refund of Value Added Taxes	21.15	22.32
	Other financial assets carried at amortised cost	1.98	10.56
		127.76	101.55
(b)	Other Non-Operating Income		
	Gain on foreign exchange transactions and translation	37.36	-
	Net gain on fair value changes on instruments classified as FVTPL (Refer Note 33.1)	10.19	368.89
	Gain on fair valuation of Put option liability (Refer Note 28.3)	150.55	199.47
	Profit on sale of property, plant and equipment	0.45	6.73
	Miscellaneous Income	16.53	702.09
		215.08	1,277.18
		342.84	1,378.73

33.1 Net gain on fair value changes includes INR 10.19 lakhs (2018-2019: INR 487.16 lakhs) as 'net gain on sale of investments'.

34 Cost of Materials Consumed

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Material and Packing Material Consumed		
Opening Inventories	10,865.28	8,277.68
Add: Purchases	49,145.02	49,515.66
Less: Closing Inventories	(10,039.72)	(10,865.28)
	49,970.58	46,928.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Inventories		
Finished Goods	8,082.75	5,712.43
Stock-in-Trade	2,660.27	1,152.98
Work-in-Progress	6,113.89	7,926.31
	16,856.91	14,791.72
Closing Inventories		
Finished Goods	9,823.27	8,082.75
Stock-in-Trade	1,169.06	2,660.27
Work-in-Progress	7,804.00	6,113.89
	18,796.33	16,856.91
	(1,939.42)	(2,065.19)

36 Employee Benefits Expense

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and Wages (Refer Note 36.1(a))	9,383.14	8,264.45
Contributions to -		
Provident Funds and other Funds (Refer Note 36.1 (b))	148.54	133.05
Gratuity Fund (Refer Note 36.1(c))	20.02	15.13
Share based payments to Employees (Employee Stock Option Plan) (Refer Note 36.2)	44.39	(3.07)
Staff Welfare Expenses	375.17	378.96
	9,971.26	8,788.52

36.1 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 Group. The leave encashment benefit is payable to all the eligible employees of the Group at the rate of daily salary as per current accumulation of leave days.

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

(i) Provisions in Consolidated Balance Sheet:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Current	789.83	703.69
Non-Current	284.87	236.88
	1,074.70	940.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

(ii) Recognised in Consolidated Statement of Profit and Loss

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Expenses	134.13	43.69

(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 148.54 lakhs (2018-19: INR 133.05 lakhs).

(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:

(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, 2020. 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 Consolidated Statement of Profit and Loss, the details of the defined benefit obligation and the funded status of the Company's gratuity plan:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
I Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the beginning of the Year	375.75	337.55
Interest Cost	29.27	26.26
Current Service Cost	28.98	25.17
Benefits paid from the Fund	(44.14)	(54.55)
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	9.82	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	22.63	(0.25)
Actuarial (Gains) / Losses on Obligations - Due to Experience	10.59	41.57
Present Value of Benefit Obligation at the end of the Year	432.90	375.75
II Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the Year	490.87	479.26
Interest Income	38.24	37.29
Contributions by the Employer	74.19	33.85
Benefits paid from the Fund	(44.14)	(54.55)
Return on Plan Assets, excluding Interest Income	(1.77)	(4.98)
Fair Value of Plan Assets at the end of the year	557.39	490.87

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
III Net Asset / (Liability) recognised in Consolidated Balance Sheet		
Present value of defined benefit obligation at the end of the Year	(432.90)	(375.75)
Fair value of plan assets at the end of the Year	557.39	490.87
Net Asset / (Liability) at the end of the Year	124.49	115.12
IV Expenses recognised in the Consolidated Statement of Profit and Loss		
Current Service Cost	28.98	25.17
Net Interest Cost	(8.97)	(11.03)
Expenses recognised in the consolidated Statement of Profit and Loss	20.01	14.14
V Expenses recognised in the Other Comprehensive Income (OCI)		
Actuarial (Gains) / Losses on Obligation for the year	43.04	41.32
Return on Plan Assets, excluding Interest Income	1.77	4.98
Net (Income) / Expense for the year recognised in OCI	44.81	46.30
VI Actuarial assumptions considered		
(i) Discount rate	6.87%	7.79%
(ii) Expected return on plan assets	6.87%	7.79%
(iii) Salary escalation rate	5.00%	5.00%
(iv) Rate of employee turnover	4.00%	2.00%
(v) Mortality Table	Indian Assured Lives Mortality (2006-2008) Ult	Indian Assured Lives Mortality (2006-2008) Ult
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	58.07	35.24
(ii) Year 2	47.38	31.90
(iii) Year 3	30.98	53.17
(iv) Year 4	38.08	28.33
(v) Year 5	61.60	29.32
(vi) Years 6 -10	195.53	190.31
(vii) Years 11 and above	298.36	370.02
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	432.90	375.75
1% increase in Discount Rate	(24.49)	(23.42)
1% decrease in Discount Rate	27.66	26.62
1% increase in Salary Escalation Rate	27.49	26.78
1% decrease in Salary Escalation Rate	(24.95)	(23.91)
1% increase in Rate of Employee Turnover	2.86	4.95
1% decrease in Rate of Employee Turnover	(3.23)	(5.56)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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.

