

Date: July 08, 2019

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 2018-19 and Notice to shareholders for the purpose of 26th Annual General Meeting.

The Company has issued and dispatched the attached notice dated 24th May, 2019 (Notice) and Annual Report for Financial Year 2018-19 to the shareholders for the 26th Annual General Meeting (AGM). The AGM will be held on Friday, 02nd August, 2019 at 3.00 p.m. at Walchand Hirachand Hall, Indian Merchants Chambers Building, Indian Merchants Chambers Marg, Churchgate, Mumbai - 400 020 to transact the business set out in the Notice of the AGM which has been sent by the permitted mode under the provisions of the Companies Act, 2013 (the 'Act') and Rules framed there under 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 Link Intime India Private Limited, vide web link <https://instavote.linkintime.co.in> for all the businesses set out in the Notice of the AGM dated 24th May, 2019. The voting period commences from Tuesday, 30th July, 2019 (9:00 am IST) and ends on Thursday, 01st August, 2019 (5:00 pm IST). The remote e-voting shall not be allowed after 5:00 p.m. on 01st August, 2019.

The facility of voting by Ballot Paper shall also be made available at the AGM for the members attending the AGM and who have not cast their vote by remote e-voting, shall 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, 2019 and the reports of the Board of Directors and Auditors thereon. (Ordinary Resolution)



Registered Office:

Camlin Fine Sciences Ltd. F/11-12, WICEL, Opp. SEEPZ, Central Road, Andheri East, Mumbai 400093, India.
CIN: L74100MH1993PLC075361

+91 22 6700 1000

+91 22 2832 4404

corporate@camlinfs.com

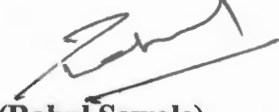
www.camlinfs.com

2. To appoint a Director in place of Ms. Anagha S. Dandekar (DIN: 07897205), who retires by rotation and being eligible, offers herself for re-appointment. (Ordinary Resolution)
3. To appoint a Director in place of Mr. Arjun S. Dukane (DIN: 06820240), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)
4. Appointment of Mr. Amol Shah (Din: 00171006) as an Independent Non-Executive Director. (Ordinary Resolution)
5. Approval of material related party transaction for the Financial Year 2019-20. (Ordinary Resolution)
6. Payment of remuneration to Mr. Dilip D. Dandekar, Chairman & Non-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


(Rahul Sawale)
Group Company Secretary



Registered Office:

Camlin Fine Sciences Ltd. F/11-12, WICEL, Opp. SEEPZ, Central Road, Andheri East, Mumbai 400093, India.
CIN: L74100MH1993PLC075361

growth & beyond



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dilip D. Dandekar - Chairman
Mr. Ashish S. Dandekar - Managing Director
Mr. Arjun S. Dukane - Executive Director
Ms. Anagha S. Dandekar - Non- Executive Director
Mr. Pramod M. Sapre - Independent Director
Mr. Sharad M. Kulkarni - Independent Director
Mr. Bhargav A. Patel - Independent Director
Mr. Abeezar E. Faizullaboy - Independent Director
Mr. Atul R. Pradhan - Independent Director
Mr. Nicola A. Paglietti - Independent Director
Mr. Nirmal V. Momaya - Non - Executive Director
*Mr. Ajit S. Deshmukh - Non - Executive Director

Chief Financial Officer Mr. Santosh Parab
Company Secretary Mr. Rahul Sawale

REGISTERED OFFICE

F/11-12, WICEL, Opp SEEPZ Main Gate,
Central Road, Andheri East,
Mumbai - 4000093
Tel No - +91 22 6700 1000
Fax : 91-22-2832 4404
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)

AUDITORS

M/s Kalyaniwalla & Mistry LLP
Chartered Accountants
Mumbai

BANKERS

IDBI Bank Limited
State Bank of India
Oriental Bank Of Commerce
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 4918 6060
Email : rnt.helpdesk@linkintime.co.in

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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.

A person wearing a white shirt and a white hard hat is climbing a long, steep staircase that extends diagonally from the bottom left towards the top right. The staircase has yellow railings and green steps. The background is a solid teal color. The text 'growth & beyond' is overlaid on the left side of the image.

growth & beyond

Every successful growth story is a tale of constant adaptation based on bold decisions.

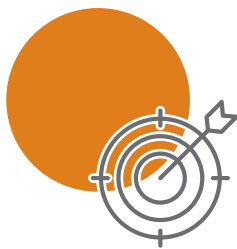
Camlin Fine Science's vision of becoming one of the largest integrated players in the world for shelf life solutions, aroma ingredients and performance chemicals, led the company in making many bold decisions in the past few years, which have started bearing fruits in this financial year. A strong foundation backed by a dedicated management team, has resulted in the company expanding its product portfolio and its global reach.

The mission to connect directly with its customers and to provide customised solutions for their precise requirements has driven constant innovation. The company today caters to the ever increasing demands of the food, pet food and animal nutrition sectors as well as flavours, fragrances, dyes, pigments, biodiesel, petrochemicals, agrochemicals, pharmaceuticals, cosmetics, textile and tanning industries. Since the products indirectly touch the lives of billions of people, responsible growth by making their lives better through our actions is of paramount importance to our company.



VISION

To be the globally preferred, trusted and integrated provider of reliable and innovative shelf life solutions, aroma ingredients and performance chemicals.



MISSION

Be a vertically integrated provider of diverse high-quality innovative antioxidants & shelf life extensions, aroma ingredients, performance chemical products and related solutions for food, animal nutrition, pet food, pharmaceutical and petrochemical industries globally. To have an in-depth product technical know-how, its applications, an intimate understanding of customer's needs and a wide global reach through superior sourcing, logistics and service.



VALUES

PASSIONATE - We love what we do and enjoy finding solutions that you will be satisfied with.

RELIABLE - We strive hard to deliver on our commitments and ensure quality products with safety.

CREDIBLE - Our integrated processes go through continual improvement to ensure excellent quality and steady supply of products which makes us a trustworthy partner to our clients located all over the world.

COLLABORATIVE - Across cultures, we sincerely partner with you as your extended team and work together to find locally suitable solutions.

TRANSPARENT - We believe in inclusion and involve all our stakeholders including yourselves, by providing relevant and accurate information.

ABOUT CAMLIN FINE SCIENCES

With over 30 years of experience, Camlin Fine Sciences Limited (CFS) is engaged in research, development, manufacturing, commercializing and marketing of specialty chemicals and blends, that are widely used in everyday life across Foods, Animal and Pet Feed, Flavours & Fragrances, Pharmaceuticals, Agro Chemicals, Petro chemicals, Dyes and Pigments, Polymers and Bio Diesel, to name a few.

The company has operations in India, Mexico, Central and North America, China, Europe, Singapore, Argentina and Brazil which serve more than 80 countries across the globe with more than 100 products and over 1,000 satisfied customers.

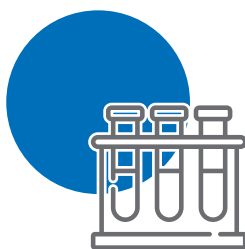


THE BUSINESS CAN BE CATEGORISED INTO THREE MAIN VERTICALS:



Shelf-Life Solutions:

Shelf life Solutions are solutions for increasing shelf life as well as for preserving color, freshness, safety and quality of the product. Its products include antioxidants, its blends and other food and feed additives.



Performance Chemicals:

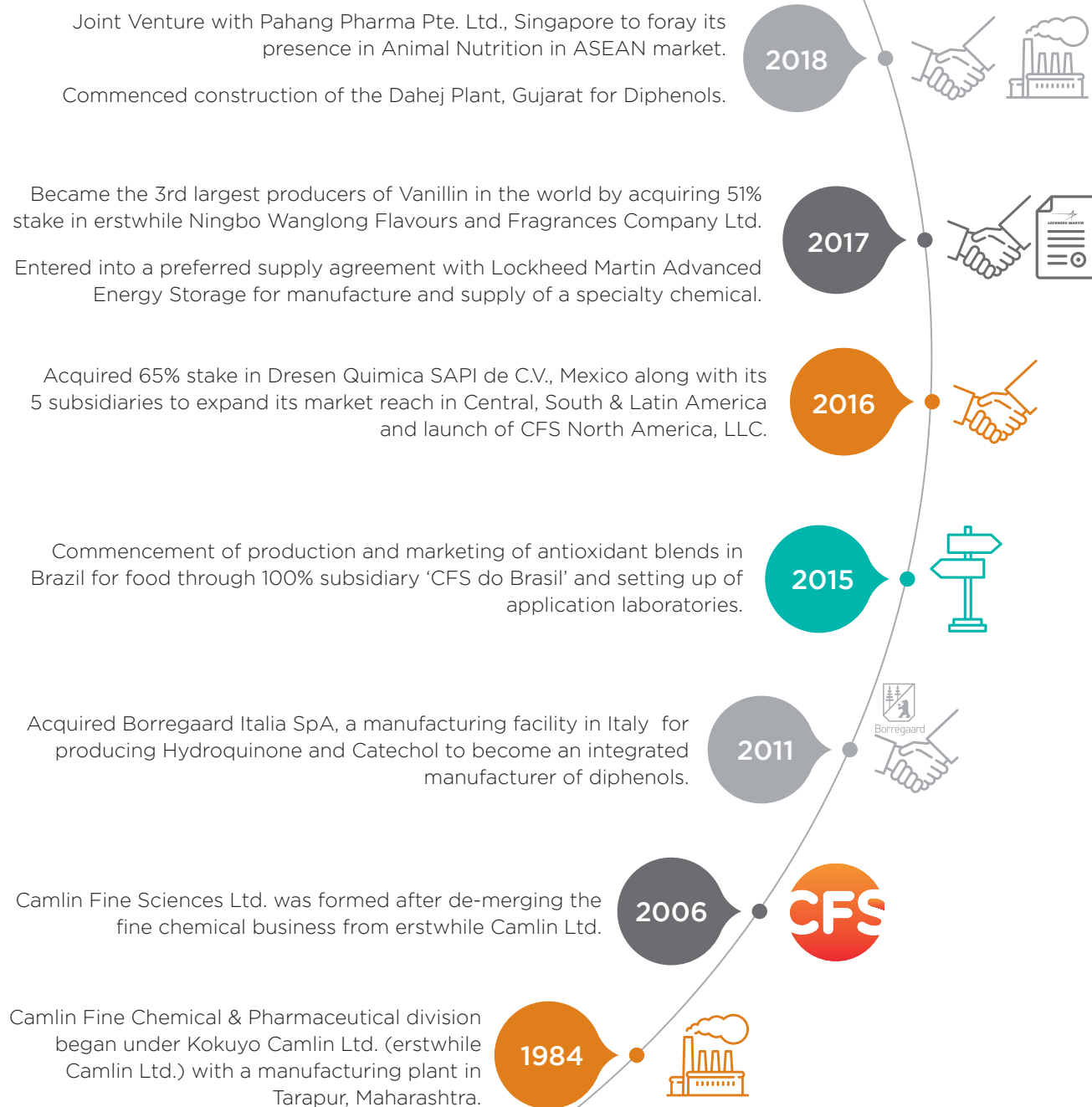
Performance Chemicals are specialty chemicals sold on the basis of their performance for specific applications. They are unique or formulated based on requirements of customers to provide innovative solutions.



Aroma Ingredients:

CFS is one of the world's leading manufacturer of a key aroma ingredient Vanillin, used in food, flavours and fragrance industries.

OUR JOURNEY



BOARD OF DIRECTORS

Mr. Dilip D. Dandekar

Chairman

Chairman and Executive Director of Kokuyo Camlin Ltd., been with the Company since 2006 and has long and vast experience in Marketing, Administration and overall Management.

Mr. Ashish S. Dandekar

Managing Director

BA in Economics and Management studies from Temple University, USA with wide experience 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 and 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, and Strategic Planning.

Mr. Bhargav A. Patel

Independent Director

MBA from an US University and has an industrial expertise with wide experience in the field of Engineering, Textile Machinery and Leather industry.

Mr. Abeezar E. Faizullahoy

Independent Director

Bachelor of Law from University of Mumbai and Solicitor from Bombay Incorporated Law Society and has expertise in Litigation, Alternate Dispute Resolution and Corporate Commercial Law.

Ms. Anagha S. Dandekar

Non-Executive Director

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

Mr. Atul R. Pradhan

Independent Director

Diploma in Electronics and Electrical Communication Engineering and MBA and is a Senior Business Advisor with more than 25 years of experience in the Management Consultancy industry.

Mr. Nicola A. 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. Nirmal V. Momaya

Non-Executive Director

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

Mr. Ajit S. Deshmukh*

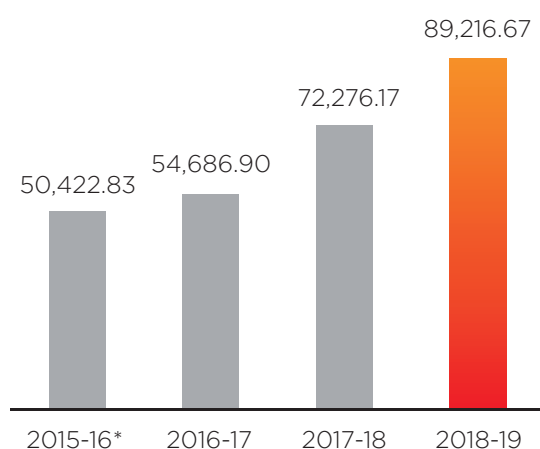
Non-Executive Director

BE in Electronics and Post Graduate from NCST with over 20 years of experience in management and leadership of IT and Investment Banking industry.

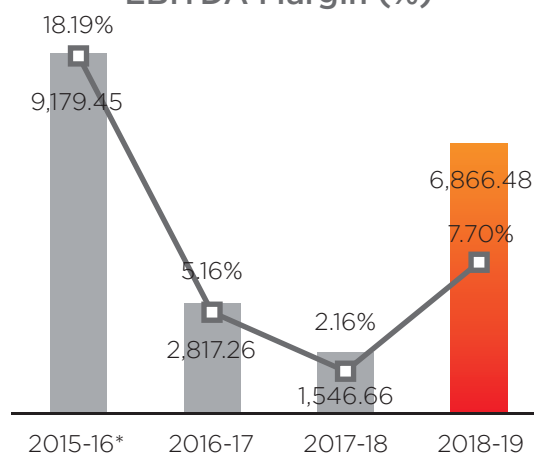
*Resigned w.e.f. 24th May, 2019

FINANCIAL HIGHLIGHTS: CONSOLIDATED

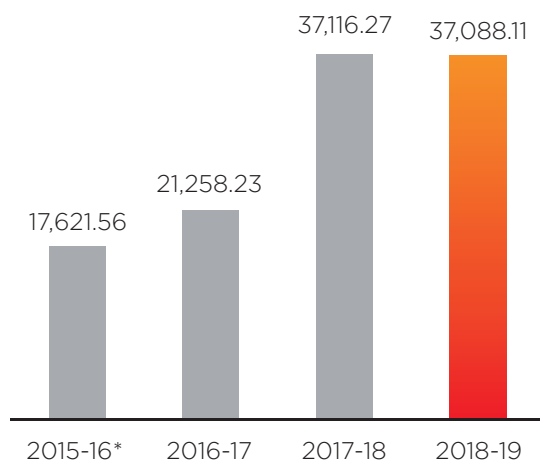
Operational Revenue (INR Lakhs)



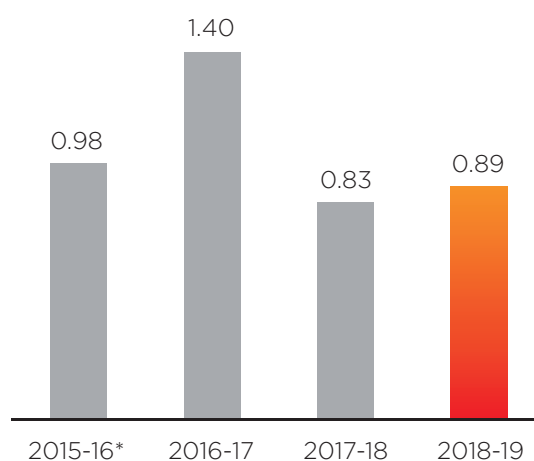
EBITDA (INR Lakhs) & EBITDA Margin (%)



Net Worth (INR Lakhs)



Net Debt to Equity



*As per I-GAAP

MANAGING DIRECTOR'S SPEECH

Dear Fellow Shareholders,

The Chemical industry in India has benefitted due to the fact that the global players are in constant lookout for responsible partners for their chemical requirements. With a vertically integrated value chain, Camlin Fine Sciences (CFS) has tried to capitalize on this opportunity and grow at a faster pace through its global foot-print with its subsidiaries in Asia, Europe, North America, South and Central America.

We bring innovative solutions into areas that impact our senses and everyday life – from food to fragrance to animal nutrition to pharmaceuticals and petrochemicals. We want more and more people across the globe to experience CFS through its products and therefore our strategies are focussed towards growth of our key business segments Shelf Life Solutions, Performance Chemicals and Aroma Ingredients. We believe in helping our customers grow by providing them customised solutions through our blends business which is growing at a very fast pace and has exhibited significant growth. To expand our global footprint in blends we have set up a blending facility in Europe in addition to our existing blends facility in Mexico, Brazil & North America.

Aroma Ingredients play a major role in various industries and the key ingredient required for the same is Vanillin. The Global Vanillin market is expected to reach USD 725 Mn by 2025 with an expected CAGR of 8.4%, due to end-use industries such as food & beverages, fragrances and pharmaceuticals. This gives our vanillin business an opportunity to grow further through our China Subsidiary, CFS Wanglong Flavours (Ningbo) Co. Ltd.

The global pet food market was valued at USD 87.08 Bn and is expected to register a CAGR of 5.4% during 2019-2025. Our subsidiaries in Mexico and North America are capitalizing on these opportunities in the pet foods market. In fact, North America is the largest geographical segment for pet food and accounted for a share of around 39.2% of the overall market and we are proud to inform you that our North America subsidiary viz. CFS North America LLC has seen a turnaround in the last quarter of this year. The animal nutrition business in the Asia Pacific region has seen the highest growth and for this reason we have entered into a Joint Venture with Pahang Pharma (S) Pte. Ltd, Singapore to penetrate further in the ASEAN market. Our subsidiary at Brazil for animal nutrition is



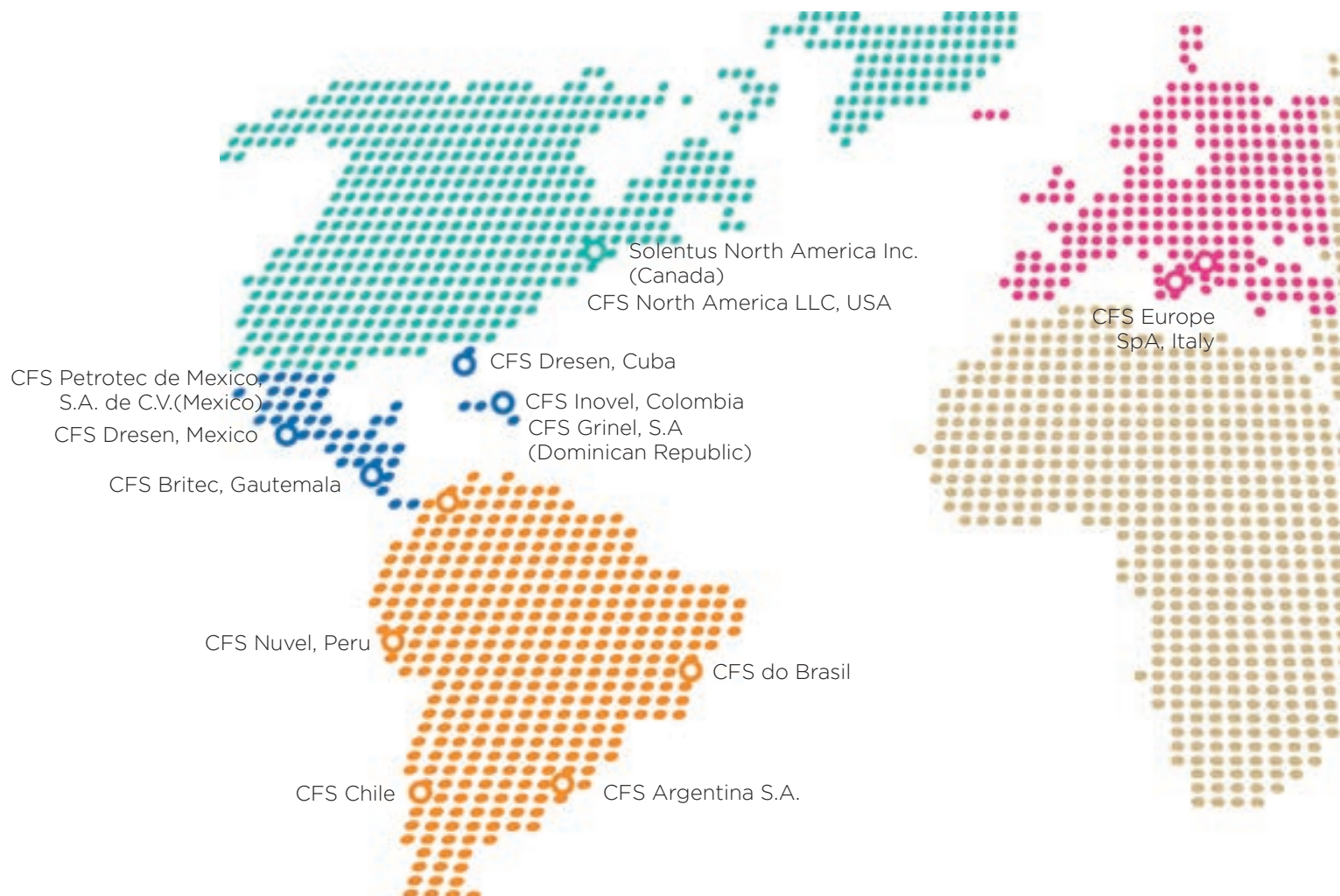
performing well due to the launch of new products and better penetration of Latin American markets.