36.2 Employee Stock Option Scheme**36.2.1 Employee Stock Option Scheme 2018**

The Holding Company has granted options on April 08, 2019 to eligible employees of Group under “ CFS - Camlin Fine Sciences Employees Stock Option Scheme, 2018” (ESOP - 2018) 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	Details of options				Total
	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	
Options granted	135,250	135,250	135,250	135,250	541,000
Exercise Price	50	50	50	50	
Market Price of shares as on grant date	50	50	50	50	
Basis of Exercise Price	At market price				
Vesting Period	1 year	2 years	3 years	4 years	

a) Details of option granted are as under:

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (INR)	March 31, 2019	
			No. of Options	Weighted Average Exercise Price (WAEP) (INR)
			March 31, 2020	
Options outstanding at the beginning of the year	-	-	-	-
Options granted during the year	541,000	50.00	-	N.A
Options exercised during the year	-	50.00	-	-
Options expired / lapsed and forfeited during the year	50,000	50.00	-	-
Options eligible for re-issue	50,000	50.00	-	-
Options outstanding at the end of the year	541,000	50.00	-	-
Exercisable at the end of the year	541,000	50.00	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

Particulars	No. of Options	Weighted Average Exercise Price (WAEP) (INR)	No. of Options	Weighted Average Exercise Price (WAEP) (INR)
	March 31, 2020		March 31, 2019	
Other Information:				
Average of exercise price of options outstanding at the end of the year (INR)	50.00			
Average Share price during the year (INR)	59.45			N.A.
Weighted average remaining contractual life of the option outstanding at the end of the year	1.52 years			N.A.
Weighted average fair value of the options as on date of grant (granted during the year)	19.97			N.A.
The options lapsed under the Scheme are added to the stock inventory and may be granted afresh by the Compensation Committee to such eligible employees as it may deem fit in its sole discretion.				
Option pricing model used	Black-Scholes Option Pricing Model			

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

Particulars	Vesting Period				Description of input used
	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	
Risk free interest rate	7.41%	7.41%	7.41%	7.41%	Based on yield to maturity on zero coupon government securities maturing after 1 year.
Expected life of stock options	1 year	2 years	3 years	4 years	Period for which options are expected to be alive
Expected volatility	59.31%	59.31%	59.31%	59.31%	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	Nil	Nil	Nil	Nil	The dividends declared by the Holding Company in the past and its share price.
Price of share on the date of granting of options	50	50	50	50	Fair market value
Fair value of options	12.78	18.43	22.64	26.02	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

36.2.2 Employee Stock Option Scheme 2014

The Company has granted options on December 30, 2014 and February 12, 2016 to 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
	December 30, 2014	February 12, 2016	
Options granted	1,638,000	300,000	1,938,000
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.)
Options outstanding at the beginning of the year	543,563	82.28	583,988	82.28
Options granted during the year	-	N.A.	-	N.A.
Options exercised during the year	-	67.00	24,625	67.00
Options expired / lapsed and forfeited during the year#	543,563	67.00	15,800	67.00
Options outstanding at the end of the year	-	-	543,563	82.28
Exercisable at the end of the year	-	-	543,563	82.28
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	
Average Share price during the year (INR)	59.45		69.57	
Weighted average remaining contractual life of the option outstanding at the end of the year	N.A.		0.75 years	
Weighted average fair value of the options as on date of grant (granted during the year)	N.A.		N.A.	
Option pricing model used	Black-Scholes Option Pricing Model			

During the financial year ended March 31, 2020, ESOP Scheme, 2014 was terminated resulting in lapse of 543,563 options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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	0.75 years	0.75 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 Holding 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	

37 Finance Costs

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expense	3,275.72	3,825.37
Interest on lease liabilities (Refer Note 3(f))	106.64	-
Foreign Exchange Loss (Refer Note 37.1)	1,515.20	133.12
Other Borrowing Costs	147.91	1,069.38
Total Finance Costs	5,045.47	5,027.87
Less: Interest income from temporary investments (Refer Note 2.b.ii)	(69.70)	(314.45)
Less: Capitalised to Capital Work-in-Progress (Refer Note 2.b.ii)	(662.86)	(1,042.69)
	4,312.91	3,670.73

37.1 Foreign Exchange Loss/(Gain) includes exchange loss on FCCBs amounting to INR 555.26 lakhs for the period 2019-2020, regarded as an adjustment to interest costs.

38 Depreciation and Amortisation Expenses

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on Property, Plant and Equipment (Refer Note 2(a))	2,542.94	2,312.90
Depreciation/Amortisation on Right-Of-Use Assets (Refer Note 3(f))	473.07	-
Amortisation on Intangible Assets (Refer Note 5)	264.22	586.42
	3,280.23	2,899.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