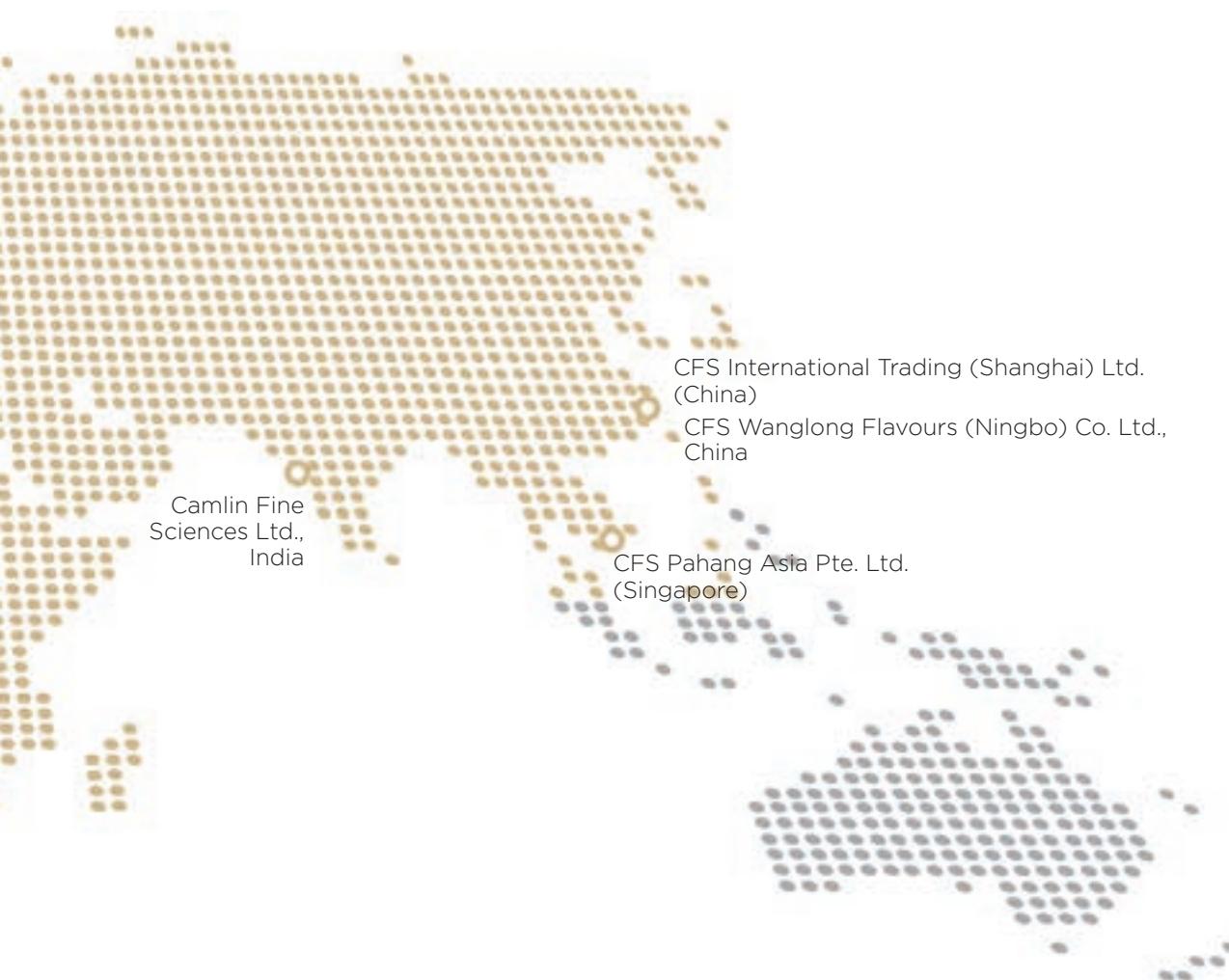
With the ongoing progress and impetus for further growth, we strive to improve and enhance our productivity through constant upgradation of technology and continuous research and development. This has helped us become one of the leading integrated global player in antioxidants and vanillin.

The construction of the diphenol manufacturing facility at Dahej had been prolonged this year due to delayed financial closure, but we are glad to inform that now things are on track and the facility will commence operations in the second half of FY20. This will make us the second largest and also one of the lowest cost producers of Hydroquinone and Catechol in the world. This will also be one of the growth drivers for the Performance Chemicals business, as with this increased capacity of diphenols we will be able to cater to the growing demand in this segment.

CFS has now turned around and aims to grow and attain new levels through our hard work and passion of serving millions of lives and contributing our bit in developing a better tomorrow.

GEOGRAPHICAL PRESENCE







Performance Chemicals



Shelf Life Solutions



Aroma Ingredients



The company sells traditional (synthetic) and natural antioxidants under two key brands:

NaSure

Extending Shelf Life Naturally

Xtendra™
shelf life solutions



SHELF LIFE SOLUTIONS

The Company provides solutions for shelf life extension needs of human food, pet food, rendering, animal nutrition, fishmeal and biodiesel industries. The division extends the shelf life of these products retaining its freshness, taste and safety.

The Company has over the years transitioned itself from selling commodity antioxidant products to making customized blends. Today, the company has over 100+ formulation blends which are a combination of various antioxidants and are directly sold to

customers instead of selling to blenders, thereby increasing the customer base from 40 to 1,000 customers since 2014.

The company's operations are vertically integrated, which gives the reliability one needs from a supplier, and they are backed by an experienced team and a global supply chain network present across North America, Central America, South America, Asia Pacific (including India), and Europe.

Other brands:

ENERSUPRA™
Glucogenic precursor for ruminants

TOPSIL™
MYCOTOXIN SEQUESTERANT

A broad spectrum toxin binder
GLUCOSIL™
SEQUESTERING MYCOTOXINS ENHANCING PROTECTION

MYCOSIL™
SEQUESTERING AFLATOXIN

SALPLUS ULTRA®
Health and Performance Solutions

Improved Nutrition, Improves Health.
POLIACID™ R60
Blend of Sodium Butyrate with slow release carrier

POLIACID™ TB
The gut integrator

Xtendra
Bake Magic

Xtendra
Mithai Magic



PERFORMANCE CHEMICALS

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 Hydroquinone, Catechol and their downstream products.

Performance Chemicals are used in Petrochemical industry include Hydroquinone, 4- Tert-Butyl Catechol (TBC) and 4- Methoxyphenol [MEHQ]

Hydroquinone, Catechol, ODEB (1, 2-Diethoxybenzene), Veratrole, Guethol and Guaiacol are utilized in Agrochemical and Pharmaceutical industry.

1, 4- Dimethoxybenzene (PDMB) and 2- Chloro-1,4 Dimethoxybenzene (CME) has applications in Dyes and Pigment industry

Hydroquinone bis (2- hydroxyethyl) Ether (HQEE) has application in high performance polyurethane products such as PU adhesives, coatings, sealants, elastomers, PU foam, Spandex, sports grounds etc. mostly in MDI systems.

Guethol and Guaiacol has its usage in aroma applications.

TBHQ Tech. find applications in perfumery, varnishes, printing inks, lacquers, resins and oil-field additives.

The company possesses technical knowhow and expertise in diphenol chemistry and can develop new products based on customer needs.

The division hopes to cater to customer needs on most competitive commercial terms in coming years.



AROMA INGREDIENTS

Aroma ingredients and aroma chemicals play a key role in food and fragrances. CFS is one of the leading producers of vanillin in the world, that has applications in ice creams, chocolates, bakery, biscuits, candy, fragrance, perfume manufacturing, personal care and cosmetics, house-hold care solutions and incense sticks. Our aroma ingredients and aroma chemicals are developed to offer distinctive fragrances with long lasting freshness.

Over the years, CFS has perfected the manufacturing of vanillin and ethyl vanillin through a clean and environment-friendly method. Our products developed through a vertically integrated platform can also offer consistency, stability, quality and safety to give our customers repeatedly the same delightful experience.



FLAVOURS:



OTHER PRODUCTS UNDER AROMA CHEMICALS:



GLOBAL RESEARCH & DEVELOPMENT

R&D Laboratories



CFS Europe

Ravenna, Italy:

Our R&D activities at CFS Europe are both in-house as well as in collaboration with external research units and universities. The in-house centre is located within our factory premises and is integrated with an active support of our Quality Control Structure for analysis. We have separate dedicated facilities for analysis and for the characterization of both organic and inorganic material.

This centre focuses on 2 areas:

- The improvement of our existing technology and
- The development of new products & processes.

Most activities done here are in collaboration with either the R&D or the Product Development units in India. Processes are first optimized in the laboratory and then tested in the pilot plant. Our next focus is on setting up new green-technology based processes within the facility.

CFS India

R&D Center, Tarapur – Maharashtra, India

Our 8,600 sq. ft. R&D Center at Tarapur, India has three sections which are constantly abuzz with activity:

- A synthetic & process development lab, which carries out all the unit operations, high pressure as well as high & extremely low temperature reactions.
- An analytical development laboratory fitted with the latest modern instruments which caters to all technical support requests from other manufacturing units.
- An independent pilot plant which supports scale-up activities as well as process engineering studies.

Our R&D team has developed many new Diphenol- downstream products. Alongside our in-house research, we conduct collaborative research projects with reputed institutes and universities for new product development and the facility is approved by the Department of Scientific and Industrial Research Technology (DSIRT).

Application Laboratories

ASIA, MIDDLE EAST AND AFRICA

CFS Applications Laboratory, Mumbai, India:

This state-of-the-art central laboratory works on testing formulations and blends for the food, pet food and animal nutrition industries. It provides technical expertise and support to the various CFS laboratories located in Italy, USA, Brazil and Mexico. It is efficiently manned by experienced food technologists, microbiologists, perfumers, flavourists. The facility is approved by the Department of Scientific and Industrial Research Technology (DSIRT).

All our Application laboratories add value to our customer's business through four core functions:

- Product development of shelf life solutions – food, pet food, animal nutrition, biodiesel, rendering and biodiesel.
- Oxidative stability testing of oils/fats/lipids/food samples with the latest instruments.
- Residue analysis of mould inhibitors, and/or bactericides, organic acids determination on products.
- Development of food applications and evaluations for providing technical support to customers in terms of dosage, method of use, processing benefits, testing know-how and evaluation of shelf life solutions.

USA AND CANADA

CFS North America, USA Customer Applications Laboratory:

Creating innovative solutions for our customers is our core focus. Our highly skilled applications team consists of scientific leaders in the area of oxidative stability. This team can work with you to select or develop the optimal product for your applications. And to give you the confidence that you're getting the desired shelf life you want, we provide on-going testing support. This is just one part of the CFS commitment to provide innovative solutions to the shelf life challenges you face in your business every day.

SOUTH AMERICA

CFS do Brasil, Brazil Shelf life testing & Application Laboratory:

Working in close partnership with its customers, the Shelf Life Testing and Applications Laboratory at CFS do Brasil continually offers them innovative solutions. It focuses on discovering and developing the most effective ways of product applications for a wide range of industries such as food and beverages, pet food, rendering, biodiesel and livestock feed. Great synergy of a dedicated, experienced team combined with the state-of-the-art laboratory has helped deliver maximum benefit to our customers through our products.

MEXICO, CENTRAL AMERICA AND CARIBBEAN ISLANDS

CFS Dresden Applications Laboratory:

For over 30 years, we have earned the confidence of our customers by creating customer specific solutions backed by sound technical assistance. In addition, this laboratory in Mexico has a dedicated team for livestock product development.

The laboratory is equipped with high-tech equipment for a wide variety of analysis that is focused on providing solutions and support to our customers.

EU AND UK

CFS Europe Customer Applications Laboratory:

Situated in the historical city of Ravenna, Italy, the new applications laboratory is geographically well-located to service our European customers. The applications laboratory is located close to the CFS diphenol plant, also in Ravenna, benefiting from the high level of expertise in phenol chemistry and analytical techniques for quantification of phenolic antioxidants. Supporting a wide range of applications within food, feed (the site has GMP+ certification) and biodiesel, the team has experience with a variety of shelf life extending solutions. As an input for product development process, the laboratory can provide a detailed technical discussion on antioxidant functionality in different matrices as well as regulatory support.

GLOBAL PRODUCTION

CFS Europe

CFS Europe SpA, the world's leading supplier of diphenols and its derivatives, manufactures with a proprietary technology. Our 43-member strong CFS team operates our 12,000 MT fully automated production facility in Ravenna, Italy. Quality assurances and checks are managed through safe and environmental friendly processes. The facility is GMP+ certified for feed additives and premixtures. To satisfy our customers and in accordance with our Group Policy, CFS Europe SpA has an integrated Quality, Safety and Environment Management System.



CFS India

Our vertical integration capability translates it into a wide range of downstream products like TBHQ, BHA, 4-TBC, Guaiacol, etc. catering to industries as diverse as food, fragrance, pet food, animal nutrition, petrochemicals, pharmaceuticals, agrochemicals, polymer and biodiesel, to name a few at our facility in Tarapur, India. Proven technical capabilities and global expertise has enabled us to cater to the local markets and offer superior service.

This level of vertical integration delivers a big advantage to our customers. They are assured of the stability of our products, its supply, quality, traceability, transparency and competitive pricing that's hard to match. Not surprisingly, we have grown to become the leading integrated manufacturer of the most preferred traditional food antioxidants available. After all, we have everything we need to offer our customers

innovative solutions - right from basic raw ingredients to their intermediates and derivatives which either directly form end products or are then used to formulate blends.

CFS is also setting up a green field plant in Dahej, Gujarat to manufacture Hydroquinone and Catechol and the downstream products with an initial capacity of 10,000 MT. The plant is expected to commission in the second half of FY20.

CFS Dresen, Mexico

Dresen Química SAPI de CV in Mexico has 11,000 sq.mt Kosher facility for production of antioxidants blends and other additives for human and feed sector. The facility includes a production area for antioxidant line, a mixing area for powdered products for preparing bactericides, fungal inhibitors, energizers, pellet binders

etc. A production area is set apart for manufacturing bactericides, fungal inhibitors and antioxidants in the liquid food segment. There are two areas for the production of liquid sanitizers.

Our offices are located in Mexico, Colombia, Peru, Cuba and Guatemala serving customers in Central America, South America and the Caribbean. The key customer segments are oil, poultry, dairy, rendering, aqua, petfood, swine, vitamin premixes etc.

The company has ISO 9001: 2015 certification and is certified by Sagarpa for its good manufacturing practices and complies with all legal and labor requirements.



The raw material for aroma ingredients (vanillin) is made in-house which gives us an edge over other producers. Especially when it comes to complete traceability over our value chain. CFS has built a robust manufacturing chain in Ravenna (Italy), Tarapur (India) and Yuyao (China) to produce vanillin from catechol maintaining global standards of quality at each of our facility. All the CFS's production facilities work responsibly using advanced waste management systems. Our strength for producing vanillin lies in enabling environment-friendly, patent efficient process and our power of Vertical Integration.



In FY19, CFS North America continued to strengthen its U.S. presence by adding knowledge and expertise across the shelf life solutions platform in the food, pet food and animal feed segments. Our customers are seeing the benefits of working with our local, technical and transparent team. Natural antioxidant blends

continue to be the most requested products for the food and pet food space and we have really expanded our product offerings using rosemary, green tea, mixed tocopherols and acerola as the key active molecules. For the animal feed space, increasing awareness of oxidative stress and the need for antioxidants will be a focus for the team going into the FY20. Non-ethoxyquin options, such as BHA and TBHQ is on the rise. The North America team is excited for the addition of our Health & Wellness platform as these products complement our current offerings and direction of the food, pet food and animal feed markets.

After several challenging months, we finally saw significant growth starting in Q4 with some key large customers coming on board using our natural antioxidant blends. This resulted in our first profitable quarter since the inception of CFS North America. The momentum is building as we go into FY20.



CFS do Brasil serves six countries in the South American region which led to the continued development and best use of our tailored Customer Support Services program. It allows us to exceed customer's expectations as we share insights on product efficacies for more sustainable use in their businesses. These customers drive our business and are our most important partners for realizing both our strategic growth ambitions and our vision to improve the lives of people today and for generations to come. To allow customers to focus more on their core competencies, CFS do Brasil offers a flexible structure in terms of manufacturing facilities and warehousing capabilities throughout South America.

Our site in Indaiatuba, State of Sao Paulo, Brazil manufactures Feed, Pet Food, Biodiesel and Food blends (liquid and dry) with necessary certifications such as FSSC22000, Kosher, FDA.

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the members of Camlin Fine Sciences Limited, will be held on Friday 02nd August, 2019 at 3.00 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber, 4th Floor, IMC Building, IMC Marg, Churchgate, Mumbai 400 020 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31st March, 2019 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Anagha S. Dandekar (DIN: 07897205), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Arjun S. Dukane (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 MR. AMOL SHAH (DIN: 00171006) 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”), Mr. Amol Shah (DIN: 00171006), who has submitted a declaration that he 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 his 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 from the date of this Annual General Meeting.

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 2019-20:

“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 2018-19, having the following details:

Description of Contract	Period of Contract	Total Cumulative Contract value with Related Party (Rs. in Crores)
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, 2019 to 31st March, 2020	160

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 REMUNERATION TO MR. DILIP D. DANDEKAR, CHAIRMAN & NON-EXECUTIVE DIRECTOR:

“RESOLVED THAT pursuant to the provisions of the Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and 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), consent of the Members be and is hereby accorded for the payment of remuneration of Rs. 32.40 Lakhs (Rupees Thirty-Two Lakhs Forty Thousand) per annum to Mr. Dilip D. Dandekar (DIN: 00846901), Chairman and Non-Executive Director of the Company for a period commencing retrospectively from 01st April, 2019 to 31st March, 2020, and all acts done by the Company and the Board of Directors in connection with the earlier resolutions be and are hereby ratified and confirmed.

RESOLVED FURTHER THAT anyone of the Directors or Chief Financial Officer or Company Secretary be and are hereby severally authorized 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
Rahul Sawale
Group Company Secretary

Place : Mumbai
Dated : 24th May, 2019

Note:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, body corporates, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 27th July, 2019 to Friday, 02nd August, 2019 (both days inclusive) for annual closing.
4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
5. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, has been as per Section 124 of the Companies Act, 2013, transferred to the Investor Education and Protection Fund (IEPF). Members are requested to claim the said unpaid dividend by making an application with IEPF Authority in Form IEPF-5 available on www.iepf.gov.in.

6. Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the meeting, forms integral part of the notice and is given in the Corporate Governance Report. The directors have furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a print copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for 2018-19 is being sent in the permitted mode. With a view to using natural resources responsibly, members are requested to register/update their email address for receiving all communication including Annual Report, Notices etc. from the Company electronically.
8. Electronic copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for financial year ending 31st March, 2019 will also be available on the Company's website www.camlinfs.com and on the website of the stock exchange(s) viz. NSE and BSE for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

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

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

11. Any Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
12. Members, who hold shares in dematerialised form, are requested to bring their Client ID. and DP ID. Nos. for easy identification of attendance at the meeting.
13. Members who are holding shares in physical form are requested to get their shares dematerialised with any Depository Participants in their own interest.

Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 (the "Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015 (the "Rules") the Company is pleased to provide members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Link Intime India Pvt. Ltd.

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

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has

issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to give their consent by providing their e-mail addresses to the Company or to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company.

Instructions for shareholders to vote electronically:

Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

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

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

at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).
	<ul style="list-style-type: none"> Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number.
	<ul style="list-style-type: none"> Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

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

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

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

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

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

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

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

Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

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

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

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote,

click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes casted by you by clicking on "Print" option on the Voting page.

General Guidelines for shareholders:

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

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

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call :- Tel : 022 - 49186000. Alternatively, shareholders can also contact Mr. Rajiv Ranjan, AVP- E-Voting, Link Intime India Pvt. Ltd., C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083.

12. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 27th July, 2019. Members can cast their vote online from 30th July, 2019 (9:00 am IST) till 01st August, 2019 (5:00 pm IST).

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

13. Mr. J. H. Ranade, Partner, failing him Mr. Sohan J. Ranade, Partner, failing him Ms. Tejaswi Zope, Partner of M/s. JHR and Associates, Practicing Company Secretaries have been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
14. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
15. The results declared along with the Scrutinizers Report shall be placed at the Company's website [www. camlinfs.com](http://www.camlinfs.com) and on the website of LI IPL

immediately after the results are declared by the Company and simultaneously communicated to the BSE and NSE.

16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the AGM of the Company.

Important Note:

Member / proxy needs to furnish the printed attendance slip/proxy form along with valid identity proof such as PAN card, passport, AADHAR card or driving license to enter into AGM hall. As Company is required to provide e-voting facility to its Members in terms of Section 108 of the Act read with Rule 20 of the Rules voting by show of hands will not be available to the Members at the 26th Annual General Meeting in view of further provisions of Section 107 read with Section 114 of the Act.

By Order of the Board
Rahul Sawale
Group Company Secretary

Place : Mumbai
Dated : 24th May, 2019

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 Mr. Amol Shah (DIN: 00171006) 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, Mr. Amol Shah, being eligible and offering himself 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 Mr. Amol Shah for appointment as an Independent Director as per the provisions of the Act. The Company has also received a declaration from Mr. Amol Shah that he 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 Mr. Amol Shah 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, Mr. Amol Shah fulfills the conditions specified in the Act, and rules made thereunder and the Listing Regulations for his appointment as an Independent Director of the Company and is independent of the Management. A copy of draft letter for appointment of Mr. Shah 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 his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Amol Shah 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 2019-20, 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, 2019:-

Sr. No.	Nature of Transaction	FY 2019-20 Estimated Annual Value of Contracts & Services [Rs. in Crores]
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.	160

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")	1. Mr. Ashish Dandekar, Managing Director	1. 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.
	2. Mr. Nicola Paglietti, Independent Director	2. Mr. Nicola Paglietti, Director, CFS Wanglong*		
	3. Mr. Nirmal Momaya, Non-Executive Director	3. 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 22nd Annual General Meeting had approved making payment of the remuneration/commission to directors who are neither managing directors nor whole-time directors; exceeding 1% of the Net Profits of the Company as computed under Section 198 of the Companies Act, 2013, subject to the aggregate limit of 11% prescribed under the Section 197 (1) of the Companies Act, 2013. Also

at the said meeting Members had approved the payment of remuneration of Rs. 30.00 Lakhs (Rupees Thirty Lakhs) per annum to Mr. Dilip D. Dandekar), Chairman and Non-Executive Director of the Company for a period of 3 (three) years from 1st January, 2014 to 31st December, 2016.

In lieu of the approval from Members, the Board of Directors (Board) has approved the payment of remuneration of Rs. 32.40 Lakhs per annum from 01st January, 2017 to Mr. Dilip D. Dandekar till any resolution is passed in this regard.

Pursuant to amendment in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, which is effective from 01st April, 2019, the approval of Members by Special Resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors, giving details of the remuneration thereof. Hence, Board proposes to Members Special Resolution for the approval of remuneration being payable to Mr. Dilip D. Dandekar for the FY 2019-20. Except for sitting fees, none of the Non-Executive Directors other than Mr. Dilip Dandekar receives any remuneration from the Company.

Mr. Dilip D. Dandekar, Non-Executive Non-Promoter Director, a well known and experienced industrialist, has been actively involved in providing guidance for framing business policies of the Company. Besides, he also advises the Company on various issues and strategic plans. In achieving all round progress in terms of expansion of product range and geographical reach role of Mr. Dandekar has been critical and important.

Apart from Mr. Dilip D. Dandekar and Mr. Subhash Dandekar, father of Mr. Ashish Dandekar and brother of Mr. Dilip Dandekar, none of the Directors/ Key Managerial

Personnel of the Company or their relatives are concerned or interested in the resolution.

The Board recommends the Special Resolution at Item No. 6 of the Notice for approval of the Members.

By Order of the Board

Rahul Sawale

Group Company Secretary

Place : Mumbai

Dated : 24th May, 2019

Annexure – ‘A’

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

Name	Mr. Amol Shah
Director Identification Number	00171006
Date of first Appointment on the Board	Not Applicable
Experience in Specific Functional Area	Mr. Shah is Managing Director of the MJ Group and he possesses more than 25 years of experience in the industry covering Human Healthcare, Flavors/Fragrances compounds, Plant protection and water treatment chemicals.
Qualifications	Bachelor of Science (Electronics Engineering) from University of Kent, Canterbury and MBA from University of Southern California.
Terms and Conditions of Appointment	As per the Explanatory Statement
Details of remuneration sought to be paid	Not Applicable
Last drawn remuneration	Not Applicable
Relationship with other Directors and Key Managerial Personnel	None
Directorship in other Companies*/Body Corporates	<ol style="list-style-type: none"> 1. Fine Aromatics and Herbal Extracts Private Limited 2. M J Exports Private Limited 3. Marvel Life Sciences Private Limited 4. Innova Life Sciences Private Limited 5. MJ Medical Devices Private Limited 6. KAS Institute of Research Private Limited 7. HOD Innovation Labs Private Limited 8. Fine Fragrances Private Limited 9. M.J. Biopharm Private Limited 10. Anglo Gulf LLP 11. Organic Bio Systems LLP
Chairman/Member in the Committees of the Boards of other Listed companies	Nil
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.

Venue of the 26th Annual General Meeting



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 26th Annual Report and the Audited Financial Statements of Accounts for the financial year ended 31st March, 2019.

Standalone Financial Highlights of 2018 - 2019

- Revenue from Operations and Other Income of the Company were Rs. 56,178.09 Lakhs as compared to Rs. 41,425.85 Lakhs in the previous year.
- Profit/ (Loss) before tax was Rs. 1,418.63 Lakhs as compared to Rs. (1,806.91) Lakhs in the previous year.
- Profit/ (Loss) after tax was Rs. 1,072.82 Lakhs as compared to Rs. (1,417.88) Lakhs in the previous year.

Financial Results

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018
Revenue from Operations & Other Income	56,178.09	41,425.85	90,595.40	73,431.98
Earnings before Interest, Tax, Depreciation & Amortisation	4,361.82	1,461.56	8,245.21	2,411.02
Less: Finance Cost	2,034.37	2,362.32	3,670.73	2,835.39
Less: Depreciation & Amortisation expenses	908.82	906.15	2,899.32	2,665.42
Less: Share of Profit / (Loss) of associate	-	-	(5.88)	17.16
Profit/(Loss) before exceptional item and tax	1,418.63	(1,806.91)	1,669.28	(3,072.63)
Less: Exceptional Item	-	-	-	-
Less: Tax Expenses	345.81	(389.03)	1,368.70	(675.41)
Profit / (Loss) After Tax	1,072.82	(1,417.88)	300.58	(2,397.22)
Other Comprehensive Income net of tax	(30.12)	12.43	53.33	1,236.51
Total Comprehensive Income for the Year	1,042.70	(1,405.45)	353.91	(1,160.71)
Retained Earnings- Opening Balance	5,633.14	6,938.96	7,324.11	10,176.36
Add: Profit/ (loss) for the year	1,072.82	(1,417.88)	57.72	(2,964.31)
Add: Adjustments with Other Equity including Other Comprehensive Income	(68.21)	112.06	(691.95)	112.06
Amount appropriated during the year:				
Dividend including Dividend Tax paid	-	-	-	-
Transfer to General Reserve	-	-	-	-
Retained Earnings- Closing Balance	6,637.75	5,633.14	6,689.90	7,324.11

On standalone basis, the Revenue from Operations was increased by 35.33% in the financial year 2018-19 vis-à-vis the previous financial year. The Revenue from Operations for the year ended 31st March, 2019 was Rs. 54,812.29 Lakhs vis-à-vis previous year of Rs. 40,502.79 Lakhs. Margins were under pressure due to increase in input costs on account of rupee depreciation. However, robust growth in sale of Performance Chemicals has boosted the Turnover. No amounts were transferred to reserves during the year under the review.

Our results of operations on consolidated basis is as follows:

The Revenue from Operations were increased by 23.44% in the financial year 2018-19 vis-à-vis the previous financial year. The Revenue from Operations for the year ended 31st March, 2019 was Rs. 89,216.67 Lakhs vis-à-vis previous year of Rs. 72,276.17 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. 134.48 Crores for the year under review vis a vis Rs. 88.81 Crores in previous year. CFS Wanglong posted a Loss Before Tax of Rs. 12.48 Crores during the year under review vis a vis Loss Before Tax of Rs. 3.83 Crores 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.

- CFS Antioxidantes de Mexico SA de CV (CFS Mexico) / Dresen Quimica SAPI De CV (Dresen):

The reverse merger of CFS Mexico with Dresen was effective 31st January, 2019 Turnover of Dresen was Rs. 217.79 Crores during the year under review vis a vis Rs. 164.19 Crores in previous year. Dresen posted a Profit Before Tax of Rs. 31.34 Crores during the year under review vis a vis Rs. 26.99 Crores in previous year. The growth path will sustain for Dresen.

- CFS North America LLC (CFS USA):

The sale of blends has increased during the quarter ended 31st March, 2019 and CFS USA posted a Profit Before Tax of Rs. 0.40 Crores during the quarter ended 31st March, 2019 vis a vis Loss Before Tax of Rs. 3.38 Crores in previous quarter. CFS USA achieved a Turnover of Rs. 23.59 Crores during the year under review vis a vis Rs. 17.83 Crores in previous year. CFS USA posted a Loss Before Tax of Rs. 9.82 Crores during the year under review vis a vis Loss Before Tax of Rs. 13.75 Crores 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. 41.11 Crores during the year under review vis a vis Rs. 25.22 Crores in previous year. The Loss Before Tax of Rs. 8.90 Crores was posted during the year under review vis a vis Loss Before Tax of Rs. 6.56 Crores 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. 329.01 Crores during the year under review vis a vis Rs. 277.11 Crores in previous year. CFS Europe posted a Profit Before Tax of Rs. 21.35 Crores during the year under review vis a vis Loss Before Tax of Rs. 16.99 Crores 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. 5.19 Crores vis a vis Rs. 4.14 Crores in previous year/ CCL posted a Profit Before Tax of Rs. 1.65 Crores during the year under review vis a vis Profit Before Tax of Rs. 1.24 Crores in previous year.

State of Affairs

Your Company is engaged in research, development, manufacturing, commercialising, and marketing of speciality chemicals and blends which are used in a wide array of food, feed, animal and pet nutrition, aroma products and industrial products. Our business is categorised into three

verticals based on our product portfolio, namely: (i) Shelflife Extension Solutions; and (ii) Aroma Ingredients and (iii) Performance Chemicals. Your Company market its products globally including in Europe, Asia Pacific, India, South and Central America and North America.

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

CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda., our wholly owned subsidiary in Brazil 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 developed antioxidant formulations for biodiesel producers with the goal to supply to all biodiesel markets. It has received “No Harm test and Relative Efficiency” certification for its two formulations/products from AGQM (Germany).

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

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

Aroma vertical primarily includes production of Vanillin and Ethyl Vanillin (“Vanillin Products”) which are marketed under

the brands “Vanesse” and “Evanil”. The key raw materials used to manufacture our Vanillin Products are Guaiacol and Guethol, respectively, which in turn are derived from Catechol. Our Vanillin Products are used to give food and beverages a flavour of vanilla, to enhance other flavours or to mask unwanted flavours and are used in food, flavour and fragrance, incense sticks, pharma and cattle feed segments.

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

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

Dividend

Considering the growth requirements of the business, your directors did not consider any dividend for the financial year 2018 - 2019.

The Company had transferred a sum of Rs. 2,67,899/- 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 2010 - 2011 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 of 08th February, 2018 received 25% of amounts (about Rs. 20.86 Crores) towards subscription of Warrants which were invested in mutual funds etc. The Warrants may be exercised by the allottees at any time before the expiry of 18 (Eighteen) months from the date of allotment of the Warrants i.e. on or before 08th August, 2019. There shall be an issue of 90,00,000 Equity Shares arising from the exercise of the Warrants and the said Equity Shares shall

rank pari-passu in all respects including dividend, with the existing equity shares of the Company. In the event the allottees do not exercise the Warrants within 18 (Eighteen) months from the date of allotment of the Warrants, the Warrants shall lapse and the amount paid on such Warrants shall stand forfeited by the Company.

FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

The approvals were accorded by the Board of Directors of the Company, at its meeting held on 24th May, 2018 and the Special Resolution was 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/FCCBs etc. upto Rs. 250 crores. Subsequently, on 28th June, 2018 the Committee appointed by Board approved raising of USD 15 million through FCCBs issued to International Finance Corporation (IFC) and authorised the opening of FCCBs at a conversion price of Rs. 125/-. Floor price determined in accordance to FCCB Scheme was Rs. 87.66/-. Pursuant to the said approvals, 30 (thirty) Foreign Currency Convertible Bonds aggregating to USD 15 million (around Rs. 107.54 crores) were issued and allotted to IFC on 14th September, 2018.

Employee Stock Option Scheme

During the year under review, the Company allotted 24,625 equity shares of Re. 1/- each upon exercise of stock options by the eligible Employees under the Camlin Fine Sciences Employees' Stock Option Scheme of 2014.

Further, the Members at their 25th Annual General Meeting held on 13th August, 2018 approved the CFS Employees Stock Option Scheme, 2018. Options for 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, 2019 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, 2019:

- **CFCL Mauritius Private Limited**
A 100% owned subsidiary of the Company incorporated for acquisition of CFS Europe S.p.A. in Italy.
- **CFS Europe S.p.A.**
A step down subsidiary of the Company engaged in manufacture and sale of key raw materials required by the Company.
- **CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda.**
A 100% owned subsidiary in Brazil to manufacture and market customized blends to cater to the Latin American market. Besides, it also handles distribution of bulk antioxidants and vanillin. CFS 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 in Canada engaged in sales, marketing and distribution of antioxidants, food ingredients, blends, formulations etc. in USA and Canada.
- **CFS North America LLC.**
A 100% wholly owned subsidiary in USA engaged in sales, marketing and distribution of antioxidants, food ingredients, blends, formulations etc. in North America.

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

A 100% owned subsidiary of the Company incorporated for acquisition of Dresen Quimica SAPI de C.V. in Mexico. 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/job-work. CCL is having its registered office in Mumbai and its plant at Tarapur, Maharashtra.

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

In July 2017, your Company 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 24th May, 2019 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

Ms. Anagha Dandekar (DIN: 07897205) and Mr. Arjun Dukane (DIN: 06820240) are retiring by rotation and being eligible offer themselves for re-appointment. You are requested to re-appoint them.

The Board of Directors at its meeting held on 24th May, 2019 upon recommendation of the Nomination and Remuneration Committee has proposed to appoint Mr. Amol Shah (DIN: 00171006), as an Independent Director on the Board of the Company. Being eligible and offering himself for appointment, resolution is being placed before the Members for approval at the ensuing General Meeting.

On 24th May, 2019, the Company received the letter of resignation from Mr. Ajit Deshmukh (DIN: 00203706), Non-Executive Director, tendering his resignation from the directorship on personal grounds with immediate effect. The Board took the note of the same and placed on record its appreciation for his services rendered during his tenure as Non-Executive 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 notice of the ensuing 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>.

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, 2019, 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, 2019 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 5 (five) Board Meetings and 4 (four) Audit Committee Meetings were convened and held. The details of the same along with other Committee's of Board are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Auditors

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166), were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 21st July, 2017 for a term of five consecutive years.

Auditors' Report

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

Reporting of Frauds

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

Secretarial Audit

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

Cost Audit

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

Since, the Company's revenue from exports, in foreign exchange, exceeds seventy-five per cent of its total revenue, Cost Audit is not applicable to the Company. 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. However, your Company had spent Rs. 45.50 Lakhs on CSR activities in the financial year 2017-18. 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/Pages/BusinessConductEthics>.

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/Pages/BusinessConductEthics>.

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 : 24th May, 2019

ANNEXURE 'A' TO DIRECTORS' REPORT

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

The Company granted options to its eligible employees under "Camlin Fine Sciences Employees Stock Option Scheme, 2014" (ESOP 2014) approved vide Shareholders resolution dated 4th August, 2014. Further, the Shareholders at their 25th Annual General Meeting held on 13th August, 2018 approved the CFS Employees Stock Option Scheme, 2018 (ESOP 2018). Options for 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 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	5,26,000*
b	Options outstanding at the beginning of the year	9,03,760	-
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	Nil
e	Options exercised during the year	24,625	Nil
f	Total number of shares arising as a result of exercise of these options	24,625	Nil
g	Option lapsed/expired/ forfeited during the year	15,800	N.A.
g	Variation in terms of option	-	-
h	Money realized by exercise of these options during the year	Rs. 16,49,875	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
	1. 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
	2. 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'.	(0.88)	N.A.

* Options granted vide letters dated 8th April, 2019.

The company has adopted fair value method in accounting for employee cost on account of ESOP 2014.

The total expense charged to the statement of profit and loss in respect of the options granted aggregated Rs. (3.07) Lakhs (previous year Rs. (4.39) lakhs).

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 24th May, 2019

ANNEXURE 'B' TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of overseas direct investments including loans and guarantees.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during audit period)**;
 - 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.
- vi. The law which is specifically applicable to the Company is as under:-

Food Safety and Standards Act, 2006

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

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

During the period under review, barring two instances of delayed filing of e-forms with Registrar of Companies, the Company complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the Audit period, consent of the members at Extra-Ordinary General Meeting held on 22nd June, 2018, was accorded by way of Special Resolution to the Board under:-

Section 23, 41, 42, 62(1)(C), 71, 179 and 180 and other applicable provisions, if any, of the Companies Act, 2013 for raising funds by way of loans/securities upto Rs. 250 Crores.

For **JHR & Associates**
Company Secretaries

J. H. Ranade
(Partner)

FCS: 4317, CP: 2520

Place : Thane

Dated : 22nd May, 2019

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

Our Secretarial Audit Report of even date for financial year 2018-2019 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 : 22nd May, 2019

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 2018-19 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	184.81	3.83	48.25:1	-
2	Mr. Arjun Dukane (appointed w.e.f. 01.06.2018)	35.54	3.83	9.23:1	-
3	Mr. Dilip D. Dandekar	32.40	3.83	8.46:1	-

* 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 - (0.36%)

Mr. Arjun Dukane - N.A

Mr. Santosh Parab (Chief Finance Officer) - 23.42%

Mr. Rahul D. Sawale (Group Company Secretary) - 14.07%

- (iii) the percentage increase in the median remuneration of employees in the financial year: 12%
- (iv) the number of permanent employees on the rolls of Company: 322
- (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)	10%
Average increase/decrease in remuneration of managerial personnel	8%

- (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 employees other than Managing Director who were employed throughout the financial year, were 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 : 24th May, 2019

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 2018-19, 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. Abeezer E. Faizullahoy – Chairman

Mr. Dilip D. Dandekar – Member

Mr. Ashish S. Dandekar – Member

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

Place: Mumbai
Dated : 24th May, 2019

Abeezer E. Faizullahoy
(Chairman CSR Committee)

Dilip D. Dandekar
Chairman

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 (in crores)
1st April, 2018 till 31st March, 2019*	Rs. 120
1st April, 2019 till 31st March, 2020**	Rs. 160

* Approved by Shareholders through Postal Ballot.

** 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: **08th February, 2019**
- (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 : 24th May, 2019

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		2018 - 2019	2017 - 2018
a)	Capital	25.30	13.10
b)	Recurring	311.91	188.15
c)	Total	337.21	201.25
d)	Total R&D Expenditure as a		
	Percentage of total turnover	0.63%	0.53%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakhs)

	2018 - 2019	2017 - 2018
Foreign exchange outgo	32,935.11	22,286.02
Foreign exchange earned	42,242.91	30,949.69

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 24th May, 2019

ANNEXURE 'G' TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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

Sr. No.	Name and Description of main Products /services	NIC Code of the Product /service	% to total turnover of the company
1.	BHA	29093090	14.34
2.	TBHQ	29072990	22.25
3.	GUAIACOL BULK	29095010	16.17

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	CFCL Mauritius Pvt. Ltd. Add: Level 2, Max City Building, Remy Ollier street, Port-Louis, Mauritius	N.A.	Subsidiary	100%	2(87)
2.	CFS Europe S.p.A Add: Via Agostino De Pretis 6, 48123 Ravenna, Italy	N.A.	Step Down Subsidiary	100%	2(87)
3.	CFS Do Brasil Industria, Comercio, Importacao E Exportacao De Aditivos Alimenticios Ltda. Add: Rua Esmeralda Martini Paula, 189 Distrito Industrial e Comercial Vitória Martini, Indaiatuba - SP 13347-636, Brazil	N.A.	Subsidiary	100%	2(87)
4.	Solentus North America Inc. Add: 55 York Street Suite 401 Toronto, ON M5J 1R7, Canada	N.A.	Subsidiary	100%	2(87)
5.	CFS North America LLC, Add: 3179 99th Street, Urbandale, Iowa 50322 USA	N.A.	Subsidiary	100%	2(87)
6.	CFS Antioxidantes de Mexico S.A. de C.V. Add: Edgar Allan Poe No. 215, Colonia Polanco, Delegacion Miguel Hidalgo, 11550 Mexico City	N.A.	Subsidiary#	100%	2(87)
7.	Dresen Quimica SAPI de C.V., (Dresen) Add: Hidalgo No. 71, Colonia del Carmen, Coyoacán Delegation, Zip Code 04100, in México, City	N.A.	Subsidiary*	65%	2(87)
7(a).	INDUSTRIAS PETROTEC DE MÉXICO, S.A. DE C.V, Add: Guanajuato 49-A Colonia Sta. Ma. Tulpetlac, Ecatepec, Estado de México, C.P. 55418	N.A.	Subsidiary of Dresen	65%	2(87)
7(b).	NUVEL, S.A.C. Add: Calle los Tejedores 109, Urbanización Vulcano, Calle los Tejedores 109, Ate, Lima Peru	N.A.	Subsidiary of Dresen	65%	2(87)
7(c).	BRITEC, S.A., Add: Diagonal 17, 27-50 zona 11 Colonia Mariscal, Guatemala	N.A.	Subsidiary of Dresen	65%	2(87)
7(d).	INOVEL, S.A.S., Add: Transversal 93, 53-32 Bodega 40, Parque Ind., El Dorado, Bogota, Colombia	N.A.	Subsidiary of Dresen	65%	2(87)
7(e).	GRINEL, S.A., Add: Fabio Fiallo number 151, New City, Santo Domingo, National District, Dominican Republic	N.A.	Subsidiary of Dresen	65%	2(87)

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
8.	CFS International Trading (Shanghai) Ltd. Add: Room 1610, 16th Floor, No. 158, Liu He Road, Shanghai, China	N.A.	Subsidiary	100%	2(87)
9.	Fine Lifestyle Brands Ltd. Add: Plot No. F/11 & F/12, WICEL, Opp. SEEPZ Main Gate, Central Road, Andheri East, Mumbai - 93	U51311MH2008PLC186375	Associate	49.04%	2(6)
10.	Chemolutions Chemicals Ltd. Add: Plot No. F/11 & F/12, WICEL, Opp. SEEPZ Main Gate, Central Road, Andheri East, Mumbai - 93 (w.e.f. 22.03.2017)	U24100MH2008PLC180376	Subsidiary	94.08%	2(87)
11.	CFS Argentina S.A. Avenue Gaona number 2612 in the town of Ramos Mejia, La Matanza, Province of Buenos Aires, Argentina	N.A.	Step Down Subsidiary	95%	2(87)
12.	CFS Wanglong Flavours (Ningbo) Co. Ltd. No. 19 Langhai North Road, Xiaocao's Town, Yuyao City, Zhejiang Province, People's Republic of China	N.A.	Subsidiary	51%	2(87)
13.	CFS Pahang Asia Pte. Ltd. 20 MAXWELL ROAD, #09-17 MAXWELL HOUSE, SINGAPORE 069113 (incorporated on 09/04/2018)	N.A.	Subsidiary	51%	2(87)
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 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	No of Shares held at the beginning of the year		No of Shares held at the end of the year		% Change in shareholding during the year
		Shareholding	% of Total Shares	Shareholding	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group					
(1)	Indian					
(a)	Individuals/H.U.F	16,313,350	13.46	16,580,250	13.67	0.22
(b)	Central/State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	9,423,300	7.77	9,423,300	7.77	(0.00)
(d)	Financial Institutions/Banks	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-
	Sub-Total (A)(1)	25,736,650	21.23	26,003,550	21.45	0.22

Sr. No.	Category of Shareholders	No of Shares held at the beginning of the year		No of Shares held at the end of the year		% Change in shareholding during the year
		Shareholding	% of Total Shares	Shareholding	% of Total Shares	
(2)	Foreign					
(a)	Non Resident Individuals/Foreign Nationals	1,340,800	1.11	1,340,800	1.11	(0.00)
(b)	Bodies Corporate	-	-	-	-	-
(c)	Institutions	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-
	Sub_Total (A)(2)	1,340,800	1.11	1,340,800	1.11	(0.00)
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	27,077,450	22.34	27,344,350	22.55	0.22
(B)	Public Shareholding					
(1)	Institutions					
(a)	Mutual Fund/UTI/NBFC	22,177,532	18.29	22,822,582	18.82	0.53
(b)	Financial Institutions/Banks	242,401	0.20	245,633	0.20	0.00
(c)	Central/State Government(s)/Trust	480,230	0.40	500	0.00	(0.40)
(d)	Venture Capital Funds	-	-	-	-	0.00
(e)	Alternate Investment Funds	616,699	0.51	-	-	(0.51)
(f)	Insurance Companies	-	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-
(h)	Foreign portfolio - corp	3,416,318	2.82	1,512,750	1.25	(1.57)
	Sub-Total (B)(1)	26,933,180	22.22	24,581,465	20.27	(1.94)
(2)	Non Institutions					
(a)	Bodies Corporate	15,197,898	12.54	13,793,709	11.38	(1.16)
(b)	Individuals		-		-	
	i) Holding nominal share capital upto Rs. 2 lakh	3,84,28,092	31.70	33,005,974	22.72	3.03
	ii) Holding nominal share capital in excess of Rs. 2 lakh	8,140,182	6.71	19,368,055	15.97	1.75
(c)	Any Other(specify) Individual Non-Resident Individual		-		-	-
	Foreign National	44,900	0.04	44,900	0.04	(0.00)
	Foreign Portfolio - ind	1,700,057	1.40		-	(1.40)
	Non Resident Individuals (Non-Rep)	314,341	0.26	328,192	0.27	0.01
	Non Resident Individuals (Rep)	1,172,269	0.97	602,852	0.50	(0.47)
	IEPF	4,80,230	0.40	5,55,327	0.46	0.06
	Hindu Undivided Family	1,740,772	1.44	1,629,172	1.34	(0.09)
	Sub-Total (B)(2)	67,218,741	55.45	69,328,181	57.18	1.73
	Total Public shareholding (B)=(B)(1)+(B)(2)	94,151,921	77.66	93,909,646	77.45	(0.22)
	TOTAL (A)+(B)	121,229,371	100.00	121,253,996	100.00	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued					
1	Promoter and Promoter Group	-	-	-	-	
2	Public	-	-	-	-	
	GRAND TOTAL (A)+(B)+(C)	121,229,371	100.00	121,253,996	100.00	-

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	13,804,550	11.39	-	14,010,550	11.55	4,724,000	0.17
2	Cafco Consultants Limited	1,497,600	1.24	-	1,497,600	1.24	-	(0.00)
3	Camart Industries Ltd	5,319,360	4.39	-	5,319,360	4.39	-	(0.00)
4	Rajani Subhash Dandekar	524,800	0.43	-	524,800	0.43	-	(0.00)
5	S D Dandekar (HUF)	9,68,000	0.80	-	10,28,900	0.85	-	0.05
6	Subhash Digambar Dandekar	1,016,000	0.84	-	1,016,000	0.84	-	(0.00)
7	Vibha Agencies Pvt. Ltd.	2,606,340	2.15	-	2,606,340	2.15	-	(0.00)
8	Anagha S. Dandekar	1,340,800	1.11	-	1,340,800	1.11	-	(0.00)
TOTAL		2,70,77,450	22.34		2,73,44,350	22.55	47,24,000	0.22