39 Other Expenses

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of Stores and Spares	719.89	382.28
Power and Fuel	7,638.46	8,042.01
Short Term Leases (Refer Note 3 (f))	413.74	-
Operating Leases	-	829.20
Rates and Taxes	123.27	136.12
Insurance	795.14	597.12
Repairs to Buildings	0.93	2.12
Repairs to Plant and Equipment	947.79	1,153.77
Repairs other than above	1,037.12	769.40
Sub-Contract Charges	1,651.93	1,246.68
Labour Charges	715.24	601.51
Advertisement and Sales Promotion	1,418.30	1,263.51
Transport and Forwarding Charges	2,881.58	2,582.18
Commission / Discount / Service Charges on Sales	702.26	846.51
Travelling and Conveyance	1,266.99	1,242.48
Directors' Fees	52.05	65.25
Legal & Professional Fees	2,374.14	1,544.90
Allowances for Credit Loss	719.25	391.93
Allowances for Doubtful Advances	234.73	-
Loss on foreign currency transactions and translation	-	100.05
Bank Charges	450.58	424.05
Miscellaneous Expenses	4,351.96	3,861.09
	28,495.35	26,081.39

40 Research and Development Expenses

Total revenue expenditure on Research and Development (R&D) aggregates to INR 404.56 lakhs (2018-19: INR 311.91 lakhs). The details are as below:

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue expenditure eligible u/s 35(2AB)		
Salaries and Incentives	222.18	179.36
Travelling & Conveyance	9.35	13.52
Laboratory Expenses	97.18	48.40
Other Expenses	75.85	70.63
	404.56	311.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

41 Earnings Per Share

a) Basic Earnings Per Share

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

i) Profit attributable to ordinary shareholders (Basic)

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to ordinary shareholders of the Company as per Consolidated Statement of Profit and Loss	3,031.86	57.72

ii) Weighted average number of ordinary shares (Basic)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Number of equity shares at the beginning of the year	121,253,996	121,229,371
Add: Effect of share options exercised	-	13,156
Weighted average number of equity shares for basic EPS	121,253,996	121,242,527
Basic Earnings Per Share (Amount in INR)	2.50	0.05

b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

i) Profit / attributable to ordinary shareholders (Diluted)

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to ordinary shareholders of the Company as per Consolidated Statement of Profit and Loss	3,031.86	57.72

ii) Weighted average number of ordinary shares (Diluted)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of equity shares outstanding (Basic)	121,253,996	121,242,527
Add: Potential equity shares under Employee Stock Option Scheme (Refer Note 36.2)	85,979	9,579
	121,339,975	121,252,106
Diluted Earnings Per Share (Amount in INR)	2.50	0.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

- c) The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of calculation of diluted earnings per share:

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Conversion of Foreign Currency Convertible Bonds (FCCBs)	8,603,029	8,603,029
Preferential Share Warrants granted	-	9,000,000
	8,603,029	17,603,029

42 Contingent Liabilities and Commitments

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
I Contingent liabilities		
a) Claims for Excise Duties, Taxes and Other Matters		
i) In respect of Income Tax matter	55.61	16.25
ii) In respect of VAT / CST / Excise Matter	356.02	356.02
b) In respect of bank guarantees issued to VAT, Excise and Custom Authorities	408.35	603.18
II Commitments		
Value of contracts (net of advance) remaining to be executed on capital account not provided for	234.68	3,926.07

Note: There are numerous interpretative issues relating to the Supreme Court judgements on Provident Fund dated February 28, 2019. As a matter of caution, the Holding Company has made a provision on a prospective basis from the date of the Supreme Court Order and the provisions will be update its provisions, on receiving further clarity on the subject.

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 Directors and Key Management Personnel (KMP)

Mr. Dilip D. Dandekar - Non Executive Director (Chairman)

Mr. Ashish S. Dandekar - Managing Director

Ms. Anagha Dandekar - Non-Executive Director (from August 13, 2018)

Mr. Nirmal V. Momaya - Non Executive Director

Mr. Ajit S. Deshmukh - Non Executive Director (upto May 24, 2019)

Mr. Sharad M. Kulkarni - Non Executive Director (Independent)

Mr. Pramod M. Sapre - Non Executive Director (Independent)

Mr. Abeezer E. Faizullahoy - Non Executive Director (Independent) (upto August 3, 2019)

Mr. Bhargav A. Patel - Non Executive Director (Independent) (upto August 3, 2019)

Mr. Atul R. Pradhan - Non Executive Director (Independent)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

Mr. Nicola A. Paglietti - Non Executive Director (Independent)
Mr. Amol J. Shah- Non Executive Director (Independent) (from August 2,2019)
Ms. Sutapa Banerjee- Non Executive Director (Independent) (from February 8, 2020)
Mr. Arjun S. Dukane - Executive Director - Technical (from June 1, 2018)
Mr. Santosh Parab - Chief Financial Officer
Ms Lavanya Rastogi - Company Secretary (November 8, 2019 to February 7, 2020)
Mr. Mandar Godbole - Company Secretary (from February 7, 2020)
Mr. Rahul Sawale - Company Secretary (up to July 16,2019)

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
Fine Renewable Energy Limited
Focussed Event Management Private Limited
Vibha Agencies Private Limited
Abana Medisys Private Limited
Pagoda Advisors Private Limited
Hardware Renaissance Inc (from August 13, 2018)
Hemant Sahai Associates (Mr. Abeezer Z. Faizullabhoj resigned as Partner from February 4, 2019)
MK Falcon Agrotech Private Limited
Pillar Properties Private Limited
V R Momaya & Associates
Kokuyo Camlin Limited
Studio Internazionale
Argus Partners (Mr. Abeezer E. Faizullabhoj appointed as Partner from February 05, 2019)

v Post-employment benefit plan

Camlin Fine Sciences Limited Group Gratuity Scheme

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

II The details of transactions with related parties during the year are given below:

S r. No	Nature of Transactions	Name of Related Party	INR (in Lakhs)	
			For the year ended March 31, 2020	For the year ended March 31, 2019
1	Sale of products	Hardware Renaissance Inc	133.62	102.08
2	Consultancy / Professional services	Mr. Subhash D. Dandekar	6.60	6.00
		Mrs. Rajani S. Dandekar	3.15	5.40
		V.R. Momaya & Associates	4.25	3.40
		Pagoda Advisors Pvt. Limited	75.84	60.65
		Hemant Sahai Associates	-	23.55
		Studio Internazionale	84.38	54.16
			174.22	153.16
3	Reimbursement of expenses	Kokuyo Camlin Limited	0.07	0.16
4	Rent received	Abana Medisys Private Limited	0.01	0.01
		Fine Renewable Energy Limited	0.01	0.01
			0.02	0.02
5	Compensation paid to Directors and Key Management Personnel	Short term employee benefits (including bonus and value of perquisites)*		
		Mr. Ashish S. Dandekar	175.61	184.81
		Mr. Dilip D. Dandekar	32.40	32.40
		Mr. Arjun Dukane	61.38	35.54
		Mr. Santosh Parab	61.36	54.18
		Mr. Rahul Sawale	11.40	25.46
		Ms. Lavanya Rastogi	1.85	-
		Mr. Mandar Godbole	3.09	-
			347.09	332.39
		Long term benefits to Key Management Personnel		
		Mr. Ashish S. Dandekar	3.38	4.31
		Mr. Arjun Dukane	11.11	0.29
		Mr. Santosh Parab	3.39	1.27
		Mr. Rahul Sawale	-	1.72
		Mr. Mandar Godbole	0.11	-
			17.99	7.59
		Share based payment to Key Management Personnel		
		Mr. Arjun Dukane	4.42	-
		Mr. Santosh Parab	4.42	-
		Mr. Rahul Sawale	0.61	-
			9.45	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

INR (in Lakhs)				
Sr. No	Nature of Transactions	Name of Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
		Sitting fees paid to Non-Executive Directors		
		Mr. Dilip D. Dandekar	4.90	5.25
		Mr. Nirmal V. Momaya	4.00	5.00
		Mr. Ajit S. Deshmukh	1.00	3.00
		Mr. Sharad M. Kulkarni	9.25	10.25
		Mr. Pramod M. Sapre	9.70	10.80
		Mr. Abeezer E, Faizullabhoy	4.50	10.45
		Mr. Bhargav A. Patel	4.25	10.00
		Mr. Atul R. Pradhan	7.20	5.50
		Mr. Nicola A. Paglietti	4.25	2.00
		Ms. Anagha Dandekar	3.00	3.00
			52.05	65.25
6	Contribution paid on behalf of Gratuity Trust	Camlin Fine Sciences Limited Group Gratuity Scheme	74.19	33.85

* The compensation to Key Managerial Personnel figures does not include premium paid for group medical and accident insurance.

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, 2020	As at March 31, 2019
1	Trade Receivable	Hardware Renaissance Inc	101.21	74.90
2	Trade Payable	Studio Internazionale	51.37	25.56
3	Long term benefits to Key Management Personnel	Mr. Ashish Dandekar	85.65	82.27
		Mr. Arjun Dukane	28.84	17.73
		Mr. Santosh Parab	10.09	6.70
		Mr. Rahul Sawale	-	4.02
		Mr. Mandar Godbole	0.11	-
			124.69	110.72
4	Rent Receivable	Abana Medisys Private Limited	0.48	0.47
		Fine Renewable Energy Limited	0.02	0.01
			0.50	0.48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

44 Segment Reporting

a) General Information

Factors used to identify the entity'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'). The CODM evaluates the company's performance and allocates resources based on an analysis of various performance indicators.

b) Information about products and services

The Group has revenues from external customers to the extent of INR 1,03,911.17 lakhs (2018-19: INR 88,331.42 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 16,690.55 lakhs (2018-2019: INR 12,279.51 lakhs) and from outside India is INR 8,82,244.29 lakhs (2018-2019: INR 76,937.16 lakhs). Non-current assets other than financial instruments and deferred tax assets from India are INR 30,431.74 lakhs (March 31, 2019: INR 16,831.79 lakhs) and from outside India are INR 19,453.14 lakhs (March 31, 2019: INR 18,647.17 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.

March 31, 2020	Carrying amount / Fair Value			Fair value Hierarchy			
	Fair value through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	1,234.76	1,234.76	-	-	-	-
Current							
Investment	-	-	-	-	-	-	-
Trade Receivables	-	25,280.32	25,280.32	-	-	-	-
Cash and Cash Equivalents	-	5,236.67	5,236.67	-	-	-	-
Bank balances other than above	-	1,242.27	1,242.27	-	-	-	-
Loans	-	113.70	113.70	-	-	-	-
Other Financial Assets	-	1,165.71	1,165.71	-	-	-	-
	-	34,273.43	34,273.43	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

INR (in Lakhs)