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	1,38,04,550	11.39		
	Add : Purchase from Market	2,06,000			
	At the end of the year			14,010,550	11.55
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		
	At the end of the year			1,340,800	1.11
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	9,68,000	0.80		
	Add : Interse transfer	60,900			
	At the end of the year			10,28,900	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	1,03,11,571	8.50	1,03,11,571	
	Purchase of Shares	33,70,698		1,36,82,269	
	Sale of Shares	18,73,563		1,18,08,706	
	At the end of the year			1,18,08,706	9.74
2	ICICI Prudential Midcap Fund			-	-
	At the beginning of the year	53,19,712	4.39	53,19,712	
	Purchase of Shares	75,739		53,95,451	
	At the end of the year			53,95,451	4.45
3	Canara HSBC Oriental Bank Of Commerce Life Insurance Company Ltd				
	At the beginning of the year	24,51,683	2.02	24,51,683	
	Purchase of Shares	4,26,014		28,77,697	
	Sale of Shares	7,15,289		21,62,408	
	At the end of the year			21,62,408	1.78
4	AXIS Capital Builder Fund				
	At the beginning of the year	15,95,615	1.32	15,95,615.00	
	Purchase of Shares	9,60,754		25,56,369	
	Sale of Shares	5,50,105		20,06,264	
	At the end of the year			20,06,264	1.65
5	IDBI Diversified Equity Fund				
	At the beginning of the year	16,13,713	1.33	16,13,713	
	Purchase of Shares	81,413		16,95,126	
	Sale of Shares	2,61,392		14,33,734	
	At the end of the year			14,33,734	1.18
6	Rahul Dilip Dandekar				
	At the beginning of the year	12,55,600	1.04	12,55,600	
	Purchase of Shares	-	-	12,55,600	
	At the end of the year			12,55,600	1.04
7	Aditi Dilip Dandekar				
	At the beginning of the year	12,55,600	1.04	12,55,600	
	Purchase of Shares	-	-	12,55,600	
	At the end of the year			12,55,600	1.04

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	Urjita J Master				
	At the beginning of the year	14,84,500	1.22	14,84,500	
	Purchase of Shares	40,500		15,25,000	
	Sale of Shares	2,90,500		12,34,500	
	At the end of the year			12,34,500	1.02
9	SBI Active Select Fund				
	At the beginning of the year	10,86,364	0.90	10,86,364	
	Purchase of Shares	-	-	10,86,364	
	At the end of the year			10,86,364	0.90
10	Mukul Mahavir Agrawal				
	At the beginning of the year	-		-	-
	Purchase of Shares	11,57,198	0.95	11,57,198	
	Sale of Shares	1,07,198		10,50,000	
	At the end of the year			10,50,000	0.87

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	13,804,550	11.39	13,804,550	11.38
	Purchase from Market	206,000		14,010,550	11.55
	At the end of the year			14,010,550	11.55
2	Dilip D. Dandekar				
	At the beginning of the year	1,427,120	1.18	1,427,120	1.18
	Interse Transfer	162,323		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	184,990	0.15	184,990	0.15
	Interse Transfer	80,000		104,990	0.09
	At the end of the year			104,990	0.09
4	Abeezar E Faizullahoy				
	At the beginning of the year	163,000	0.13	163,000	0.13
	Purchase from Market	22,750		185,750	0.15
	At the end of the year			185,750	0.15

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
5	Sharad M Kulkarni				
	At the beginning of the year	1,61,400	0.13	1,61,400	0.13
	Purchase from Market	90		1,61,490	0.13
	At the end of the year			1,61,490	0.13
6	Bhargav A Patel				
	At the beginning of the year	150,000	0.12	150,000	0.12
	At the end of the year			150,000	0.12
7	Atul R. Pradhan				
	At the beginning of the year	-	-	-	-
	Purchase from Market	21,500		21,500	0.02
	At the end of the year			21,500	0.02
8	Nicola A. Paglietti				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
9	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
10	Ajit S. Deshmukh				
	At the beginning of the year	40	0.00	40	0.00
	At the end of the year			40	0.00
11	Anagha S. Dandekar				
	At the beginning of the year	1,340,800	1.11	1,340,800	1.11
	At the end of the year			1,340,800	1.11
12	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
13	Santosh L. Parab				
	At the beginning of the year	994	0.00	994	0.00
	At the end of the year			994	0.00
14	Rahul D. Sawale				
	At the beginning of the year	10,000	0.01	10,000	0.01
	At the end of the year			10,000	0.01

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

(Rs. In Lakhs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	21,829.85	-	-	21,829.85
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	67.44	-	-	67.44
Total (i+ii+iii)	21,897.29	-	-	21,897.29
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	10,693.88	-	10,693.88
* Reduction	1,576.56	-	-	1,576.56
Net Change	(1,576.56)	10,693.88	-	9,117.32
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	20,654.83	10,693.80	-	31,348.62
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

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/WTM/Manager Mr. A. S. Dandekar Mr. A. S. Dukane#		Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	112.46	28.90	141.36
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	53.44	4.37	57.81
	(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)	18.91	2.27	21.18
	Total (A)	184.81	35.54	220.35

Appointed w.e.f. 01st June, 2018

@ 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. Faizullahoy	B. A. Patel	N. A. Paglietti	A. R. Pradhan	
1	Independent Directors							
	Fee for attending board/committee meetings	10.80	10.25	10.45	10.00	2.00	5.50	49.00
	Commission							
	Others, please specify	-	-	-	-	-	-	
	Total (1)	10.80	10.25	10.45	10.00	2.00	5.50	49.00

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		A. S. Deshmukh	N. V. Momaya	D. D. Dandekar	Anagha S. Dandekar	
2	Other Non-Executive Directors					
	Fee for attending board/committee meetings	3.00	5.00	5.25	3.00	16.25
	Commission			-		
	Others -					
	Remuneration	-	-	32.40		32.40
	Total (2)	3.00	5.00	5.25	3.00	48.65
	Total (B)=(1+2)					97.65

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	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	17.07	47.83	64.90
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	6.95	2.61	9.56
	(c) Profits in lieu of salary under Section 17(3) Income - tax Act, 1961	-	-	-
2	Stock Option*	25,000	50,000@	-
3	Sweat Equity	-	-	-
4	Commission			
	- as% of profit			
	- others, specify	-	-	-
5	Others, please specify (contribution to PF/Gratuity /Superannuation)	1.44	3.74	5.18
	Total	25.46	54.18	79.64

@ 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		Penalty			
Punishment					
Compounding					
B. DIRECTORS		Penalty			
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT		Penalty			
Punishment					
Compounding					

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 24th May, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY OVERVIEW

The global economy is expected to grow by approximately 2.6% in 2019. As per the World Bank, growth among emerging and developing economy is forecasted to fall to a 4 year low of 4% in 2019. The growth is constrained by sluggish investment and risks including rising trade barriers, renewed financial stress, and sharper than expected slowdowns in several major economies. Current economic momentum remains weak, while heightened debt levels and subdued investment growth in developing economies are holding countries back from achieving their potential. With growth in advanced economies projected to gradually decline to about 1.7% once economic slack is eliminated, the further pickup in global activity will entirely be driven by emerging markets and developing economies.

The ongoing US-China trade war is snowballing fears about damage to global economic growth. The repercussions can be more volatile in both commodity prices and currencies. However, India is amongst few economies that stand to benefit from the trade tensions as it can tap export opportunities for sectors like chemicals, textiles, agriculture, and overall manufacturing sector.

INDIAN ECONOMY OVERVIEW

The Indian GDP has grown to 6.8% in Financial Year 2019. The decline in GDP growth is on account of multiple factors like, fallout of NBFCs, low credit growth, tight liquidity conditions, dismal growth in wages and flat exports owing to a global slowdown. Indian Manufacturing continued its downtrend growing at 3.1%. However, GDP growth rate is expected to bottom out in the coming quarters. RBI has cut key policy rates for the third time in a row this calendar year, for improving liquidity scenario. With Government continuing to roll out policies focusing on rural population, there could be some relief to the ongoing distress and signs of recovery should be visible in the second half of the financial year.

CHEMICAL INDUSTRY OVERVIEW

The global chemical industry is very large and competitive. The global chemical distribution market size was valued at USD 204.37 Bn in 2017 and is projected to expand at a CAGR of 5.7% by 2025. The industry products account for a major share of the overall global chemicals industry. The chemicals industry is an important source of skilled employment. It also supports a significant amount of activity and jobs in the wider global economy, as a result of all the money spent on materials and services used in chemical production processes.

Chemical Industry contributes nearly USD 5.7 Tn to the world GDP making it an import sector for country. The contribution to the GDP is directly, indirectly or induced supporting nearly 120 Mn jobs across the globe. The global market for petrochemical industry is valued at USD 885.1 Bn for the period 2014 to 2020 growing at a CAGR for 6.8%.

KEY RAW MATERIALS INDUSTRY OVERVIEW

Hydroquinone being an essential compounds used in the specialty chemical industry is a derivative of crude oil primarily used for manufacturing of TBHQ and BHA mainly used as food antioxidants. Hydroquinone consumption is primarily driven by non-food grade antioxidants, which caters to nearly 86% of total demand. Internationally, Hydroquinone is manufactured only by 7-10 organizations in the international market with Solvay (Rhodia), Eastman and Mitsui chemicals being the major suppliers.

The market for hydroquinone is expected to register a CAGR of 4.12% during the period 2019-2024. Hydroquinone supply in the market has been curtailed in China owing to pollution driven cutbacks in over the last few years. Additional demands of Hydroquinone cannot be met by running plants at a 'less than' 90% level making it difficult in regular maintenance requirements; precedents of output cutbacks driven by environmental concerns in the Chinese market.

Catechol which is another industrial product used in the food and flavor industry which is manufactured from crude based derivatives. Some organizations have started developing Catechol-based downstream products with value addition to yield better realizations. Global catechol demand is expected to reach a growth rate of 4% in 2019. Driven by the strong growth

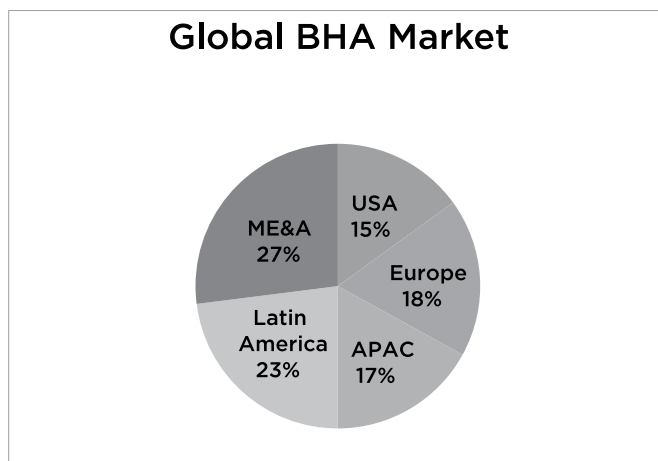
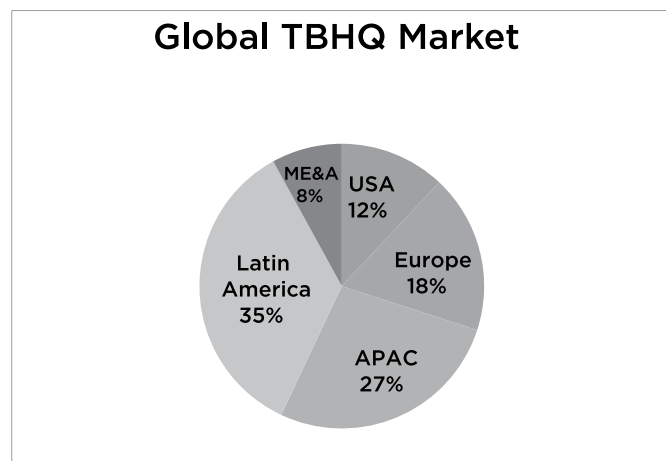
outlook for end use industries, the domestic market for specialty chemicals is expected to grow strongly, buoyed also by the increased adoption of specialty chemicals and their increased usage in different products categories. Paints coating and construction chemicals, colorants, Active Pharmaceutical Ingredients (APIs), personal care chemicals and flavors & fragrances are the segments that would perform well.

SHELF LIFE SOLUTIONS

Shelf life Solutions are solutions used to increase shelf life and food safety options to preserve color, freshness, safety of the product and having applications like human food, pet food, animal nutrition, aquaculture and biodiesel industry. The addressable market size of about USD 6-7 Bn which are made from synthetic antioxidants like rosemary extract, mixed tocopherols, green tea extract and other food additives..

Global Cooking Oil Market size was at around USD 86 Bn in 2017 and is expected to reach approximately USD 130 Bn by 2024, growing at a CAGR of around 6.2% between 2018 and 2024. The Global Pet Food Market was estimated at a value of about USD 79 Bn in 2017. The industry is expected to grow a CAGR of 5.03%, during 2017-2024. Rising need for nutritious, healthy, and organic pet food on account of increasing awareness regarding animal health is expected to augment market demand.

The Global Biodiesel Market is expected to reach USD 55 Bn by 2025. The market is expected to witness growth at 7.3% CAGR owing to increasing demand for biodiesel as automobile fuel owing to their environment friendly characteristic to mitigate greenhouse gas emission is expected to propel industry growth.

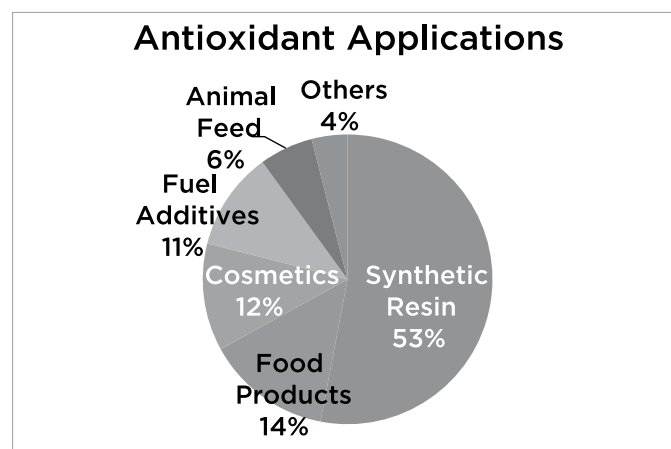
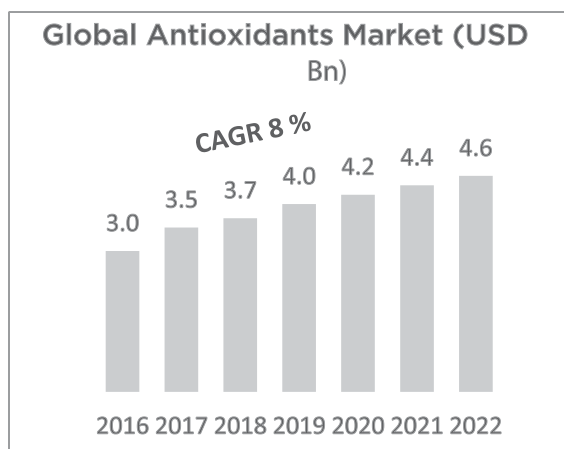


Source : Mordor Intelligence, Globe Newswire, Grandview Research, allaboutfeed.net, Company

GLOBAL FOOD ANTIOXIDANTS MARKET

Food antioxidant is a kind of food additives, used to prevent or delay the oxidation, improve the stability and prolong the shelf life of food. The common food antioxidants include synthetic antioxidants and natural antioxidants. The Global Food Antioxidants Market is expected to reach USD 1.73 Bn by 2025, from USD 1.16 Bn in 2017 growing at a CAGR of 6.1% during the forecast period of 2018 to 2025. The Global Food Antioxidants Market has various applications in beverages, Sea foods and many others.

Naturally occurring antioxidants include rosemary extract, tocopherols and green tea. Fruits and vegetables are the top sources of natural antioxidants and this market is expected to grow at a CAGR of 7.47% and Synthetic Antioxidants Market is expected to grow at a CAGR of 5.32% during 2016-2022. The demand for food antioxidants is based on the demand for healthy products. The growing demand for health products coupled with growing consumer awareness regarding benefits of antioxidants is expected to drive market demand. On the basis of application, the global food antioxidants market is classified into fats & oils, prepared foods, prepared meat & poultry, beverages, bakery & confectionery, seafood, and other food products.



Source: (Source : prnewswire, Allied Market Research, Technavio insights report, Company)

PERFORMANCE CHEMICALS

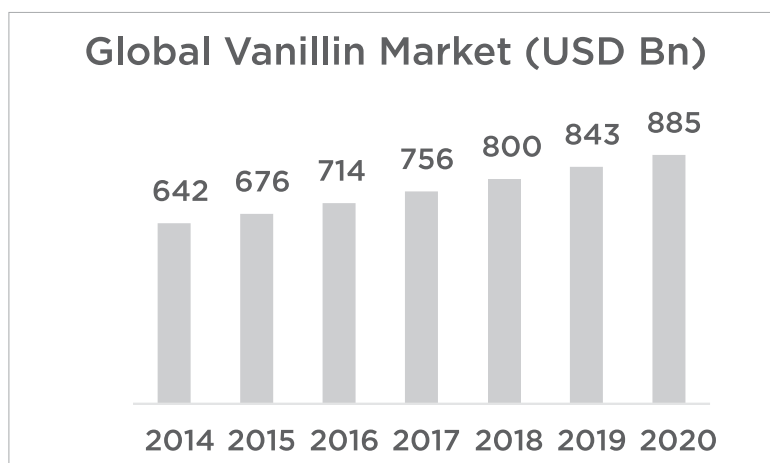
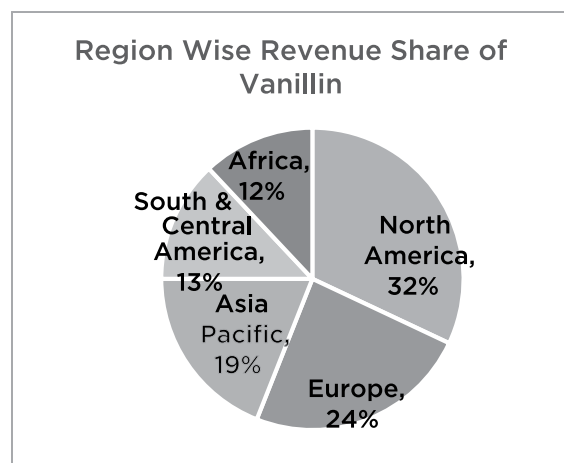
The Performance Chemicals business comprises products such as Guaiacol, Veratrole, TBC and MEHQ. TBC and MEHQ which are downstream products of Hydroquinone and Catechol and are important polymerization inhibitors for the petrochemicals industry. Guaiacol is used for manufacturing Vanillin and Pharmaceutical Intermediates. Veratrole is an important intermediate having application in Pharma and Agrochemicals industries. Based on existing operations and familiar technology, new areas of application are developed in performance chemicals where the products can contribute to improving process efficiency, better formulation performance, cost reductions or positive environmental gains. Performance chemicals have a strong market and application. Areas of application for performance chemicals are in petrochemicals, rubber, pigments and dyes industry.

AROMA CHEMICALS

The global aroma chemicals market is estimated to value at approximately USD 8 Bn in 2019, and is expected to register a CAGR of 7-10%. The first five-year cumulative revenue (2019-2023) is projected to be approximately USD 47 Bn, which is expected to increase significantly. The factor expected to drive growth of the global aroma chemicals market is increasing demand for flavors and additives from food & beverages industry. Aroma chemicals are used in the production of flavors and additives as they have distinct aroma which helps in improving taste and essence of food, and also makes food attractive and appealing to customers. In addition, increasing demand for aroma chemicals from the fragrance industry for production of perfumes, deodorant, and oils is also augmenting growth of the global aroma chemicals market, and is expected to continue with its dominance over the forecast period. In addition, it is used in the production of cosmetics which is among the major factors driving growth of the global aroma chemicals market.

The food and flavour segment is consistently and steadily growing. Vanillin is a synthetic substitute to vanilla as it is very expensive and labour intensive. Vanillin is used in food & beverages, to enhance sweetness in food products, such as chocolates, biscuits, candy, ice-creams, and cakes. The global Vanillin market is expected to reach USD 725 Mn by 2025 with an expected CAGR of 8.4%. The Synthetic Vanillin market covers over 97% of the overall demand compared to Natural Vanillin. The Natural Vanillin, derived from orchid pods, represented less than 1% of the overall industry size and was over 60 tons, in 2015. Major Players are Solvay, Jiaying Zhonghua, Camlin Fine Sciences, Borregard and Thrive. The rising consciousness about health among consumers, to discourage synthetic products are anticipated to accelerate the bio-vanillin market growth. Stringent government laws and environmental concerns over the chemical method of producing vanillin may be a dampner of market growth.

The growing demand for these food products across the globe, is expected to boost the demand for vanillin. Further, the developing interest for vanillin in the bakery & confectionery industry and the extensive use as a flavouring agent are some of the factors projected to fuel the growth of global vanillin market.



Source: Grandview research, Mordor Intelligence

OUTLOOK

Chemical industry has increased its productivity over time and has distinguished itself by holding onto the resulting profitability gains, unlike many other industries. The chemical industry has benefited tremendously from China's economic growth of the past two decades. China's capacity could not be built fast enough to meet domestic demand, so chemicals had to be imported. This allowed West European and North American players to grow while their home markets were experiencing near stagnation.

The global playing field is levelling off again, and so potentially shutting off another growth avenue. Chemical production has historically tended to be locally produced in the region where it is consumed. But the last ten years have seen a departure from that pattern of significant imbalances in raw-material prices (the cost of stranded and shale gas versus oil, labour costs, or just regional mismatches in supply and demand) and has resulted in a significant internationalization of the chemical industry and related growth opportunities for many players.

The demand for chemicals continues to grow in emerging markets as their working-age population still is a huge driver for chemical industries which can be seen as product life cycles are trying to be elongated and the rush to commoditize products have increased with innovation and accelerated globalization.

RISKS AND CONCERNS

Your 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 the de-risking ability of the Company which makes the difference.

In international markets, the risk associated with currency fluctuation has been mitigated by effective forex management 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 re-engineering, process improvements, yield improvements, technological up-gradation and other cost saving measures have resulted in cost optimisation.

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

INFORMATION & TECHNOLOGY

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

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

FINANCIAL PERFORMANCE REVIEW

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

(Rs. In Lakhs)

	2018 – 2019	2017 – 2018
Revenue from Operations & Other Income	56,178.09	41,425.85
Earnings before Interest, Tax, Depreciation & Amortisation	4,361.82	1,461.56
Less: Finance Cost	2,034.37	2,362.32
Less: Depreciation & Amortisation expenses	908.82	906.15
Profit/(Loss) before exceptional item and tax	1,418.63	(1,806.91)
Less : Exceptional Item	-	-
Less: Tax Expenses	345.81	(389.03)
Profit / (Loss) After Tax	1,072.82	(1,417.88)
Other Comprehensive Income net of tax	(30.12)	12.43
Total Comprehensive Income for the Year	1,042.70	(1,405.45)
Retained Earnings- Opening Balance	5,633.14	6,938.96
Add: Profit/ (loss) for the year	1,072.82	(1,417.88)
Add: Adjustments with Other Equity including Other Comprehensive Income	(68.21)	112.06
Amount appropriated during the year:		
Dividend including Dividend Tax paid	-	-
Transfer to General Reserve	-	-
Retained Earnings- Closing Balance	6,637.75	5,633.14

The following are the details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios:

Sr. No.	Ratio/Percentage	FY 2018-19	FY 2017-18	Percentage change	Remarks
1.	Inventory Turnover	3.53	2.24	58	As Compared to Financial Year 2017-18, sales has increased by 34% during the year under review and better inventory management has resulted in improvement in the ratio.
2.	Interest Coverage	2.14	0.62	245	In spite of increase in finance cost, an improvement in EBITDA in Financial Year 2018-19 has resulted in a better interest coverage ratio.
3.	Debt Equity (Net)	0.69	0.30	130	Debt equity ratio has increased due to increase in the long term debt on account of 30 (thirty) Foreign Currency Convertible Bonds amounting to USD 15 million (Rs. 107.54 crores) issued and allotted to International Finance Corporation on 14th September, 2018.

Sr. No.	Ratio/Percentage	FY 2018-19	FY 2017-18	Percentage change	Remarks
4.	Operating Profit Margin (%)	3.81	(0.91)	519	Increase in turnover by 34% as compared to Financial Year 2017-18 has resulted in improved operating profit margins.
5.	Net Profit Margin (%)	1.96	(3.50)	156	During the Financial Year 2018-19, profit before tax was Rs. 1,418.63 as compared to loss before tax of Rs. (1,806.91) in the previous year, which has resulted in increase in net profit margin.
6.	Return on Net Worth	0.88	(1.17)	175	There is an improvement in return on net worth as profit before tax of Rs. 1,418.63 has been posted during the year.

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.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

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

The Company empowers employees with training programmes while introducing newer systems and technology, preparing them for the change. As on 31st March 2019, the Company has 322 permanent employees.

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 24th May, 2019

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, 2019.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

Composition

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

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

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

Name & Designation of Directors	Category	No. of Board Meetings attended	No. of Directorships held in other Companies	Attendance at last AGM	No. of Committee positions held in other Companies	
					Chairman of Committee	Member of Committee
Mr. Dilip D. Dandekar Chairman	NED	4	10	Yes	Nil	Nil
Mr. Ashish S. Dandekar Managing Director	ED / Promoter	5	8	Yes	Nil	Nil
Mr. Pramod M. Sapre	NED (I)	5	1	Yes	Nil	Nil
Mr. Sharad M. Kulkarni*	NED (I)	5	4	Yes	5	4
Mr. Abeezar E. Faizullahbhoj	NED (I)	5	3	Yes	Nil	Nil
Mr. Bhargav A. Patel	NED (I)	5	7	Yes	Nil	1
Mr. Nirmal V. Momaya	NED	5	11	Yes	1	Nil
Mr. Atul R. Pradhan	NED (I)	5	3	Yes	Nil	Nil
Mr. Nicola A. Paglietti	NED (I)	2	Yes	Nil	Nil	Nil
Mr. Ajit S. Deshmukh	NED	3	4	Yes	Nil	Nil
Ms. Anagha S. Dandekar	NED	3	-	Yes	Nil	Nil
Mr. Arjun S. Dukane	ED	4	2	Yes	Nil	Nil

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

* Mr. Sharad Kulkarni on 01st April, 2019 ceased to be a member of the Board of Directors of Bayer CropScience Ltd. (listed Entity), which is included in the directorship of other companies. Consequently, he ceased to be the member of Stakeholders Relationship Committee and Chairman of Audit Committee of Bayer CropScience Ltd., which is included in Committee positions.

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.	Abeezar E. Faizullabhoy	Panoramic Universal Ltd.	Non-Executive/ Independent
2.	Bhargav A. Patel	Integra Engineering India Ltd.	Non-Executive/ Independent
3.	Dilip D. Dandekar	Chairman & Executive Director	
	Kokuyo Camlin Ltd.	Datamatics Global Services Limited	Non-Executive/ Independent
4.	Nirmal V. Momaya	Dhanvarsha Finvest Ltd	Non-Executive/ Independent
5.	Sharad M. Kulkarni	Bayer Crop Science Ltd.*	Non-Executive/ Independent
		Hindustan Construction Co. Ltd.	Non-Executive/ Independent
		KEC International Ltd.	Non-Executive/ Independent
		Navin Fluorine International Ltd.	Non-Executive/ Independent

* Mr. Sharad Kulkarni on 01st April, 2019 ceased to be a member of the Board of Directors of Bayer CropScience Ltd.

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 2018-2019, 5 (Five) Board Meetings were held on the following dates:

Sr. No.	Date	Board Strength	No. of Directors Present
1	24th May, 2018	11	10
2	22nd June, 2018	12	8
3	13th August, 2018	12	12
4	6th November, 2018	12	10
5	8th February, 2019	12	11

CODE OF CONDUCT

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

Ms. Anagha Subhash Dandekar aged 52 years is MBA in Finance from the University of South Carolina, USA. She is President and co-founder of Hardware Renaissance, a manufacturer of high end, hand crafted door hardware and accessories. Ms. Anagha holds 13,40,800 shares of the Company.

She is a director in the following Companies:

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

(B) Mr. Arjun Sudhakar Dukane

Mr. Arjun Sudhakar Dukane aged 52 years is a Chemical Engineer (Diploma). He has an overall experience of 31 years in the Chemical Industry out of which he has been associated with the Company for about last 13 years. Mr. Dukane holds 1,10,800 shares of the Company.

He is director in the following Companies:

Sr. No.	Names of the Companies/Bodies Corporate
1	Chemolutions Chemicals Limited
2	Naiknavare Chemicals Limited

(C) Mr. Amol Shah

Mr. Amol Shah graduated as Bachelor of Science (Electronics Engineering) from University of Kent, Canterbury. He pursued his MBA from University of Southern California. He is also an alumnus of the prestigious Harvard Business School where he pursued an OPM (Owners, Proprietors & Managers) course. He has played a pivotal role in the management and growth of the MJ Group. With his focus on effective management strategies & his marketing prowess, he has driven MJ group towards achieving new heights across businesses. MJ is a multi faceted, multi dimensional business Group with manufacturing activities covering Human Healthcare, Flavors/Fragrances compounds, Plant protection and water treatment chemicals and has manufacturing locations in Maharashtra and Gujarat in India, and Dubai in the UAE, and with offices in London, Uzbekistan and Moscow.

Mr. Shah is Managing Director of the MJ Group and he possesses more than 25 years of experience in the industry. Mr. Shah does not hold any shares of the Company.

Sr. No.	Names of the Companies /Bodies Corporate
1.	Fine Aromatics and Herbal Extracts Private Limited
2.	M J Exports Private Limited
3.	Marvel Life Sciences Private Limited
4.	Innova Life Sciences Private Limited
5.	MJ Medical Devices Private Limited
6.	KAS Institute of Research Private Limited
7.	HOD Innovation Labs Private Limited
8.	Fine Fragrances Private Limited
9.	M.J. Biopharm Private Limited
10.	Anglo Gulf LLP
11.	Organic Bio Systems LLP

3. COMMITTEES OF THE BOARD:

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

a) AUDIT COMMITTEE:

Composition, meetings and the attendance during the year:

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

During the financial year 2018-2019, 4 (four) meetings of the Audit Committee were held on the 24th May, 2018, 13th August, 2018, 6th November, 2018 and 8th February, 2019.

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. Abeezar E. Faizullahbhoj	Member	NED (I)	4
Mr. Bhargav A Patel	Member	NED (I)	4

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 2018-2019, 2 (two) meetings of the Committee were held on the 24th May, 2018 and 8th February, 2019.

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)	2
Mr. Sharad M. Kulkarni	Member	NED (I)	2
Mr. Abeezar E. Faizullahoy	Member	NED (I)	2
Mr. Bhargav A. Patel	Member	NED (I)	2

Terms of reference:

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

- 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/Pages/BusinessConductEthics>.

Remuneration to Directors:

(A) MANAGING DIRECTOR

Following is the Remuneration details of the Managing Director for the financial year ended 31st March, 2019:

(Rs. In Lakhs)

Name	Salary	Perquisites #	Commission	Contribution to P.F. and Other Funds	Total
Mr. Ashish S. Dandekar	112.46	58.85	-	13.50	184.81

#Perquisites inter alia, 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 is the Remuneration details of the Executive Director for the financial year ended 31st March, 2019:

(Rs. In Lakhs)

Name	Salary	Perquisites #	Contribution to P.F. and Other Funds	Total
Mr. Arjun S. Dukane	28.90	4.37	2.27	35.54

#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 2018-2019, 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, we pay commission to Non-Executive Directors / Independent Directors except Mr. Dilip D. Dandekar, subject to profitability. However, no commission was recommended for the financial year 2018-2019. The details of remuneration (including sitting fees, salaries, arrears, commission and perquisites) of the existing Non-Executive Directors during the year 2018-2019 are given below:

(Rs. In Lakhs)

Name	Category	Commission / Remuneration	Sitting Fees	Total
Mr. Dilip D. Dandekar	NED (Chairman)	32.40	5.25	37.65
Mr. Sharad M. Kulkarni	NED (I)	-	10.25	10.25
Mr. Pramod M. Sapre	NED (I)	-	10.80	10.80
Mr. Abeezer E. Faizullahoy	NED (I)	-	10.45	10.45
Mr. Bhargav A. Patel	NED (I)	-	10.00	10.00
Mr. Nirmal V. Momaya	NED	-	5.00	5.00
Mr. Atul R. Pradhan	NED (I)	-	5.50	5.50
Mr. Nicola A. Paglietti	NED (I)	-	2.00	2.00
Mr. Ajit S. Deshmukh	NED	-	3.00	3.00
Ms. Anagha S. Dandekar	NED	-	3.00	3.00

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

Details of Shareholding of Present Non-Executive Director/Independent Directors as on 31st March, 2019.

Presents Directors Name	Shares held
Mr. Dilip D. Dandekar	15,53,120
Mr. Pramod M. Sapre	1,04,990
Mr. Sharad M. Kulkarni	1,61,400
Mr. Abeezer E. Faizullahoy	1,85,750
Mr. Bhargav A. Patel	1,50,000
Mr. Atul R. Pradhan	21,500
Mr. Nicola Paglietti	-
Mr. Nirmal V. Momaya	36,01,520
Mr. Ajit S. Deshmukh	40
Ms. Anagha S. Dandekar	13,40,800

c) STAKEHOLDERS RELATIONSHIP COMMITTEE:

Composition, meetings and the attendance during the year.

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

During the financial year 2018-2019 one (1) meeting was held on 8th February, 2019.

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

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

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

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

During the year, one complaint was received from the shareholders on the SEBI SCORES website www.scores.gov.in/ Admin and was solved to the satisfaction of the shareholders.

4. COMPENSATION COMMITTEE:

Composition, meeting and the attendance during the year

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

During the financial year 2018-2019 2 (two) meeting were held on 24th May, 2018 and 6th November, 2018.

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

Name	Designation	Category	No. of Meetings attended
Mr. Abeezer E. Faizullahoy	Chairman	NED (I)	2
Mr. Dilip D. Dandekar @	Member	NED	1
Mr. Ashish S. Dandekar @	Member	ED	2
Mr. Pramod M. Sapre @	Member	NED (I)	1
Mr. Sharad M. Kulkarni	Member	NED (I)	2
Mr. Bhargav A. Patel @	Member	NED (I)	1
Mr. Atul R. Pradhan*	Member	NED (I)	1

@ Reconstituted w.e.f. - 24th May, 2018 and hence the directors ceased to be members of the Committee.

*Appointed w.e.f. - 24th May, 2018

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 2018-2019 1 (one) meeting was held on 6th November, 2018.

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

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

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

- 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 2018-2019 1 (one) meeting was held on 8th February, 2019.

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. 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
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.
2015-2016	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400020.	10th August, 2016 at 3.30 p.m.

4 (four) Special Resolutions were passed at the 23rd Annual General Meeting for FY 2015-16, 2 (two) Special Resolutions were passed at the 24th Annual General Meeting for FY 2016-17 and 2 (two) Special Resolutions were passed at the 25th Annual General Meeting for FY 2017-18.

The 9th Extra-ordinary General Meeting of the members was held on 22nd June, 2018 at 11:00 a.m. at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai - 400020. One Special resolution was passed

at the said meeting for enabling Board of Directors for raising of funds through borrowing money or issue of securities including QIP/ADR/GDR/FCCB etc. upto Rs. 250 crores.

Further, the Board of Directors of the Company at its Meeting held on 08th February, 2019 accorded approval to the proposal to conduct Postal Ballot pursuant to applicable laws and regulations, to seek consent / approval of the shareholders for the following proposals to be transacted through postal ballot, which include voting by electronic means:

1. Re-appointment of Mr. Pramod M. Sapre (DIN: 01972457) as an Independent Non-Executive Director to hold office from 01st April, 2019 upto 30th September, 2020. (Special Resolution)
2. Re-appointment of Mr. Sharad M. Kulkarni (DIN: 00003640) as an Independent Non-Executive Director to hold office from 01st April, 2019 upto 30th September, 2020. (Special Resolution)
3. Approval for Material Related Party Transaction for the Financial Year 2018-19. (Ordinary Resolution)

Accordingly, the Company had on 21st February, 2019 completed the dispatch of the Postal Ballot Notice and Explanatory Statement thereto dated 08th February, 2019 (the "Notice"), along with Postal Ballot Form.

Mr. J. H. Ranade, Practicing Company Secretary was appointed as Scrutinizer, who carried out scrutiny of all the Postal Ballot forms and votes cast under remote e-Voting facility received upto 5.00 p.m. (IST) on Saturday, 23rd March, 2019 and prepared a consolidated Scrutinizer's Report containing the combined results of e-Voting and the Postal Ballot forms on the basis of data received by him.

No. of shareholders voted either through e-voting or through postal ballot	110
Promoters and Promoter Group	11
Public	99

The resolutions, as set out in the Notice, were duly approved and passed through Postal Ballot by the shareholders of the Company with the requisite majority on 23rd March, 2019, being the last date of voting.

No special resolution is currently proposed to be conducted through the postal ballot.

8. DISCLOSURES

Related Party Transactions

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

Transactions with the related parties are disclosed in the notes to the financial statements in the Annual Report.

Weblink of policy for determining 'material' subsidiaries is <http://www.camlinfs.com/Pages/BusinessConductEthics>.

Weblink of policy on dealing with related party transactions is <http://www.camlinfs.com/Pages/BusinessConductEthics>.

Fees paid Statutory Auditor

Following is the total fees for all services paid 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, if any, is as detailed below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fees	25.00	25.00
Certification	3.14	16.99
Reimbursement of Expenses	0.78	0.60
Total	28.92	42.59

Credit Ratings

On 27th February, 2019 the Company received the ratings letter from India Ratings, considering outlook negative, downgraded the long term issuer rating to BBB+ from IND A. Further, on 06th March, 2019, Acutie has assigned long term rating Acutie A- and short term rating of Acutie A2+.

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.

9. 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.

10. GENERAL SHAREHOLDER INFORMATION:

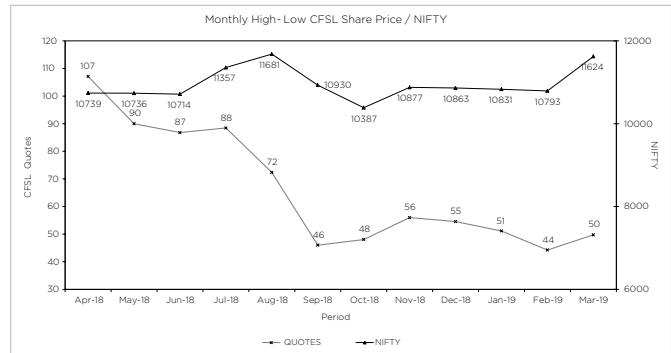
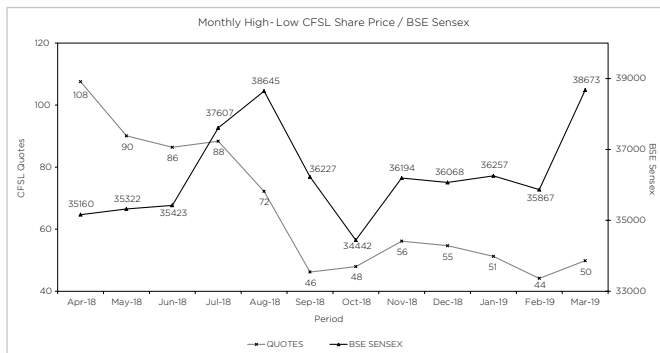
As indicated in the Notice to our Shareholders, the 26th Annual General Meeting of the Company will be held on Friday 02nd August, 2019 at 3.00 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020.

- | i. Financial Calendar | Financial Reporting by |
|---|--|
| Financial Year | : April – March |
| Unaudited Results for the quarter ending 30th June, 2019. | : Mid of August, 2019 |
| Unaudited Results for the quarter ending 30th September, 2019. | : Mid of November, 2019 |
| Unaudited Results for the quarter ending 31st December, 2019. | : Mid of February, 2020 |
| Audited Results for the year ending 31st March, 2020. | : end of May, 2020 |
| ii. Date of Book Closure | : 27th July, 2019 to 02nd August, 2019 (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 2018-2019 at BSE and NSE:- | |

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2018	115.95	100.15	115.75	99.45
May, 2018	117.70	77.55	117.50	77.50
June, 2018	94.85	78.00	95.00	77.75
July, 2018	93.90	80.40	93.80	80.25
August, 2018	90.10	59.50	90.90	59.55
September, 2018	74.50	45.00	74.40	44.50
October, 2018	52.75	36.70	52.60	36.00
November, 2018	63.65	47.30	63.85	47.15
December, 2018	58.40	47.00	58.50	45.10
January, 2019	57.80	47.25	57.75	47.30
February, 2019	51.80	39.70	52.00	39.65
March, 2019	57.20	44.70	57.30	44.70

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, 2019.

No. of Equity Shares Held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
Up to 500	26397	72.01	4185155	3.45
501 - 1000	4268	11.64	3627636	2.99
1001 - 2000	2785	7.60	4627175	3.82
2001 - 3000	919	2.51	2346100	1.93
3001 - 4000	582	1.59	2142224	1.77
4001 - 5000	494	1.35	2312019	1.91
5001 - 10000	602	1.64	4558755	3.76
10001 and above	609	1.66	97454932	80.37
TOTAL	36656	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, 2019, 98.59% of the totals shares of the Company have been dematerialised.

xi. Outstanding: GDR/ADR/Warrants/Options

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

The Company has issued 24,625 Equity Shares of Rs. 1/- each to its employees under the Camlin Fine Sciences Employees' Stock Option Scheme of 2014 at a price of Rs. 67/- per Share on 18th September, 2018. Further, the Shareholders at their 25th Annual General Meeting held on 13th August, 2018 approved the CFS Employees Stock Option Scheme, 2018. Options for 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.

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. The Warrants may be exercised by the Allottees at any time before the expiry of 18 (Eighteen) months from the date of allotment of the Warrants i.e. on or before 08th August, 2019. There shall be an issue of 90,00,000 equity shares arising from the exercise of the Warrants and the said equity shares shall rank pari-passu in all respects including dividend, with the existing equity shares of the Company.

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.

The details of Utilisation of the proceeds of Qualified Institutions Placement (QIP) are as follows:

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

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

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Share issue Expense (adjusted against the Securities Premium Account in terms of Section 52 of the Companies Act, 2013)	-	159.16
Capital expenditure including capital advances	-	679.44
Investments in Subsidiaries	-	2,101.29
Loans to Subsidiaries (including advances of INR 702.40 lakhs)	-	1,969.13
Foreign consultant fees	-	314.22
General Corporate Purposes	-	344.41
Total funds raised from QIP	-	5,567.65

- (b) On November 23, 2017, the Company had allotted 17,241,379 Equity Shares of Re. 1 each at a premium of Rs. 86 per share amounting to share proceeds of Rs. 15,000 lakhs pursuant to a Qualified Institutions Placement (QIP) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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

(Rs. In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Share issue Expense (adjusted against the Securities Premium Account in terms of Section 52 of the Companies Act, 2013)	412.83	412.83
Capital expenditure including capital advances	2,117.88	650.03
Investments in / loans to Subsidiaries*	2,657.25	2,604.24
General Corporate Purposes	9,812.04	2,795.90
Amount Invested in Units of Mutual Funds	-	8,537.00
Total funds raised from QIP	15,000.00	15,000.00

*(March 31, 2018) Investments in Subsidiaries amounting to INR 1,938.19 lakhs have been made on April 6, 2018.

The details of Utilisation of the proceeds of Warrants are as follows:

(Rs. In Lakhs)

Particulars	As at March 31, 2019
General Corporate Purposes	1,760.04
Amount Invested in Units of Mutual Funds	325.49
Total funds received against Preferential Warrants	2,085.53

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

- aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; Nil
- number of shareholders who approached listed entity for transfer of shares from suspense account during the year; N.A.
- number of shareholders to whom shares were transferred from suspense account during the year; N.A.
- aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; N.A.
- 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 was not required to have an Independent Director of the Company on the Board of such Subsidiary.

- xiv. Plant Location/ R & D Location** } D-2/3 M.I.D.C. Boisar, Tarapur, Dist. Thane 401 506.
N/165 M.I.D.C. Boisar, Tarapur, Dist. Thane 401 506.

xv. Address for correspondence:

Registered Office : Plot No. F/11 & F/12, WICEL, Opp. SEEPZ Main Gate,
Central Road, Andheri East,
Mumbai 400 093.
Tel No. : 022-6700 1000
Fax No. : 022-28324404
E-mail : secretarial@camlinfs.com

xvi. Secretarial Department:

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

12. NON-MANDATORY REQUIREMENTS:

Non-Executive Chairman's Office:

The Chairman of the Company is a Non-Executive Chairman

Shareholders rights:

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

Audit Qualifications:

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

Separate post for chairman & CEO

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

Reporting of internal auditor

The internal auditor reports directly to the Audit Committee.

For & On behalf of the Board

Dilip D. Dandekar
Chairman

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 24th May, 2019

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, 2019.