March 31, 2020	Carrying amount / Fair Value			Fair value Hierarchy			
	Fair value through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities							
Non Current							
Foreign Currency Convertible Bonds (Refer Note)#	-	11,129.76	11,129.76	-	-	-	-
Term Loans	-	10,021.51	10,021.51	-	-	-	-
Lease Liabilities	-	966.74	966.74	-	-	-	-
Other Financial liabilities	1.62	-	1.62	-	1.62	-	1.62
Current							
Borrowings	-	27,807.11	27,807.11	-	-	-	-
Trade Payables	-	17,371.57	17,371.57	-	-	-	-
Lease Liabilities	-	327.70	327.70	-	-	-	-
Current maturities of Long Term Borrowings	-	3,598.34	3,598.34	-	-	-	-
Put Option Liability	26.82	-	26.82	-	-	26.82	26.82
Other Financial Liabilities	-	3,095.68	3,095.68	-	-	-	-
	28.44	74,318.41	74,346.85	-	1.62	26.82	28.44

Fair value of FCCBs is INR 12,512.93 lakhs with Level 2 of fair value hierarchy.

INR (in Lakhs)

March 31, 2019	Carrying amount/Fair Value			Fair Value Hierarchy			
	Fair value through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non Current							
Loans	-	1,113.84	1,113.84	-	-	-	-
Current							
Investments	325.49	-	325.49	-	325.49	-	325.49
Trade Receivables	-	20,931.98	20,931.98	-	-	-	-
Cash and Cash Equivalents	-	5,321.36	5,321.36	-	-	-	-
Bank Balances other than above	-	5,023.02	5,023.02	-	-	-	-
Loans	-	307.14	307.14	-	-	-	-
Other Financial Assets	-	1,074.75	1,074.75	-	-	-	-
	325.49	33,772.09	34,097.58	-	325.49	-	325.49
Financial Liabilities							
Non Current							
Foreign Currency Convertible Bonds	10,693.80	-	10,693.80	-	10,693.80	-	10,693.80
Term Loans	-	8,669.64	8,669.64	-	-	-	-
Current							
Borrowings	-	24,433.51	24,433.51	-	-	-	-
Trade Payables	-	16,461.41	16,461.41	-	-	-	-
Current maturities of Long Term Borrowings	-	2,291.35	2,291.35	-	-	-	-
Put Option Liability	177.38	-	177.38	-	-	177.38	177.38
Other Financial Liabilities	-	1,193.95	1,193.95	-	-	-	-
	10,871.18	53,049.86	63,921.04	-	10,693.80	177.38	10,871.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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). The categories are as follows:

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.
- (iv) The embedded derivative in FCCB is fair valued by an external independent valuer by computing the average cash flows determined through the Monte Carlo Simulation technique based on the market observable rates and published price.

(v) Movement of items measured using unobservable inputs (Level 3):

Particulars	(INR in lakhs)
	Amount
Balance as at April 01, 2018	367.33
(Gains) / Losses recognised in Consolidated Statement of Profit and Loss during 2018-19	(199.47)
Unrealised exchange (gain)/loss on fair valuation of put option	9.52
Balance as at March 31, 2019	177.38
(Gains) / Losses recognised in Consolidated Statement of Profit and Loss during 2019-20	(150.55)
Balance as at March 31, 2020	26.83

Unobservable inputs used in Level 3 of fair value hierarchy

The fair value of put option is calculated by independent expert based on the shareholders agreement using 'Income Approach'. The unobservable inputs used in fair valuation under level 3 are determined by considering historical financial statements, management's estimates of probability of put option being exercised by the minority shareholders, Share Holder's Agreement, discount rate and the review of projected revenue and earnings before interest, tax, depreciation and amortization.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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 of 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, to control and 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:

Particulars	INR (in Lakhs)	
	March 31, 2020	March 31, 2019
Outstanding for less than one year	25,260.50	21,028.77
Others	3,095.42	2,157.73
	28,355.92	23,186.50
Less: - Allowance for credit impaired receivables	(3,075.60)	(2,254.52)
	25,280.32	20,931.98

Investments in Mutual Funds, Term Deposits 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.

(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.

Tabulated below 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 includes both interest and principal cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

INR (in Lakhs)

March 31, 2020	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings						
Foreign Currency Convertible Bonds (FCCBs)	11,129.76	14,302.15	573.25	573.25	13,155.65	-
Term Loans	10,021.51	15,364.43	4,330.75	4,249.49	6,784.19	-
Lease Liabilities	966.74	966.74	-	228.72	732.70	5.32
Other Financial Liabilities	1.62	1.62	1.62	-	-	-
Current						
Borrowings	27,807.11	27,807.11	27,807.11	-	-	-
Trade Payables	17,371.57	17,371.57	17,371.57	-	-	-
Lease Liabilities	327.70	327.70	327.70	-	-	-
Current maturities of Long Term Borrowings	3,598.34	3,598.34	3,598.34	-	-	-
Other Financial Liabilities	3,021.75	3,021.75	3,021.75	-	-	-
	74,246.10	82,761.41	57,032.09	5,051.46	20,672.54	5.32

The contractual cash flows of FCCBs are calculated on the assumption that FCCBs will not get converted into Equity Shares of the Company before the maturity date.