Place : Mumbai
Dated : 24th May, 2019

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, 2019 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 : 24th May, 2019

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, 2019 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

Place : Thane

Dated : 22nd May, 2019

Certificate from Practicing Company Secretaries Regarding Directors

CERTIFICATE

Based on our verification of the records maintained by Camlin Fine Sciences Limited (hereinafter called 'the Company') including declarations / notices received from the Directors and also information / record available on the website(s) of the Ministry of Corporate Affairs, Securities and Exchange Board of India and Stock Exchanges where the equity shares of the Company are listed, we hereby certify that, during the Financial year 2018-19, 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

Place : Thane

Dated : 22nd May, 2019

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
CAMLIN FINE SCIENCES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **CAMLIN FINE SCIENCES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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, 2019, 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 28% (March 31, 2018: over 20%) 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 the most significant effect on the company audit.</p> <p>Refer Note 5(i), Note 12.1, Note 15.2, Note 16, and Note 24 read with Note 45(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 audited / draft 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
Valuation of Financial Instruments	
<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 25 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 20(I) 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 elaborately the models and methodology used for the valuation of the instrument which is designated as fair value through profit or loss both at the time of initial recognition and subsequent measurement on the reporting date. 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 i.e. the liability component of the compound financial instrument is measured at fair value through profit or loss since the value of the embedded derivative cannot be separated from the host contract.</p> <p>Assessed the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework</p>
Capital Work-in-Progress in relation to Dahej Project	
<p>The Company had commenced setting up a manufacturing facility at Dahej. 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>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>

Key Audit Matter Description	Our Response
<p>Refer Note 2(b) forming part of the notes to the standalone financial statements 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. We physically verified existence of certain tangible assets / components that were not ready for use and classified as part of capital work in progress by visiting the construction site.</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 and deferred tax	
<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>The Company has recognised deferred tax assets in respect of carried forward losses and other temporary differences. The recognition of deferred tax assets involves estimation regarding the likelihood of the realisation of these assets, in particular whether there will be taxable profits in future periods that support recognition of these assets.</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> <p>We considered the appropriateness of management's assumptions and estimates in relation to the likelihood of generating future taxable profits to support the recognition of deferred tax assets with reference to forecast taxable profits and consistency of these forecasts with the budgets.</p>

Emphasis of Matter

We draw attention to Note 5.2 and Note 6.3 to the notes to the Standalone Financial Statements relating to an investment made by the Company in the share capital of Solentus North America Inc., its wholly owned subsidiary company amounting to INR 56.01 lakhs and to whom it has also advanced a loan aggregating to INR 255.64 lakhs. The subsidiary has negative net worth as at March 31, 2019 and is dependent upon the Company to enable it to meet its obligations as they become due. In the opinion of the management, the fall in value of the equity shares is temporary and the recoverability of the above loan is dependent on successful implementation of management's future plans in respect of the said subsidiary.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Financial Highlights, Directors' Report, Management Discussion and Analysis and Corporate Governance Report but does not include the Standalone Financial Statements and our auditor's report thereon.

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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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 Statements

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 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 its financial position in its Standalone Financial Statements - Refer Note 43(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, 2019, 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

Place: Mumbai

Dated: May 24, 2019

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, 2019.

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

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties 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 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. The Company has granted unsecured loans to six companies covered in the register maintained under section 189 of the Act which aggregated INR 4,037.52 lakhs at March 31, 2019.
- a) The aforesaid loans have been made to the subsidiaries. According to the information and

explanations given to us, and having regards to managements representation that the loans given to the subsidiaries of the Company are in the interest of the Company's business, the rate of interest and the other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

- b) According to the information and explanations given to us, and to the best of our knowledge no schedule of repayment of principal and interest has been stipulated in respect of loans aggregating INR 977.04 lakhs. In respect of the other loans, the same are repayable over a period of 2 to 3 years from the date on which these have been granted without any specific stipulation as to the payment of interest and principal.
- c) In respect of the loans referred to in this clause in view of no specific stipulation to payment of interest and principal, we are unable to comment on overdue amount, if any, on such loans.
- iv. In our opinion and according to the information and explanations given to us and the records examined by us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given by the Company.
- v. As indicated in Note 25.2 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, 2019 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, 2019, 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

- viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of loans or borrowings from financial institutions, banks or government. The Company has not issued any debentures.
- ix. According to the information and explanations given to us, the Company has not raised money through initial public offer or further public offer (including debt instruments) and term loans, hence the provisions of paragraph 3(ix) of the Order are not applicable.
- x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the management, no material fraud by or on the Company, has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals

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

- xii. 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 explanation given to us, during the year the Company has not made any preferential allotment or private placement of shares. The Company has issued Foreign Currency Convertible Bonds during the year and the funds raised have been used for the purpose for which the funds were raised.
- 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

Place: Mumbai
 Dated: May 24, 2019

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, 2019.

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, 2019 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 standalone financial statements.

Meaning of Internal Financial Controls with over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 Over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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

Place: Mumbai

Dated: May 24, 2019

STANDALONE BALANCE SHEET

as at March 31, 2019

Particulars	Notes	INR (in Lakhs)	
		As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2(a)	7,892.90	6,834.83
Capital Work-in-Progress	2(b)	5,237.16	1,202.84
Investment Property	3	207.19	207.19
Intangible Assets	4	66.80	115.83
Intangible Assets under development		1,610.46	781.10
Financial Assets			
Investments	5	6,571.95	4,000.71
Loans	6	2,878.17	1,884.96
Deferred Tax Assets (Net)	7	120.71	168.02
Income Tax Assets (Net)	8	358.36	282.86
Other Non-Current Assets	9	2,400.44	485.40
Total Non-Current Assets		27,344.14	15,963.74
Current Assets			
Inventories	10	10,930.99	11,481.27
Financial Assets			
Investments	11	325.49	10,807.63
Trade Receivables	12	26,185.91	21,142.14
Cash and Cash Equivalents	13	1,889.02	179.32
Bank Balances other than Cash and Cash Equivalents	14	5,023.02	959.83
Loans	15	1,613.34	2,340.80
Other Financial Assets	16	2,211.80	1,924.45
Other Current Assets	17	2,572.75	2,978.88
Total Current Assets		50,752.32	51,814.32
TOTAL ASSETS		78,096.46	67,778.06
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	1,212.54	1,212.30
Other Equity	19	33,530.10	31,933.54
Total Equity		34,742.64	33,145.84
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	20	11,110.46	1,449.86
Provisions	21	236.88	196.40
Other Non-Current Liabilities	22	138.22	171.06
Total Non-Current Liabilities		11,485.56	1,817.32
Current Liabilities			
Financial Liabilities			
Borrowings	23	19,900.13	20,029.44
Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises and	24	400.09	45.88
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		10,188.82	11,373.30
Other Financial Liabilities	25	1154.61	967.22
Other Current Liabilities	26	146.09	334.83
Provisions	27	29.74	35.86
Current Tax Liabilities (Net)	28	48.78	28.37
Total Current Liabilities		31,868.26	32,814.90
Total Liabilities		43,353.82	34,632.22
TOTAL EQUITY AND LIABILITIES		78,096.46	67,778.06
Significant Accounting Policies	1		

The accompanying notes 1 to 49 form an integral part of the Financial Statements.

As per our Report of even date

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

Mumbai, Dated: May 24, 2019

Signatures to the Balance Sheet and Notes to Financial Statements.

For and on behalf of the Board

Dilip D. Dandekar

Chairman

DIN: 00846901

Santosh Parab

Chief Financial Officer

Mumbai, Dated: May 24, 2019

Ashish S. Dandekar

Managing Director

DIN: 01077379

Rahul D. Sawale

Company Secretary

ICSI Membership No: ACS 29314

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

Particulars	Notes	INR (in Lakhs)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from Operations	29	54,812.29	40,502.79
Other Income	30	1,365.80	923.06
Total Income		56,178.09	41,425.85
EXPENSES			
Cost of Materials Consumed	31	39,570.84	25,927.19
Purchases of Stock-in-Trade		547.65	2,366.53
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	32	748.42	2,051.54
Excise Duty		-	214.24
Employee Benefits Expense	33	2,266.19	2,089.56
Finance Costs	34	2,034.37	2,362.32
Depreciation and Amortisation Expense	35	908.82	906.15
Other Expenses	36	8,683.17	7,315.23
Total Expenses		54,759.46	43,232.76
Profit/(Loss) Before Tax		1,418.63	(1,806.91)
Tax Expense			
Current tax	7(b)	320.41	-
Deferred tax	7(b)	25.40	(389.03)
Total Tax Expense		345.81	(389.03)
Profit/(Loss) for the Year		1,072.82	(1,417.88)
Other Comprehensive Income			
Items that will not be subsequently reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plans		(46.30)	18.66
Income Tax relating to items that will not be reclassified to Profit or Loss	7(c)	16.18	(6.23)
Total Other Comprehensive Income for the Year		(30.12)	12.43
Total Comprehensive Income for the Year		1,042.70	(1,405.45)
Earnings per Equity Share (Face value of INR 1 each)	40		
Basic		0.88	(1.67)
Diluted		0.88	(1.63)
Significant Accounting Policies	1		

The accompanying notes 1 to 49 form an integral part of the Financial Statements.

As per our Report of even date

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2019

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

Santosh Parab
Chief Financial Officer

Mumbai, Dated: May 24, 2019

Ashish S. Dandekar
Managing Director
DIN: 01077379

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

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

Particulars	INR (in Lakhs)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Cash Flow from Operating Activities		
Profit/(Loss) before Taxation	1,418.63	(1,806.91)
Adjustment for:		
Depreciation and Amortization Expense	908.82	906.15
Finance Costs	2,034.37	2,362.32
Foreign Exchange Loss/(Gain) (Unrealised)	(666.75)	(706.68)
Loss on sale of Property, Plant & Equipment and Intangible Assets	-	11.59
Bad Debt written off	-	100.21
Bad Advances written off	-	36.46
Allowance for Credit Loss	68.22	(323.82)
Allowance for Doubtful advances	-	(35.23)
ESOP compensation (reversal) / cost	(3.07)	(4.39)
Provision for Compensated Absences	34.36	(14.51)
Interest Income	(350.31)	(276.55)
Remeasurements of defined benefit plans	(46.30)	18.66
Net Gain arising on Financial Liabilities measured at Fair Value Through Profit or Loss (FVTPL)	(199.47)	-
Net Loss/(Gain) arising on Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)	85.66	(191.70)
Operating Profit before working capital changes	3,284.16	75.60
Adjustment for:		
Increase/(Decrease) in Non Financial Liabilities	(188.74)	162.62
Increase/(Decrease) in Financial Liabilities	(988.23)	8,064.98
(Increase)/Decrease in Non Financial Assets	(958.62)	(729.42)
(Increase)/Decrease in Financial Assets	(5,233.49)	(8,060.76)
Cash generated from/(used in) operations	(7,369.08)	(562.58)
Taxes Paid (Net)	(375.51)	(36.60)
Net Cash Flow from/(used in) Operating activities	(4,460.43)	(523.58)
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(5,154.96)	(1,507.81)
Sale of Property, Plant & Equipment and Intangible Assets	-	8.89
Purchase of Investments	(1,956.09)	(622.89)
Sale/(Purchase) of Mutual Funds (Net)	10,363.87	(9,470.98)
Investment in Fixed Deposits	(4,065.58)	(94.87)
Interest Received	521.83	107.94
Net Cash Flow from/(used in) Investing Activities	(290.93)	(11,579.72)

STANDALONE STATEMENT OF CASH FLOWS (Contd.)

for the year ended March 31, 2019

Particulars	INR (in Lakhs)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital (net of issue expenses)	16.49	14,773.73
Received against Preferential Share Warrants	-	2,085.53
Proceeds from / (Repayment of) Foreign Currency Convertible Bonds	10,753.80	-
Proceeds from / (Repayment of) Long Term Borrowings (Net)	(325.07)	(155.50)
Proceeds from / (Repayment of) Short Term Borrowings (Net)	(129.31)	(2,246.16)
Interest Paid	(3,854.85)	(2,420.95)
Net Cash Flow from Financing Activities	6,461.06	12,036.65
Net Increase / (Decrease) in Cash & Cash Equivalents	1,709.70	(66.65)
Cash & Cash Equivalents at the beginning of the year	179.32	245.97
Cash & Cash Equivalents at the end of the year	1,889.02	179.32

Note :

- (a) The above 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) The above Statement of Cash Flows includes INR Nil (2017-2018: INR 45.50 lakhs) towards Corporate Social Responsibility (CSR) activities (Refer Note 38).
- (c) Previous year's figures have been regrouped/reclassified wherever applicable.

The accompanying notes 1 to 49 form an integral part of the Financial Statements.

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2019

Signatures to the Statement of Cash Flows and Notes to Financial Statements
For and on behalf of the Board
Dilip D. Dandekar
Chairman
DIN: 00846901

Santosh Parab
Chief Financial Officer

Mumbai, Dated: May 24, 2019

Ashish S. Dandekar
Managing Director
DIN: 01077379

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

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

a) Equity Share Capital

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the reporting year	1,212.30	1,037.10
Issued pursuant to Qualified Institutions Placement (QIP)	-	172.41
Issued pursuant to exercise of Employee Stock Options	0.24	2.79
Changes in equity share capital during the year	0.24	175.20
Balance at the end of the reporting year	1,212.54	1,212.30

b) Other Equity

Particulars	Equity component of Foreign Currency Convertible Bonds (FCCBs)	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, 2017	-	80.60	6,811.58	168.56	2,532.04	6,938.96	-	-	16,531.74
(Loss) for the Year	-	-	-	-	-	(1,417.88)	-	-	(1,417.88)
Remeasurement of Defined Benefit Plans	-	-	-	-	-	12.43	-	-	12.43
Total Comprehensive Income for the Year	-	-	-	-	-	(1,405.45)	-	-	(1,405.45)
Issue of Equity Shares pursuant to Qualified Institutions Placement (QIP)	-	-	14,827.60	-	-	-	-	-	14,827.60
Issue of Equity Shares pursuant to exercise of Employee Stock Options	-	-	219.60	-	-	-	-	-	219.60
QIP Issue Expenses	-	-	(412.83)	-	-	-	-	-	(412.83)
Deferred Tax on QIP Issue Expenses	-	-	-	-	-	99.63	-	-	99.63
Fair valuation of ESOP	-	-	-	(12.28)	-	-	-	-	(12.28)
Receipt on exercise of Preferential Share Warrants	-	-	-	-	-	-	-	2,085.53	2,085.53
Balance as at March 31, 2018	-	80.60	21,445.95	156.28	2,532.04	5,633.14	-	2,085.53	31,933.54
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 ESOP	-	-	-	(3.07)	-	-	-	-	(3.07)
Put Option (Refer Note 5.4)	-	-	-	-	-	-	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

The accompanying notes 1 to 49 form an integral part of the Financial Statements.

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2019

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

Dilip D. Dandekar
 Chairman
 DIN: 00846901

Santosh Parab
 Chief Financial Officer

Mumbai, Dated: May 24, 2019

Ashish S. Dandekar
 Managing Director
 DIN: 01077379

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

Note 1:

A. Corporate Information

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

B. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as 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, 2019 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, 2019 are approved by the Board of Directors on May 24, 2019.

Current versus non-current classification:

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

Functional and Presentation Currency

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

Basis of Measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for certain financial assets and liabilities, including financial instruments which have been measured at fair value 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.
- (iv) Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

(v) Recognition of deferred tax assets.

(vi) Fair value of financial instruments and applicable discount rate

Measurement of fair values

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

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

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

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

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

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

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

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

C. Recent Accounting Developments

Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from 1st April, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

a. Ind AS 116 – Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements. The Company is currently evaluating the effect of the above amendments.

b. Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

c. Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) The entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) Entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company is currently evaluating the effect of the above amendments.

d. Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

e. Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

f. Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

g Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates to which equity method is not applied.

h Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not expect this amendment to have any impact on its financial statements.

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.

Leasehold land is amortised equally over the period of lease.

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

(iii) Disposal or Retirement

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

b. Capital Work In Progress

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

c. Investment Property

(i) Recognition and Measurement

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

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

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

(ii) Derecognition

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

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

d. Intangible Assets

(i) Initial Recognition

Acquired Intangible Assets

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

Internally generated intangible assets

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

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

- a) It is technically feasible to complete the intangible asset so that it will be available for use or sale.
- b) There is an intention to complete the asset.
- c) There is an ability to use or sell the asset.
- d) The asset will generate future economic benefits.
- e) Adequate resources are available to complete the development and to use or sell the asset.
- f) The expenditure attributable to the intangible asset during development phase can be measured reliably.

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

(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.

e. Impairment of non-financial assets

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

If the recoverable amount of asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an 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.

f. Investment in Subsidiaries and Associate

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

g. Financial Instruments

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

I. Financial Assets

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

(i) Initial recognition and measurement

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

(ii) Subsequent measurement and classification

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

- Financial assets at amortised cost

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

- Financial assets at fair value through Other Comprehensive Income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

on the basis of its business model for managing the financial assets

(iii) Financial assets at amortised cost

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

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

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

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

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

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

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

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

(vi) Financial assets as Equity Investments

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

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

(vii) Derecognition

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

(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.

II. Financial Liabilities

(i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost except Foreign Currency Convertible Bonds (FCCBs) which are measured at Fair Value Through Profit or Loss.

(ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables (other than FCCBs), 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. The fair values of guarantees in relation to loans to subsidiaries are accounted as part of the cost of investment.

(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 the allocation of gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are recognised as capital work in progress since the FCCBs are directly attributable to the construction of qualifying asset. Subsequent to initial recognition, the liability component of the compound financial instrument is measured at fair value through Profit or Loss based on the evaluation performed by an external independent valuer. 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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

III. Offsetting of financial instruments

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

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

h. Inventories

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

i. Cash and Cash Equivalents

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

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

j. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

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

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

(ii) Contingent Liabilities

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

(iii) Contingent Assets

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

k. Revenue Recognition

Revenue is recognised upon transfer of control of goods promised to customers in an amount that reflects the consideration to which the Company 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

Revenue is recognised from sale of services 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.

l. 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

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.

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

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

(iii) Other long-term employee benefits

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

m. Share-based payment transactions

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

n. Borrowing Cost

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

Borrowing costs 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.

o. Foreign currency transactions / translations

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

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

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

p. Leases

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

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

q. Income tax

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

(i) Current Tax

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

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

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

- a) has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred Tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

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

r. Earnings per Share

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

s. Dividend

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

t. Segment Reporting

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

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, 2019

2 (a) Property, Plant & Equipment

Particulars	INR (in Lakhs)									
	Gross Block			Accumulated Depreciation					Net Block	
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	Upto April 01, 2018	For the year	Deletions	Upto March 31, 2019	As at March 31, 2019	As at March 31, 2018
Leasehold Land	919.65	975.98	-	1,895.63	58.42	29.95	-	88.37	1,807.26	861.23
Factory & Other Building	580.29	311.77	-	892.06	52.00	26.67	-	78.67	813.39	528.29
Site Development	27.61	-	-	27.61	3.08	1.54	-	4.62	22.99	24.53
Plant, Equipment & Machinery	5,718.43	532.82	-	6,251.25	1,297.65	609.32	-	1,906.97	4,344.28	4,420.78
Furniture & Fixtures	145.00	1.03	-	146.03	74.42	22.40	-	96.82	49.21	70.58
Vehicles	106.29	26.90	-	133.19	8.36	26.82	-	35.18	98.01	97.93
Hardware Cost	78.48	27.51	-	105.99	35.77	21.79	-	57.56	48.43	42.71
R&D Assets										
Equipment & Furniture	784.55	25.30	-	809.85	180.91	91.02	-	271.93	537.92	603.64
Building	212.60	-	-	212.60	27.46	13.73	-	41.19	171.41	185.14
Total Property, Plant and Equipment	8,572.90	1,901.31	-	10,474.21	1,738.07	843.29	-	2,581.31	7,892.90	6,834.83

Particulars	INR (in Lakhs)									
	Gross Block			Accumulated Depreciation					Net Block	
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	Upto April 01, 2017	For the year	Deletions	Upto March 31, 2018	As at March 31, 2018	As at March 31, 2017
Leasehold Land	919.65	-	-	919.65	29.21	29.21	-	58.42	861.23	890.44
Factory & Other Building	580.29	-	-	580.29	26.00	26.00	-	52.00	528.29	554.29
Site Development	27.61	-	-	27.61	1.54	1.54	-	3.08	24.53	26.07
Plant, Equipment & Machinery	5,605.55	112.88	-	5,718.43	675.80	621.85	-	1,297.65	4,420.78	4,929.75
Furniture & Fixtures	145.00	-	-	145.00	51.97	22.45	-	74.42	70.58	93.03
Vehicles	162.62	-	56.33	106.29	16.48	27.75	35.87	8.36	97.93	146.14
Hardware Cost	58.90	21.18	1.60	78.48	18.37	18.98	1.58	35.77	42.71	40.53
R&D Assets										
Equipment & Furniture	771.45	13.10	-	784.55	90.45	90.46	-	180.91	603.64	681.00
Building	212.60	-	-	212.60	13.73	13.73	-	27.46	185.14	198.87
Total Property, Plant and Equipment	8,483.67	147.16	57.93	8,572.90	923.55	851.97	37.45	1,738.07	6,834.83	7,560.12

2.a.1 Refer Note 20 and 23 for information on Property, Plant and Equipment pledged as security for borrowings.

2 (b) Capital Work-in-Progress

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Capital Work-in-Progress	5,237.16	1,202.84
	5,237.16	1,202.84

2.b.1 Capital Work-in-Progress includes INR 91.73 lakhs (2017-18: INR 54.88 lakhs) towards borrowing costs on general borrowing capitalised during the year. The average capitalisation rate for general borrowing is 11.08% (2017-18: 11.26%). Further, the borrowing cost of INR 1,429.44 lakhs (net of interest income on temporary investments amounting to INR 314.45 lakhs) capitalised during the year is towards specific borrowing. The interest rate on specific borrowing is 7%.

2.b.2 Refer Note 43 (II) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

3 Investment Property

INR (in Lakhs)

Particulars	Gross and Net Carrying Amount		Fair Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Freehold Land	207.19	207.19	302.00	302.00
	207.19	207.19	302.00	302.00

3.1 Refer Note 20 and 23 for information on Investment Property pledged as security for borrowings.

3.2 The name of erstwhile Camlin Fine Chemicals Limited is on the title deeds of freehold land. The formalities for changing the name is in process.

3.3 Direct operating expenses arising from investment property that did not generate rental income during the year is INR 0.29 lakhs (2017-2018 INR 0.21 lakhs)

3.4 Fair Value Hierarchy

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

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

3.5 Description of valuation technique

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

4 Intangible Assets

INR (in Lakhs)

Particulars	Gross Block			Accumulated Amortisation				Net Block		
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	Upto April 01, 2018	For the year	Deletions	Upto March 31, 2019	As at March 31, 2019	As at March 31, 2018
Software Cost	139.24	16.50	-	155.74	45.23	43.71	-	88.94	66.80	94.01
Technical Knowhow	170.57	-	-	170.57	170.57	-	-	170.57	-	-
R & D Process Development	80.20	-	-	80.20	58.38	21.82	-	80.20	-	21.82
Total Intangible Assets	390.01	16.50	-	406.51	274.18	65.53	-	339.71	66.80	115.83

INR (in Lakhs)

Particulars	Gross Block			Accumulated Amortisation				Net Block		
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	Upto April 01, 2017	For the year	Deletions	Upto March 31, 2018	As at March 31, 2018	As at March 31, 2017
Software Cost	56.76	82.48	-	139.24	20.24	24.99	-	45.23	94.01	36.52
Technical Knowhow	170.57	-	-	170.57	170.57	-	-	170.57	-	-
R & D Process Development	80.20	-	-	80.20	29.19	29.19	-	58.38	21.82	51.01
Total Intangible Assets	307.53	82.48	-	390.01	220.00	54.18	-	274.18	115.83	87.53

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

5 Investments

Particulars	INR (in Lakhs)			
	As at March 31, 2019		As at March 31, 2018	
	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 5.1)	132,000	59.73	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	1,250,000	331.58
Solentus North America Inc.(of CAD \$ 1 each) (Refer Note 5.2)	98,600	56.01	98,600	56.01
CFS North America LLC (of USD \$ 1 each)	1,490,000	978.17	465,000	311.51
CFS Antioxidantes De Mexico S.A.de C.V. (of Mexican Pesos 1,000 each) (upto January 31, 2019) (Refer Note 5.3, 5.4 and 5.5)	-	-	34,343	1,381.23
Dresen Quimica S.A.P.I de C.V (of Mexican Pesos 1 each) (from February 01, 2019) (Refer Note 5.3, 5.4 and 5.5)	50,820,277	1,996.38	-	-
CFS Europe S.p.A. (Refer Note 5.6)	-	125.33	-	125.33
Industrias Petrotec de Mexico S.A. de C.V. (Refer Note 5.7)	-	111.61	-	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 5.8)		622.89		622.89
CFS Pahang Asia Pte Ltd (Refer Note 5.9)	25,500	17.89	-	-
Total (i)		6,571.45		4,000.21
(ii) Associate (Fully Paid) (At Cost)				
Fine Lifestyle Brand Limited (of INR 10 each)	254,994	25.50	254,994	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)		6,602.55		4,031.31
(v) Provision for impairment in value of investments (Refer Note 5.10)		(30.60)		(30.60)
(vi) Net Investments (iv-v)		6,571.95		4,000.71
Aggregate amount of unquoted investments		6,602.55		4,031.31
Aggregate amount of impairment in value of investments		30.60		30.60

5.1 132,000 (March 31, 2018: 132,000) Equity Shares of CFCL Mauritius Private Limited pledged in respect of term loan availed by the Company.