INR (in Lakhs)

March 31, 2019	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings						
Foreign Currency Convertible Bonds (FCCBs)	10,693.80	14,013.67	523.82	522.39	7,085.23	5,882.23
Term Loans	8,669.64	11,363.57	836.14	3,037.57	7,260.96	228.90
Current						
Borrowings	24,433.51	24,433.51	24,433.51	-	-	-
Trade Payables	16,461.41	16,461.41	16,461.41	-	-	-
Current maturities of Long Term Borrowings	2,291.35	2,291.35	2,291.35	-	-	-
Other Financial Liabilities	1,267.74	1,267.74	1,267.74	-	-	-
	63,817.45	69,831.25	45,813.97	3,559.96	14,346.19	6,111.13

The contractual cash flows of FCCBs are calculated on the assumption that FCCBs will not get converted into Equity Shares of the Company before the maturity date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

(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:

a) Trade receivables

INR (in Lakhs)

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	219.75	16,878.67	214.49	14,864.54
EURO	24.45	2,030.68	37.71	2,932.66
MXP	397.25	1,189.39	180.90	648.53
RMB	88.19	938.40	51.90	536.44
BRL	60.59	876.97	31.25	552.40
	790.23	21,914.09	516.25	19,534.57

b) Loan and other receivable

INR (in Lakhs)

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	14.31	1,608.16	11.10	769.46
EURO	5.41	542.78	12.49	970.26
MXP	821.59	2,603.52	389.64	1,396.88
RMB	322.63	3,433.07	344.33	3,559.17
BRL	108.49	1,570.17	67.46	1,192.60
	1,272.42	9,757.70	825.02	7,888.37

c) Borrowings

INR (in Lakhs)

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	249.73	18,797.81	261.87	18,151.24
EURO	119.96	10,090.77	72.99	5,671.34
MXP	-	-	-	-
RMB	28.19	299.96	24.50	253.24
BRL	-	-	0.37	6.60
	397.88	29,188.54	359.73	24,082.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

d) Trade payable

INR (in Lakhs)

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	40.69	3,100.15	61.11	4,279.02
EURO	61.26	5,086.66	-	-
MXP	1,244.40	3,924.52	1,179.02	4,015.43
RMB	148.89	1,584.30	189.36	1,957.27
BRL	8.07	116.84	4.91	86.75
	1,503.31	13,812.47	1,434.39	10,338.47

e) Other payable

INR (in Lakhs)

Foreign Currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	13.61	951.46	12.38	856.49
EURO	44.33	3,681.58	24.48	1,902.28
MXP	1,080.50	3,424.00	792.72	2,841.96
RMB	7.99	85.06	15.35	158.71
BRL	38.79	561.42	3.53	62.46
	1,185.23	8,703.53	848.46	5,821.90

The following significant exchange rates have been applied during the year:

Foreign Currency	Year end spot rate as at	
	March 31, 2020	March 31, 2019
USD / INR	75.3859	69.1713
EUR / INR	83.0469	77.7024
MXP / INR	3.1689	3.5851
BRL / INR	14.4730	17.6782
RMB / INR	10.6410	10.3365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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 2020 and 31st March 2019:

INR (in Lakhs)

Foreign Currency	Impact on profit/ (loss) before tax		Impact on equity	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
USD / INR increase by 5%	(218.13)	(382.64)	(141.91)	(300.18)
USD / INR decrease by 5%	218.13	382.64	141.91	300.18
EUR / INR increase by 5%	(814.28)	(183.54)	(529.74)	(143.98)
EUR / INR decrease by 5%	814.28	183.54	529.74	143.98
MXP / INR increase by 5%	-	-	(177.78)	(240.60)
MXP / INR decrease by 5%	-	-	177.78	240.60
BRL / INR increase by 5%	-	-	120.11	(240.60)
BRL / INR decrease by 5%	-	-	(120.11)	240.60
RMB / INR increase by 5%	-	-	88.44	79.46
RMB / INR decrease by 5%	-	-	(88.44)	(79.46)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period is as follows:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Financial Liabilities		
Borrowings		
Fixed rate instruments		
Foreign Currency Convertible Bonds	11,129.76	10,693.80
Variable rate instruments		
Term Loans (including current maturities)	13,619.85	10,960.99
Cash Credit	22,219.81	21,768.19
Other short term loans	5,587.30	2,665.32
	52,556.72	46,088.30
Financial Assets		
Fixed rate instruments		
Fixed Deposits	1,218.21	6,846.06
Security Deposits	1,333.73	1,331.01
	2,551.94	8,177.07

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate with other conditions remaining unchanged would have the following effect on Group's profit or loss before tax and equity as at 31st March 2020 and 31st March 2019. 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. The analysis assumes that all other variables, in particular foreign currency exchange rates remains constant.

Particulars	Impact on profit before tax		Impact on equity (Net of Tax)	
	100 BP increase	100 BP decrease	100 BP increase	100 BP decrease
March 31, 2020				
Financial Liabilities				
Variable rate instruments				
Borrowings	(413.54)	413.54	(269.03)	269.03
Cash flow sensitivity	(413.54)	413.54	(269.03)	269.03
March 31, 2019				
Financial Liabilities				
Variable rate instruments				
Borrowings	(399.42)	399.42	(313.34)	313.34
Cash flow sensitivity (net)	(399.42)	399.42	(313.34)	313.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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 Company's Net Debt to Equity ratios are as follows:

Particulars	INR (in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Non-current Borrowings#	21,151.27	19,363.44
Current Borrowings	27,807.11	24,433.51
Current maturities of long term borrowings	3,598.34	2,291.35
Gross Debt	52,556.72	46,088.30
Less - Cash and Cash Equivalents	5,236.67	5,321.36
Less - Bank balances other than above	1,242.27	5,023.02
Less - Current Investments	-	325.49
Net Debt	46,077.78	35,418.43
Total Equity	40,313.68	37,088.11
Net debt to Equity ratio	1.14	0.95

Non-Current Borrowings includes FCCBs, being compound financial instruments convertible into equity shares of the Holding Company at the option of the holder of bonds.