5.2 The Company has invested INR 56.01 lakhs (March 31, 2018: INR 56.01 lakhs) in the share capital of Solentus North America Inc., its wholly owned subsidiary company ("the subsidiary"). Based on the proposed plans for the subsidiary, management believes that there is no diminution other than temporary in its investment in the share capital of the subsidiary.

5.3 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, 2018: 34,343 Equity Shares of CFS de Mexico) are pledged in respect of the said term loan.

The application for reverse merger of CFS de Mexico with its subsidiary Dresen Quimica S.A.P.I de C.V with effect from January 31, 2019 was registered in the Public Registry of Commerce, Mexico vide deed No. 120,080. Consequently, CFS de Mexico ceased to be the subsidiary of the Company with effect from January 31, 2019.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

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 holding in Dresen Quimica S.A.P.I. De C.V. remains unchanged.

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.

5.4 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 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'. Pursuant to reverse-merger of CFS de Mexico with Dresen Quimica, the said option is now an entitlement 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.

- 5.5** Includes INR 78.08 lakhs (March 31, 2018: INR 78.08 lakhs) towards adjustment on account of fair value of financial guarantees issued to a Bank in relation to loan availed.
- 5.6** INR 125.33 lakhs (March 31, 2018: INR 125.33 lakhs) is towards adjustment on account of fair value of financial guarantees issued to a Bank in relation to loan availed by CFS Europe S.p.A.
- 5.7** INR 111.61 lakhs (March 31, 2018: INR 111.61 lakhs) is towards adjustment on account of fair value of employee stock options given to an employee of Industrias Petrotec de Mexico S.A. de C.V.
- 5.8** The Company had entered into share purchase agreement on December 23, 2016 with Ningbo Wanglong Technology Limited, a company registered in People's Republic of China (PRC) for acquisition of 51% equity stake in CFS Wanglong Flavours (Ningbo) Co. Ltd. (erstwhile Ningbo Wanglong Flavors & Fragrances Co. Ltd.) for its Vanillin manufacturing facility by the Company or its subsidiaries, for a consideration of US\$ 6.28 million. The acquisition was completed in FY 2017-2018 on completion of certain conditions by the counter party.
- 5.9** 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.
- 5.10** The provision for impairment in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited and Fine Lifestyle Brand Limited.

6 Loans

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered Good		
Security Deposits	189.78	45.86
Loans to related parties		
Loans to Subsidiaries (Refer Note 6.1, 6.2 and 15.2 (b))		
Loans considered Good	2,512.35	1,839.10
Loans which have significant increase in Credit Risk (Refer Note 6.3)	176.04	-
	2,878.17	1,884.96

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

- 6.1** The loans to subsidiaries have been made for general corporate purposes of each subsidiary. These loans are given at rates comparable to the average commercial rate of interest.
- 6.2** 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.
- 6.3** The Company has given loans of INR 189.87 lakhs of which INR 176.04 lakhs is disclosed as non-current and balance INR 13.83 lakhs [Refer Note 15(b)] is shown as current as per the terms of agreement (March 31, 2018: INR 162.29 lakhs) and has other receivables of INR 65.77 lakhs [Refer Note 16] (March 31, 2018: INR 49.57 lakhs) to Solentus North America Inc., its wholly owned subsidiary company. The subsidiary has negative net worth as at March 31, 2019 and is dependent upon the Company to enable it to meet its obligations as they become due. Based on the proposed plans for the subsidiary, management believes the loans and advances to be fully recoverable.

7 Deferred Tax Assets (Net)

(a) Movement in Deferred Tax Balances

Particulars	As at April 1, 2018	Movement during the year			As at March 31, 2019 Deferred Tax (Liabilities)/ Assets
		Recognised in Profit and Loss	Recognised in Equity	Recognised in OCI	
Deferred Tax Assets/ (Liabilities)					
Property, Plant and Equipment and Intangible Assets	(563.14)	(243.12)	-	-	(806.26)
Provision for Doubtful Debts and Advances	217.53	(22.06)	-	-	195.47
QIP Issue 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 Assets/ (Liabilities)	168.02	(25.40)	(38.09)	16.18	120.71

Particulars	As at April 1, 2017	Movement during the year			As at March 31, 2018 Deferred Tax (Liabilities)/ Assets
		Recognised in Profit and Loss	Recognised in Equity	Recognised directly in OCI	
Deferred Tax Assets/ (Liabilities)					
Property, Plant and Equipment & Intangible Assets	(625.20)	62.06	-	-	(563.14)
Provision for Doubtful Debts and Advances	178.53	39.00	-	-	217.53
QIP Expenses	42.09	-	99.63	-	141.72
Employee Benefits	57.29	(20.83)	-	(6.23)	30.23
Unabsorbed Business Losses	39.00	299.59	-	-	338.59
Disallowances under the Income-Tax Act	5.37	9.21	-	-	14.58
Unutilised MAT Credit	14.04	-	-	-	14.04
Others	(25.53)	-	-	-	(25.53)
Deferred Tax Assets/ (Liabilities)	(314.41)	389.03	99.63	(6.23)	168.02

Deferred Tax Asset has been recognised at INR 340.21 lakhs (March 31, 2018 INR 338.59 lakhs) based on the current sale contracts on hand, and the probable future taxable profits based on the budgets of the Company.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

(b) Tax expense recognised in Profit and Loss

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax		
In respect of the current year	320.41	-
	320.41	-
Deferred Tax		
Origination and reversal of Tax on Temporary Differences	345.81	(389.03)
MAT Credit Entitlement	(320.41)	-
	25.40	(389.03)
Tax expense for the year	345.81	(389.03)

(c) Tax recognised in Other Comprehensive Income

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Items that will not be subsequently reclassified to Profit and Loss		
Remeasurements of Defined Benefit Plans	(16.18)	6.23
	(16.18)	6.23

(d) Reconciliation of Effective Tax Rate

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit / (Loss) Before Tax	1,418.63	(1,806.91)
Expected income tax rate #	21.55%	33.88%
Expected Income Tax Expense	305.71	-
Tax effect of:		
Property, Plant and Equipment & Intangible Assets	243.12	(62.06)
Tax rate difference	14.70	-
Employee Benefits	5.15	20.83
Unabsorbed Business Losses	(1.62)	(299.59)
Disallowances under the Income-Tax Act	17.69	(9.21)
Transaction cost relating to FCCBs	147.79	-
Interest income from temporary investment of FCCBs funds	(109.72)	-
Unutilised MAT Credit	(320.41)	-
Others	21.34	-
Provision for Doubtful Debts and Advances	22.06	(39.00)
Total Income Tax Expense	345.81	(389.03)

The Company is chargeable to tax under Minimum Alternate Tax (MAT) during financial year 2018-19. Hence, tax rate applicable is 21.55% instead of normal rate of income tax.

8 Income Tax Assets (Net)

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Advance Tax and Tax Deducted at Source (Net)	358.36	282.86
	358.36	282.86

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

9 Other Non-Current Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Capital Advances (Refer Note 9.1)	2,332.68	384.82
Prepaid Expenses	67.76	100.58
	2,400.44	485.40

9.1 Capital Advances include INR 980.46 lakhs (March 31, 2018: INR 352.20 lakhs) towards Related Parties.

10 Inventories

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Raw material and Components		
(i) in stock	4,109.00	3,453.25
(ii) in transit	1,164.97	1,708.84
(b) Work-in-Progress	3,599.45	3,987.73
(c) Finished Goods	1,636.63	2,098.73
(d) Stock-in-Trade	210.56	108.60
(e) Stores and Spares	210.38	124.12
	10,930.99	11,481.27

11 Investments

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unquoted, carried at Fair Value Through Profit or Loss		
Investment in Mutual Funds	325.49	10,807.63
	325.49	10,807.63
Aggregate amount of Unquoted Investments and Market Value thereof	325.49	10,807.63
Aggregate amount of impairment in value of Investments	-	-

12 Trade Receivables

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unsecured		
(i) Trade Receivables Considered Good (Refer Note 45(e))	26,185.91	21,142.14
(ii) Trade Receivables Credit Impaired	559.38	491.16
Less: Allowance for Credit Impaired (Refer Note 12.2)	(559.38)	(491.16)
	26,185.91	21,142.14

12.1 Above balances of trade receivables includes INR 16,073.90 lakhs (March 31, 2018: INR 11,288.42 lakhs) from related parties.

12.2 Details of allowance for credit impaired

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 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

The movement in allowance for doubtful receivables is as follows:

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Balance as at Beginning of the Year	491.16	814.98
Add: Created during the Year	68.22	-
Less: Released during the Year	-	(323.82)
Balance as at end of the Year	559.38	491.16

- 12.3** The carrying amount of trade receivables include receivables discounted with banks, which are with re-course to the Company. Accordingly, the Company continues to recognise the transferred receivables in its Balance Sheet. The carrying amount of these receivables is INR Nil (March 31, 2018: INR 1,896.03 lakhs). The corresponding carrying amount of associated liabilities are recognised as short term borrowings. (Refer Note 23.2 (b))

13 Cash and Cash Equivalents

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Balances with Banks in Current Accounts	35.08	176.03
(b) Bank deposits with original maturity of less than three months	1,849.25	-
(c) Cash on Hand	4.69	3.29
	1,889.02	179.32

14 Bank Balances other than Cash and Cash Equivalents

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Earmarked balances with banks (Refer Note 14.1)	26.21	28.61
(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.	935.78	931.22
	5,023.02	959.83

- 14.1** Earmarked balance with banks refers to balance carried in designated bank account towards unclaimed dividend.

15 Loans

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good, Unless otherwise stated		
(a) Security Deposits	204.15	202.62
(b) Loans to related parties (Refer Note 15.1, 15.2 and 15.3)		
Loans considered good	1,335.30	1,854.36
Loans which have significant increase in Credit Risk (Refer Note: 6.3)	13.83	162.29
(c) Loans to Employees	18.06	4.79
(d) Loans to others	42.00	116.74
	1,613.34	2,340.80

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

15.1 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.

15.2 Loans to subsidiaries are as follows

Particulars	INR (in Lakhs)			
	As at March 31, 2019		As at March 31, 2018	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
(a) CFCL Mauritius Private Limited	977.04	1,060.48	994.13	994.13
(b) CFS Do Brasil Industria, Comercio, Importacao E Exportacao De Aditivos Alimenticios LTDA	1,383.43	1,450.95	1,300.88	1,300.88
(c) Solentus North America Inc	189.87	199.14	162.29	162.29
(d) CFS North America LLC	1,376.50	1,443.69	1,294.38	1,337.87
(e) CFS Antioxidantes De Mexico S.A.de C.V.	-	-	104.07	106.38
(f) Dresen Quimica S.A.P.I De C.V	110.68	116.08	-	-
(g) Chemolutions Chemicals Ltd.	-	-	-	79.96
	4,037.52	4,270.34	3,855.75	3,981.51

15.3 Additional information on the above

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Disclosed as		
Current	1,349.13	1,854.36
Non-Current	2,688.39	1,839.10
	4,037.52	3,693.46

16 Other Financial Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Export Benefits Receivable	928.60	538.47
Insurance Claim Receivable	-	63.70
Receivable from Subsidiaries		
Interest on loans	467.19	324.25
Other receivable (Refer Note 6.3)	672.95	995.79
Others	143.06	2.24
	2,211.80	1,924.45

17 Other Current Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good, Unless otherwise stated		
Advances to Vendors		
(i) Considered Good	571.84	267.36
(ii) Considered Doubtful	10.77	10.77
Less: Provision for doubtful advance to Vendors	(10.77)	(10.77)
Prepaid Expenses	501.61	387.02
Balance with Gratuity Fund (Refer Note 34.1 (c))	115.12	141.71
Balance with Government Authorities	1,378.06	2,176.68
Others	6.12	6.11
	2,572.75	2,978.88

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

18 Equity Share Capital

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
a) Authorised :		
150,000,000 Equity Shares of INR 1 each (March 31, 2018: 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, 2018: 121,229,371 Equity Shares of INR 1 each).	1,212.54	1,212.30
	1,212.54	1,212.30

c) During the year, the Company has issued 24,625 Equity Shares (2017-18: 278,422 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, 2019		As at March 31, 2018	
	No. of Shares	INR (in Lakhs)	No. of Shares	INR (in Lakhs)
Equity Shares				
Outstanding at the beginning of the Year	121,229,371	1,212.30	103,709,570	1,037.10
Add: Issued pursuant to Qualified Institutions Placement (QIP) (Refer Note 18 (h) (ii))	-	-	17,241,379	172.41
Add: Issued pursuant to exercise of employee stock options (Refer Note 18 (c))	24,625	0.24	278,422	2.79
Outstanding at the end of the Year	121,253,996	1,212.54	121,229,371	1,212.30

e) Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of shares having par value of INR 1 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% held	No. of Shares	% held
(i) Ashish S. Dandekar	14,010,550	11.55	13,804,550	11.39
(ii) SBI Magnum Multicap Fund	11,808,706	9.74	10,311,571	8.50
	25,819,256	21.29	24,116,121	19.89

g) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

- The Company has 543,563 (March 31, 2018: 583,988) Equity Shares reserved for issue under Employee Stock Option Scheme, 2014 as at March 31, 2019 (Refer Note 33.2 (a) for terms of employee stock options).
- The Company has 8,617,548 (March 31, 2018: Nil) Equity Shares reserved for issue on conversion of Foreign Currency Convertible Bonds (Refer Note 19.1 for terms of Foreign Currency Convertible Bonds).
- The Company has 9,000,000 (March 31, 2018: 9,000,000) Equity Shares reserved for issue on subscription of Preferential Share Warrants (Refer Note 19.6 for terms of Preferential Share Warrants).

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

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

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Share issue Expense (adjusted against the Securities Premium Account in terms of Section 52 of the Companies Act, 2013)	-	159.16
Capital expenditure including capital advances	-	679.44
Investments in Subsidiaries	-	2,101.29
Loans to Subsidiaries (including advances of INR 702.40 lakhs)	-	1,969.13
Foreign consultant fees	-	314.22
General Corporate Purposes	-	344.41
Total funds raised from QIP	-	5,567.65

- ii. On November 23, 2017, the Company had allotted 17,241,379 Equity Shares of INR 1 each at a premium of INR 86 per share amounting to share proceeds of INR 15,000 lakhs pursuant to a Qualified Institutions Placement (QIP) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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

Particulars	As at March 31, 2019	As at March 31, 2018
Share issue Expense (adjusted against Securities Premium Account in terms of Section 52 of the Companies Act, 2013)	412.83	412.83
Capital expenditure including capital advances	2,117.88	650.03
Investments in / loans to Subsidiaries*	2,657.25	2,604.24
General Corporate Purposes	9,812.04	2,795.90
Amount Invested in Units of Mutual Funds	-	8,537.00
Total funds raised from QIP	15,000.00	15,000.00

*(March 31, 2018) Investments in Subsidiaries amounting to INR 1,938.19 lakhs have been made on April 6, 2018.

19 Other Equity

		INR (in Lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
i) Equity component of Foreign Currency Convertible Bonds (Refer Note 19.1)	330.97	-	
ii) Capital Reserve (Refer Note 19.2)	80.60	80.60	
iii) Securities Premium (Refer Note 19.3)			
Opening Balance	21,445.95	6,811.58	
Additions during the Year	16.25	15,047.20	
Utilisations during the Year	-	(412.83)	
Closing Balance	21,462.20	21,445.95	

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

		INR (in Lakhs)	
Particulars		As at March 31, 2019	As at March 31, 2018
iv)	Employee Stock Option Outstanding (Refer Note 19.4)		
	Opening Balance	156.28	168.56
	Utilisations during the year	(3.07)	(12.28)
	Closing Balance	153.21	156.28
v)	General Reserve (Refer Note 19.5)	2,532.04	2,532.04
vi)	Retained Earnings		
	Opening Balance	5,633.14	6,938.96
	Profit/(Loss) for the year	1,072.82	(1,417.88)
	Deferred tax on QIP Expenses	(38.09)	99.63
	Remeasurement of Defined Employee Benefit Plan	(30.12)	12.43
	Closing Balance	6,637.75	5,633.14
vii)	Recognition of Put Option (Refer Note 5.4)	247.80	-
viii)	Money received against Preferential Share Warrants (Refer Note 19.6)		
	Opening Balance	2,085.53	-
	Additions during the year	-	2,085.53
	Closing Balance	2,085.53	2,085.53
		33,530.10	31,933.54

Nature and Purpose of Reserves:

19.1 Equity component of Foreign Currency Convertible Bonds

Pursuant to Ind AS 32, Foreign Currency Convertible Bonds (FCCBs) issued by the Company are split into equity and liability component and presented under other equity and Non-Current Financial Liabilities respectively.

19.2 Capital Reserve

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

19.3 Securities Premium

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

19.4 Employee Stock Option Outstanding

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

19.5 General Reserve

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

19.6 Money received against Preferential Share Warrants

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

20 Borrowings

Particulars		As at March 31, 2019		As at March 31, 2018	
		Non-current	Current	Non-current	Current
I	Foreign Currency Convertible Bonds (Refer Note 20.1)	10,693.80	-	-	-
		10,693.80	-	-	-
II	Term Loans				
	From Banks -Secured				
	In Rupees (Refer Note 20.2)	416.66	338.03	1,449.86	350.56
		416.66	338.03	1,449.86	350.56
		11,110.46	338.03	1,449.86	350.56

20.1 Foreign Currency Convertible Bonds

Foreign Currency Convertible Bonds (FCCBs) denominated in USD carried at INR 10,693.80 lakhs as at March 31, 2019 (March 31, 2018: INR Nil) represent 30 unsecured, unlisted and unrated FCCBs of US\$ 500,000 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. 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 September 14, 2023 and September 14, 2024. 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 FCCBs Subscription Agreement.

Subsequent to the initial recognition, the liability component of the compound financial instrument i.e. FCCB is measured at Fair Value Through Profit or Loss (FVTPL) since the embedded derivative principally towards the finance cost and repayment tenure impacting cash flows cannot be separated from the host contract. This is based on the evaluation performed by an external independent valuer engaged by the Company.

20.2 Term Loans from Banks in Rupees

- (a) INR Nil (March 31, 2018: INR 695.17 lakhs) secured by first pari passu charge on all movable and immovable assets of the Company, both present and future other than assets which are exclusively charged to other lenders. Further, secured by second pari passu charge on current assets of the Company, both present and future, to be shared with other lenders.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

- (b) INR 750.00 lakhs (March 31, 2018: INR 1,083.33 lakhs) secured by 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 interest rate is 11.05%.
- (c) INR 4.69 lakhs (March 31, 2018: INR 21.92 lakhs) secured by hypothecation of vehicles. The loan is repayable in tenure of five to seven years. The interest rate ranges from 11.50% to 12.50%.

21 Provisions

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Compensated Absences	236.88	196.40
	236.88	196.40

22 Other Non-Current Liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unearned premium on financial guarantees given to subsidiaries	138.22	171.06
	138.22	171.06

23 Borrowings

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
I Loans repayable on demand		
From Banks -Secured		
Working capital loans (Refer Note 23.1)	19,900.13	16,364.75
II Other Short Term Borrowings		
From Banks -Secured		
Working capital loans (Refer Note 23.2)	-	3,664.69
	19,900.13	20,029.44

23.1 Loans repayable on demand - Secured

INR 19,900.13 lakhs (March 31, 2018: INR 16,364.75 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 interest rates range from 10.50% to 11.60%.

23.2 Other Short Term Borrowings - Secured

- (a) INR Nil (March 31, 2018: INR 1,768.66 lakhs) towards External Commercial Borrowings (ECB) availed from banks and is secured by security stated against Note 23.1.
- (b) INR Nil (March 31 2018: INR 1,896.03 lakhs) towards Export Bill Discounting (EBD) availed from banks and is secured by security stated against Note 23.1.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

24 Trade Payables

		INR (in Lakhs)	
Particulars		As at March 31, 2019	As at March 31, 2018
I	Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 24.1) and	400.09	45.88
II	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note: 45(e))	10,188.82	11,373.30
		10,588.91	11,419.18

24.1 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 of collected by the Management. This has been relied upon by the auditors. The credit period varies as per the contractual terms with suppliers. No interest is generally charged by the suppliers. The disclosure relating to Micro and Small Enterprises is as under:

		INR (in Lakhs)	
Particulars		As at March 31, 2019	As at March 31, 2018
a)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
	Principal	334.11	35.96
	Interest	65.98	9.92
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	54.10	8.69
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	65.98	9.92
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	75.90	9.92
f)	Balance as at the year end	400.09	45.88

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

25 Other Financial Liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt (Refer Note 20(II))	338.03	350.56
Interest accrued but not due on borrowings	82.57	67.44
Unpaid / Unclaimed dividends (Refer Note 25.1)	22.29	24.30
Share Application money received for allotment of securities and due for refund	-	0.38
Deposits	0.79	5.02
Unclaimed Interest on public deposit	2.53	2.53
Unclaimed public deposit (Refer Note 25.2)	4.10	4.10
Payable towards purchase of property, plant and equipment	186.03	20.67
Put Option Liability (Refer Note 25.3)	177.38	-
Other outstanding liabilities	340.89	492.22
	1,154.61	967.22

25.1 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.

25.2 The unclaimed public deposits of INR 4.10 lakhs outstanding at March 31, 2019 (March 31, 2018: 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.

25.3 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 Company and accordingly, the fair value of put option as a financial obligation amounting to INR 615.15 lakhs is recognised as investment. The fair value of put option is USD 0.26 million (INR 177.38 lakhs) as calculated by the Independent Valuer based on the shareholders agreement using 'Income Approach'.