47 Recognition of effects of inflation in countries with hyperinflationary economic environment

The effect of inflation on the Consolidated Statement of Profit and Loss on account of a subsidiary that operates in hyperinflationary economic environment is as under:

Particulars	INR (in Lakhs)		
	Amount before hyperinflation effect	Effect of Inflation	For the year ended March 31, 2020
INCOME			
Revenue from Operations	104,943.17	(28.33)	104,914.84
Other Income	343.12	(0.28)	342.84
Total Income	105,286.29	(28.61)	105,257.68
EXPENSES			
Cost of Materials Consumed	50,022.52	(51.94)	49,970.58
Purchases of Stock-in-Trade	5,322.64	23.95	5,346.60
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(1,936.44)	(2.98)	(1,939.42)
Employee Benefits Expense	9,974.09	(2.83)	9,971.26
Finance Costs	4,312.91	-	4,312.91
Depreciation and Amortisation Expense	3,280.19	0.04	3,280.23
Other Expenses	28,489.47	5.88	28,495.35
Total Expenses	99,465.38	(27.88)	99,437.50
Profit Before Tax	5,820.91	(0.73)	5,820.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

48 Business Combinations

I Acquisition/ Reverse-merger during financial year ended March 31, 2020

a) Reverse merger of CFCL Mauritius Private Limited with its subsidiary CFS Europe S.P.A

With effect from June 25, 2019, CFCL Mauritius Private Limited ('CFCL Mauritius'), Wholly Owned Subsidiary of the Holding Company was reverse merged in its subsidiary CFS Europe S.P.A ('CFS Europe'). Consequently, CFCL Mauritius ceased to be subsidiary of the Holding Company with effect from June 25, 2019. Pursuant to this reverse merger, the Company has received 2,000,000 equity shares of CFS Europe amounting to INR 1,053.23 lakhs against investment of INR 59.73 lakhs in CFCL Mauritius and loan given to CFCL Mauritius amounting to INR 993.50 lakhs. Upon reverse merger, the assets and liabilities of CFCL Mauritius became the assets and liabilities of CFS Europe.

II Acquisition/ Reverse-merger during financial year ended March 31, 2019

a) Reverse merger of CFS Antioxidantes De Mexico S.A De C.V with its subsidiary Dresen Quimica S.A.P.I de C.V

On 4th May, 2016, the Company's wholly owned 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, adsorbents, 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 access to new markets and customers.

With effect from January 31, 2019, CFS de Mexico was reverse merged in its subsidiary Dresen Quimica S.A.P.I De C.V. Consequently, CFS De Mexico ceased to be subsidiary of the Company with effect from January 31, 2019. Under the merger scheme, Holding Company was issued 5,08,20,277 shares of Dresen Quimica S.A.P.I De C.V in exchange of 34,343 shares of CFS de Mexico.

Upon reverse merger, the assets and liabilities of CFS de Mexico merged in its subsidiary Dresen Quimica S.A.P.I De C.V. 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'. Upon reverse-merger of CFS de Mexico with Dresen Quimica, the said option is now an entitlement of the Holding Company and accordingly, the fair value of put option as a financial obligation amounting to INR 615.15 lakhs is recognised as investment and the corresponding impact of INR 247.80 lakhs has been recognised as part of retained earning in its financial statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

49 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, 2020	As at March 31, 2019
I	Subsidiaries			
(a)	Direct subsidiaries			
1	CFCL Mauritius Pvt. Ltd.(upto June 25, 2019) (Refer Note 49.1)	Mauritius	NA	100%
2	CFS Do Brasil Industria Comercio Importacao E Exportacao De Aditivos Alimenticios LTDA (CFS Do Brasil)	Brazil	100%	100%
3	Solentus North America Inc.	Canada	100%	100%
4	CFS North America LLC	USA	100%	100%
5	CFS International Trading (Shanghai) Limited	China	100%	100%
6	Chemolutions Chemicals Limited	India	94.08%	94.08%
7	CFS Wanglong Flavors (Ningbo) Co. Ltd. (Refer Note 49.2)	China	51%	51%
8	CFS Pahang Asia Pte Ltd. (Since April 09, 2018)	Singapore	51%	51%
9	Dresen Quimica, S.A.P.I. de C.V. (Since January 31, 2019) (Refer Note 49.3)	Mexico	65%	65%
10	CFS Europe S.p.A. (from June 25, 2019) (Refer Note 49.1)	Italy	100%	NA
(b)	Indirect subsidiaries			
1	CFS Europe S.p.A. (upto June 25, 2019)	Italy	100%	100% held by CFCL Mauritius Pvt. Ltd.
2	Industrias Petrotec de Mexico, S.A. de C.V.	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.
3	Britec, S.A.	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.
4	Inovel, S.A.S.	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.
5	Nuvel, S.A.C.	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.
6	Grinel, S.R.L.	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.
7	CFS Argentina S.A. (since April 11, 2018)	Argentina	95% held by CFS Do Brasil and 5% by CFS Europe S.p.A	95% held by CFS Do Brasil and 5% by CFS Europe S.p.A
8	CFS Chile De S.p.A. (since July 27, 2018)	Chile	100% held by CFS Do Brasil	100% held by CFS Do Brasil
II	Associate			
	Fine Lifestyle Brands Limited	India	49.04%	49.04%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

49.1 With effect from June 25, 2019 CFCL Mauritius was reverse merged into its wholly owned subsidiary CFS Europe SpA (CFS Europe). Consequently, CFCL Mauritius ceased to be subsidiary of the Holding Company and CFS Europe has become a direct subsidiary of the Holding Company with effect from June 25, 2019.

49.2 The Holding Company holds 7.65% stake and CFS Europe S.p.A, holds 43.35% stake in CFS Wanglong Flavors (Ningbo) Co. Ltd.

49.3 CFS Antioxidantes De Mexico S.A.de C.V. incorporated in Mexico (CFS De Mexico) was a wholly owned subsidiary of the Company till January 31, 2019. CFS De Mexico held 65% of shares in Dresen Quimica S.A.P.I. de C.V (Dresen Quimica). CFS De Mexico was merged into Dresen Quimica pursuant to scheme of reverse acquisition effective January 31, 2019. Consequently, 65% shareholding of CFS de Mexico in Dresen Quimica was transferred to the Holding Company with effect from January 31, 2019.

50 Additional Information as required under Schedule III to the Companies Act, 2013, pertaining to the Holding Company, its Subsidiaries and an 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	93.47	37,680.39	101.33	3,072.13	(19.38)	(29.14)	95.62	3,042.99
	Subsidiaries								
	Indian								
1	Chemolutions Chemicals Limited	0.87	352.29	1.21	36.73	-	-	1.15	36.73
	Foreign								
1	CFS Europe S.P.A	26.49	10,679.15	77.18	2,340.06	284.69	428.03	86.99	2,768.09
2	CFS Do Brasil Industria Comercio Importacao E Exportacao De Aditivos Alimenticios LTDA	(5.58)	(2,248.73)	(67.92)	(2,059.26)	305.90	459.91	(50.26)	(1,599.35)
3	Solentus North America Inc	(0.75)	(304.19)	(1.71)	(51.86)	(4.83)	(7.26)	(1.86)	(59.12)
4	CFS North America LLC	(8.67)	(3,493.99)	(25.84)	(783.37)	(190.15)	(285.89)	(33.60)	(1,069.26)
5	Dresen Quimica S.A.P.I de C.V.	14.78	5,960.08	86.81	2,631.93	(122.78)	(184.59)	76.91	2,447.34
6	CFS International Trading (Shanghai) Ltd	(0.09)	(37.78)	(0.17)	(5.09)	(1.35)	(2.04)	(0.22)	(7.13)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2020

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)
7	CFS Wanglong Flavors (Ningbo) Co. Ltd.	16.88	6,806.82	(67.12)	(2,034.92)	139.21	209.30	(57.37)	(1,825.62)
8	CFS Argentina SA	(0.06)	(24.81)	(0.99)	(29.88)	29.13	43.80	0.44	13.92
9	CFS Chile SpA	0.12	48.69	0.36	10.92	(5.37)	(8.07)	0.09	2.85
10	CFS Pahang Asia Pte Ltd.	0.08	33.35	(0.06)	(1.86)	0.74	1.11	(0.02)	(0.75)
	Total	137.54	55,451.27	103.08	3,125.53	415.81	625.16	117.87	3,750.69
a)	Consolidation eliminations/ adjustments	(51.68)	(20,834.43)	(4.68)	(142.36)	(257.47)	(387.07)	(16.65)	(529.44)
b)	Non-Controlling Interests								
	Indian Subsidiaries								
	Chemolutions Chemicals Limited	0.05	21.56	0.07	2.18	-	-	0.07	2.18
	Foreign Subsidiaries								
	Dresen Quimica S.A.P.I de C.V.	7.74	3,120.46	30.12	913.17	58.36	87.75	31.45	1,000.92
	CFS Wanglong Flavors (Ningbo) Co. Ltd.	6.30	2,539.77	(31.77)	(963.20)	-	-	(30.27)	(963.20)
	CFS Pahang Asia Pte Ltd.	0.04	15.05	(0.03)	(0.93)	(0.01)	(0.01)	(0.03)	(0.94)
	Total Non-Controlling Interest	14.14	5,696.84	(1.61)	(48.78)	58.36	87.74	1.22	38.96
c)	Associate								
	Indian								
	Fine Lifestyle Brands Limited		-	-	(0.09)	-	-	-	(0.09)
	Total Consolidated	100.00	40,313.68	100.00	3,031.86	100.00	150.35	100.00	3,182.21

51 Previous year's figures have been regrouped / restated wherever necessary to conform to current year's classification. All figures have been rounded off to the nearest lakhs.

NOTES



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