26 Other Current Liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Statutory Dues	138.81	325.63
Others	7.28	9.20
	146.09	334.83

27 Provisions

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Compensated absences	29.74	35.86
	29.74	35.86

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

28 Current Tax Liabilities (Net)

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Provision for Tax (Net)	48.78	28.37
	48.78	28.37

29 Revenue from Operations

Particulars		INR (in Lakhs)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Sale of Products			
Finished goods		52,786.61	37,400.19
Traded goods		646.08	2,506.78
		53,432.69	39,906.97
(b) Other Operating Revenues			
Export Incentives		846.46	590.12
Service Income		526.69	-
Sale of Scrap		6.45	5.70
		1,379.60	595.82
		54,812.29	40,502.79

29.1 Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise and Value Added Tax (VAT) have been subsumed into GST. In accordance with Indian Accounting Standard and Schedule III of the Companies Act, 2013 unlike excise duty, GST and VAT are not part of revenue. Accordingly, the figures for the year ended March 31, 2019, is not strictly relatable to the previous year. The following additional information is provided to facilitate such understanding:

Particulars		INR (in Lakhs)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations (A)		54,812.29	40,502.79
Excise duty on sale (B)		-	214.24
Revenue from operations excluding excise duty on sale (A) - (B)		54,812.29	40,288.55

29.2 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, 2019	For the year ended March 31, 2018
Domestic		10,898.34	8,957.27
Exports		42,534.35	30,949.70
Total		53,432.69	39,906.97

29.3 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

29.4 The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

29.5 Effective April 1, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the Company.

30 Other Income

		INR (in Lakhs)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	
(a) Interest income On			
Bank Deposits	78.84	68.20	
Loans to subsidiaries	263.95	202.05	
Other financial assets carried at amortised cost	7.52	6.30	
	350.31	276.55	
(b) Other Non-Operating Income			
Guarantee Commission Income	32.84	25.08	
Gain on foreign exchange transactions and translation	281.15	279.13	
Income from investment measured at FVTPL (Refer Note 30.1)	368.89	337.17	
Gain on fair valuation of put option liability (Refer Note 25.3)	199.47	-	
Miscellaneous Income	133.14	5.13	
	1,015.49	646.51	
	1,365.80	923.06	

30.1 Income/(Loss) from Investment measured at FVTPL includes fair valuation impact of INR (118.27) lakhs 2017: INR 166.75 lakhs)

31 Cost of Materials Consumed

		INR (in Lakhs)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	
Raw Material and Packing Material Consumed			
Opening balance	5,162.09	3,327.32	
Add: Purchases	39,682.72	27,761.96	
Less: Closing Balance	(5,273.97)	(5,162.09)	
	39,570.84	25,927.19	

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

		INR (in Lakhs)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	
Opening Balance			
Finished Goods	2,098.73	5,822.24	
Stock-in-Trade	108.60	45.10	
Work-in-Progress	3,987.73	2,379.26	
	6,195.06	8,246.60	
Closing Balance			
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	
	748.42	2,051.54	

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

33 Employee Benefits Expense

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Wages (Refer Note 33.1(a))	2,039.25	1,869.94
Contributions to -		
Provident Funds and other Funds (Refer Note 33.1 (b))	133.05	118.04
Gratuity Fund (Refer Note 33.1(c))	15.13	31.90
Share based payments to Employees (Employee Stock Option Plan) (Refer Note 33.2)	(3.07)	(4.39)
Staff Welfare Expenses	99.67	91.28
	2,284.03	2,106.77
Less:		
Reimbursement of expenses	(17.84)	(17.21)
	2,266.19	2,089.56

33.1 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, 2019	As at March 31, 2018
Short term	29.74	35.86
Long Term	236.88	196.40
	266.62	232.26

(ii) Recognised in Statement of Profit and Loss

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses	34.36	(14.51)

(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 133.05 lakhs (2017-18: INR 118.04 lakhs).

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

(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, 2019. The present value of defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The following table summaries the net benefit expense recognised in the Statement of Profit & Loss, the details of the defined benefit obligation and the funded status of the Company's gratuity plan:

		INR (in Lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
I Change in the Present Value of Projected Benefit Obligation			
Present Value of Benefit Obligation at the beginning of the Year	337.55	303.36	
Interest Cost	26.26	21.84	
Current Service Cost	25.17	24.72	
Past Service Cost	-	13.15	
Benefits paid from the Fund	(54.55)	(17.67)	
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(0.25)	(13.47)	
Actuarial (Gains) / Losses on Obligations - Due to Experience	41.57	5.62	
Present Value of Benefit Obligation at the end of the Year	375.75	337.55	
II Change in the Fair Value of Plan Assets			
Fair Value of Plan Assets at the beginning of the Year	479.26	386.16	
Interest Income	37.29	27.80	
Contributions by the Employer	33.85	72.15	
Benefits paid from the Fund	(54.55)	(17.67)	
Return on Plan Assets, excluding Interest Income	(4.98)	10.82	
Fair Value of Plan Assets at the end of the Year	490.87	479.26	
III Net Asset / (Liability) recognised in Balance Sheet.			
Present value of defined benefit obligation at the end of the year	(375.75)	(337.55)	
Fair value of plan assets at the end of the year	490.87	479.26	
Net Asset / (Liability) at the end of the year	115.12	141.71	
IV Expenses recognised in the Statement of Profit and Loss			
Current Service Cost	25.17	24.71	
Net Interest Cost	(11.03)	(5.96)	
Past Service Cost (See note below)	-	13.15	
Expenses recognised in the Statement of Profit and Loss	14.14	31.90	
During the previous financial year, the Company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from INR 10 lakhs to INR 20 lakhs. Change in liability due to this scheme change is recognised as past service cost during the previous financial year.			

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

		INR (in Lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
V Expenses recognised in the Other Comprehensive Income (OCI)			
Actuarial (Gains) / Losses on Obligation for the year	41.32	(7.84)	
Return on Plan Assets, excluding Interest Income	4.98	(10.82)	
Net (Income) / Expense for the year recognised in OCI	46.30	(18.66)	
VI Actuarial assumptions considered			
(i) Discount rate	7.79%	7.78%	
(ii) Expected return on plan assets	7.79%	7.78%	
(iii) Salary escalation rate	5.00%	5.00%	
(iv) Rate of employee turnover	2.00%	2.00%	
(v) Mortality Table	Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)	
The assumptions of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors.			
VII Category of asset as at the end of the year			
Insurer Managed Funds (100%)			
(Fund is managed by LIC as per guidelines of Insurance Regulatory and Development Authority. Category-wise composition of plan assets is not available).			
VIII Maturity profile of Benefit Payments			
(i) Year 1	35.24	34.92	
(ii) Year 2	31.90	31.12	
(iii) Year 3	53.17	27.70	
(iv) Year 4	28.33	50.15	
(v) Year 5	29.32	26.76	
(vi) Years 6 -10	190.31	144.29	
(vii) Years 11 and above	370.02	347.22	
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	375.75	337.55	
1% increase in Discount Rate	(23.42)	(21.01)	
1% decrease in Discount Rate	26.62	23.89	
1% increase in Salary Escalation Rate	26.78	24.31	
1% decrease in Salary Escalation Rate	(23.91)	(21.73)	
1% increase in Rate of Employee Turnover	4.95	4.43	
1% decrease in Rate of Employee Turnover	(5.56)	(4.97)	

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

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.

33.2 Employee Stock Option Scheme

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

Particulars	Options granted on		Total
	30-Dec-14	12-Feb-16	
Options granted	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		

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, 2019		March 31, 2018	
Options outstanding at the beginning of the year	583,988	82.28	903,760	76.88
Options granted during the year	-	N.A	-	N.A
Options exercised during the year	24,625	67.00	278,422	67.00
Options expired / forfeited during the year	15,800	67.00	41,350	67.00
Options outstanding at the end of the year	543,563	82.28	583,988	82.28
Exercisable at the end of the year	543,563	82.28	583,988	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	0.75 years		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			

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

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	

- b) The Company has granted options on April 08, 2019 to its eligible employees of Group under "CFS Employees Stock Option Scheme, 2018" approved by the Board of Directors, Shareholders and Remuneration Committee.

34 Finance Costs

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expense	3,229.98	2,374.70
Exchange difference regarded as an adjustment to borrowing cost	(389.68)	-
Other Borrowing Cost	1,029.69	42.50
Total Finance Costs	3,869.99	2,417.20
Less: Interest income from temporary investments (Refer Note 2.b.1)	(314.45)	-
Less: Capitalised to Capital Work in Progress (Refer Note 2.b.1)	(1,521.17)	(54.88)
	2,034.37	2,362.32

35 Depreciation and Amortisation Expenses

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on Property, Plant and Equipment (Refer Note 2(a))	843.29	851.97
Amortisation on Intangible Assets (Refer Note 4)	65.53	54.18
	908.82	906.15

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

36 Other Expenses

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of Stores and Spares	187.74	219.66
Power and Fuel	2,040.48	1,535.09
Rent (Refer Note 41)	256.85	255.50
Rates and Taxes	59.76	30.82
Insurance	270.54	282.45
Repairs to Plant and Equipment	291.15	210.30
Sub-Contract Charges	1,136.82	939.86
Labour Charges	563.05	474.93
Advertisement and Sales Promotion	487.64	297.19
Transport and Forwarding Charges	522.32	482.85
Commission / Discount / Service Charges on Sales	275.98	636.44
Travelling and Conveyance	643.22	562.28
Directors' Fees	65.25	89.20
Auditor's Remuneration (Refer Note 37)		
Amount paid to Auditors	28.92	42.59
Less: Amount debited to Securities Premium	-	(15.00)
	28.92	27.59
Legal & Professional Fees	725.94	445.08
Bad Debt written off	-	100.21
Bad Advances written off	-	36.46
Allowances for Credit Loss	68.22	(323.82)
Allowances for Doubtful advances	-	(35.23)
Loss on Property, Plant & Equipment discarded	-	11.59
Corporate Social Responsibility Contribution (Refer Note 38)	-	45.50
Bank Charges	292.98	241.88
Miscellaneous Expenses	822.08	785.56
	8,738.94	7,351.39
Less: Reimbursement of Expenses	(55.77)	(36.16)
	8,683.17	7,315.23

37 Amount paid to Auditors *

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fees	25.00	25.00
Certification	3.14	16.99
Reimbursement of Expenses	0.78	0.60
Total	28.92	42.59

* The above amounts are net of applicable taxes.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

38 Corporate Social Responsibility

The Company has spent INR Nil during the financial year (2017-18: INR 45.50 lakhs) as per the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII thereof, towards Corporate Social Responsibility (CSR) activities.

- a) Gross amount required to be spent by the Company during the year - INR Nil (2017-18: INR 45.50 lakhs)
- b) Amount spent during the year on:

INR (in Lakhs)			
Particulars	Amount spent in cash	Amount yet to be paid in cash	Total Amount
Year ending March 31, 2019			
(i) Construction / Acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	-	-	-
Year ending March 31, 2018			
(i) Construction / Acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	45.50	-	45.50

39 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 311.91 lakhs (2017-18: INR 188.15 lakhs). The details are as below:

INR (in Lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue expenditure eligible u/s 35(2AB)		
Salaries and Incentives	179.36	121.01
Travelling & Conveyance	13.52	11.13
Laboratory Expenses	48.40	19.59
Other Expenses	70.63	36.42
	311.91	188.15

40 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/(Loss) attributable to ordinary shareholders

INR (in Lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit/(Loss) as per Statement of Profit and Loss	1,072.82	(1,417.88)
Less: QIP Issue expenses debited to Securities Premium	-	(412.83)
Profit/(Loss) attributable to ordinary shareholders of the Company	1,072.82	(1,830.71)

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

ii) Weighted average number of ordinary shares

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Number of Equity Shares at the beginning of the year	121,229,371	103,709,570
Add: Effect of shares issued during the year	-	6,093,528
Add: Effect of share options exercised	13,156	95,089
Weighted average number of equity shares for basic EPS	121,242,527	109,898,187
Basic Earnings Per Share (Amount in INR)	0.88	(1.67)

b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit/(loss) attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

i) Profit/(Loss) attributable to ordinary shareholders

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit/(Loss) as per Statement of Profit and Loss	1,072.82	(1,417.88)
Less: QIP Issue expenses debited to Securities Premium	-	(412.83)
Profit/(Loss) attributable to ordinary shareholders of the Company	1,072.82	(1,830.71)

ii) Weighted average number of ordinary shares

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Weighted Average number of Equity Shares outstanding (Basic)	121,242,527	109,898,187
Add: Potential equity shares under Preferential Shares Warrants granted	-	2,078,020
Add: Potential equity shares under Employee Stock Option Plan (Refer Note 33.2(b))	9,579	122,814
Weighted average number of equity shares for diluted EPS	121,252,106	112,099,021
Diluted Earnings Per Share (Amount in INR)	0.88	(1.63)

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, 2019	For the year ended March 31, 2018
Conversion of Foreign Currency Convertible Bonds (FCCBs)	8,617,548	-
Preferential share warrants granted	9,000,000	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019**41 Leases****I Assets taken on operating lease:**

(a) The Company's significant leasing arrangements are in respect of operating leases for premises (Commercial, Residential, Warehouses, etc). Lease expenditure for operating leases is recognised on a straight line basis over the period of lease. The leasing arrangements range between 11 months to five years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements, refundable interest free security deposits have been given. The particulars of the premises taken on operating lease are as under:

(b) Future minimum lease rentals payable as at March 31, 2019 as per the lease agreements are as under:

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Future minimum lease payments under operating leases		
Not later than 1 year	138.12	194.75
Later than 1 year and not later than 5 years	89.53	227.49
Later than 5 years	-	-
	227.65	422.24

(c) Lease payments recognised in the Statement of Profit and Loss for the year is INR 256.85 lakhs (2017-18: INR 255.50 lakhs).

II Assets taken on finance lease:

(a) Significant leasing arrangements include assets dedicated for use under long term arrangements. The arrangements cover a substantial part of the economic life of the underlying assets and has a renewal option on expiry. The lease period is 30 years to 99 years.

(b) Future minimum lease rentals payable as at 31st March, 2019 as per the lease agreements are as under:

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Future minimum lease payments under finance leases		
Not later than 1 year	0.68	0.68
Later than 1 year and not later than 5 years	2.72	2.72
Later than 5 years	14.23	14.91
	17.63	18.31

(c) The information on gross amount of leased assets, depreciation and impairment is given in Note 2 (a).

42 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

43 Contingent Liabilities and Commitments

		INR (in Lakhs)	
Particulars		As at March 31, 2019	As at March 31, 2018
I Contingent liabilities			
a) Claims for Excise Duties, Taxes and Other Matters			
i) In respect of Income Tax matter		16.25	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		603.18	205.77
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 2,854.29 lakhs (March 31, 2018: INR 3,499.36 lakhs)		13,834.26*	13,008.82
Loan balance outstanding in respect of the above guarantee is INR 3,582.37 lakhs (March 31, 2018: INR 3,862.26 lakhs)			
ii) CFS Antioxidantes De Mexico S.A. De C.V		-	4,185.59
Loan balance outstanding in respect of the above guarantee is INR Nil (March 31, 2018: INR 3,804.84 lakhs)			
iii) Dresen Quimica S.A.P.I. De C.V		4,451.17	-
Loan balance outstanding in respect of the above guarantee is INR 3,372.10 lakhs (March 31, 2018: INR Nil)			
iv) Chemolutions Chemicals Limited		50.00	50.00
Loan balance outstanding in respect of the above guarantee is INR 4.39 lakhs (March 31, 2018: INR 41.23 lakhs.)			
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		3,656.67	4,560.80
Contractors payment obligations outstanding in respect of the above guarantee is INR 640.02 Lakhs (March 31, 2018: INR 1,951.90 lakhs.)			
II Commitments			
Value of contracts (net of advance) remaining to be executed on capital account not provided for		3,926.07	733.83

Note: *Includes INR 3,807.42 lakhs (Euro 49 lakhs) being facility cancelled by Axis Bank UK Ltd. and pending for amendment in guarantee documents.

43.1 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

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

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.(from July 12, 2017)

Dresen Quimica S.A.P.I. De.C.V. (from January 31, 2019)

CFS Pahang Asia Pte Ltd (from April 09, 2018)

Step down subsidiaries

CFS Europe S.P.A.

Dresen Quimica S.A.P.I. De.C.V. (ceases to exist with effect from January 31, 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)

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. Leena Dandekar - Executive Director (upto April 10, 2017)

Ms. Anagha Dandekar - Non-Executive Director (from August 13, 2018)

Mr. Nirmal V. Momaya - Non Executive Director

Mr. Ajit S. Deshmukh - Non Executive Director

Mr. Sharad M. Kulkarni - Non Executive Director (Independent)

Mr. Pramod M. Sapre - Non Executive Director (Independent)

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

Mr. Abeezar E. Faizullabhoy - Non Executive Director (Independent)
 Mr. Bhargav A. Patel - Non Executive Director (Independent)
 Mr. Atul R. Pradhan - Non Executive Director (Independent)
 Mr. Nicola A. Paglietti - Non Executive Director (Independent)
 Mr. Dattatraya Puranik - Executive Director & CFO till February 9, 2017 and thereafter Executive Director till May 19, 2017
 Mr. Arjun Dukane- Executive Director (Technical) (from June 1, 2018)
 Mr. Santosh Parab - Chief Financial Officer
 Mr. Rahul Sawale - Company Secretary

iv **Relatives of Key Management Personnel**

Mr. Subhash D. Dandekar - Management Consultant / Relative of Managing Director
 Mrs. Rajani S. Dandekar - Management Consultant / Relative of Managing Director

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
 Hemant Sahai Associates (Mr. Abeezar E. Faizullabhoy resigned as Partner from February 04, 2019)
 Hardware Renaissance, Inc (from August 28, 2017)
 MK Falcon Agrotech Private Limited
 Pillar Properties Private Limited
 V R Momaya & Associates
 Kokuyo Camlin Ltd
 Studio Internazionale
 Argus Partners (Mr. Abeezar E. Faizullabhoy appointed as Partner from February 05, 2019)

vi **Post-employment benefit plan**

Camlin Fine Sciences Limited Group Gratuity Scheme

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

II The details of transactions with related parties during the year are given below:

				INR (in Lakhs)	
Sr. No.	Nature of Transactions	Name of Related Party	For the year ended March 31, 2019	For the year ended March 31, 2018	
1	Sale of products	CFS Europe S.P.A	2,869.68	3,836.09	
		CFS do Brazil	1,227.05	1,231.51	
		CFS North America LLC	1,171.62	1,362.20	
		CFS Wanglong Flavors (Ningbo) Company Ltd	7,896.90	-	
		Dresen Quimica S.A.P.I. De.C.V.	2,558.30	1,424.57	
		Inovel S.A.S.	175.56	58.06	
		CFS Argentina S.A	17.75	-	
		Chemolutions Chemicals Limited	120.25	22.77	
		Hardware Renaissance Inc	102.08	73.65	
			16,139.19	8,008.85	
2	Consumable Sale	Chemolutions Chemicals Limited	-	13.47	
3	Services availed:				
	(a) Reimbursement of IT services	CFS Europe S.P.A	27.72	19.34	
		CFS do Brazil	7.85	10.45	
		CFS North America LLC	6.62	4.84	
		Dresen Quimica S.A.P.I. De.C.V.	16.94	18.72	
		CFS Wanglong Flavors (Ningbo) Company Ltd	14.47	-	
			73.60	53.35	
	(b) Reimbursement of expenses	Kokuyo Camlin Ltd	0.16	0.16	
	(c) Job work charges paid	Chemolutions Chemicals Limited	295.51	288.11	
4	Purchase of goods	CFS Europe S.P.A	19,592.00	15,347.16	
		Chemolutions Chemicals Limited	259.81	124.86	
		CFS Wanglong Flavors (Ningbo) Company Ltd	3,396.44	1,651.83	
		Dresen Quimica S.A.P.I. De.C.V.	121.23	2.38	
			23,369.48	17,126.23	
5	Commission paid	CFS do Brazil	109.47	87.72	
		CFS International Trading (Shanghai) Ltd	-	61.63	
			109.47	149.35	

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

				INR (in Lakhs)
Sr. No.	Nature of Transactions	Name of Related Party	For the year ended March 31, 2019	For the year ended March 31, 2018
6	Interest received	CFS do Brazil	117.44	67.09
		Solentus North America Inc	15.53	13.55
		CFS North America LLC	116.85	108.07
		CFS Antioxidantes S.A. De.C.V.	9.40	8.30
		Chemolutions Chemicals Limited	-	4.81
			259.22	201.82
7	Loans given	CFS do Brazil	-	675.86
		Solentus North America Inc	18.14	-
		CFCL Mauritius Private Limited	18.14	-
		CFS Antioxidantes S.A. De.C.V.	-	16.26
			36.28	692.12
8	Material advance given	CFS Wanglong Flavors (Ningbo) Company Ltd	289.17	-
9	Capital advance given	CFS Europe S.P.A	980.46	-
10	Purchase of Property, Plant and Equipments/intangible assets under development	CFS Europe S.P.A	778.71	-
11	Investments	CFS North America LLC	666.66	-
		CFS do Brazil	1,271.53	-
		CFS Europe S.P.A	-	125.33
		CFS Pahang Asia Pte Ltd	17.90	-
		CFS Wanglong Flavors (Ningbo) Company Ltd	-	622.89
			1,956.09	748.22
12	Consultancy / Professional services	Mr. Subhash D. Dandekar	6.00	6.35
		Mrs. Rajani S. Dandekar	5.40	5.40
		V.R. Momaya & Associates	3.40	0.94
		Pagoda Advisors Private Limited	60.65	56.30
		Hemant Sahai Associates	23.55	1.34
			99.00	70.33
13	Rent received	Abana Medisys Private Limited	0.01	0.01
		Fine Renewable Energy Limited	0.01	0.01
		Chemolutions Chemicals Limited	0.01	0.01
			0.03	0.03

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

Sr. No.	Nature of Transactions	Name of Related Party	INR (in Lakhs)	
			For the year ended March 31, 2019	For the year ended March 31, 2018
14	Compensation paid to Directors and Key Management Personnel	Short term employee benefits (including bonus and value of perquisites)*		
		Mr. Ashish S. Dandekar	184.81	185.47
		Mr. Dilip D. Dandekar	32.40	32.40
		Ms. Leena Dandekar	-	1.55
		Mr. Dattatraya Puranik	-	8.85
		Mr. Arjun Dukane	35.54	-
		Mr. Santosh Parab	54.18	43.90
		Mr. Rahul Sawale	25.46	22.32
			332.39	294.49
		Post employment and Long term benefits to Key Management Personnel		
		Mr. Ashish Dandekar	4.31	3.78
		Mr. Arjun Dukane	0.29	-
		Mr. Santosh Parab	1.27	1.05
		Mr. Rahul Sawale	1.72	1.51
			7.59	6.34
		Sitting fees paid to Non-Executive Directors		
		Mr. Dilip D. Dandekar	5.25	9.35
		Mr. Nirmal V. Momaya	5.00	7.00
		Mr. Ajit S. Deshmukh	3.00	6.00
		Mr. Sharad M. Kulkarni	10.25	15.50
		Mr. Pramod M. Sapre	10.80	14.15
		Mr. Abeezar E, Faizullahoy	10.45	11.95
		Mr. Bhargav A. Patel	10.00	11.75
		Mr. Atul R. Pradhan	5.50	8.25
		Mr. Nicola A. Paglietti	2.00	3.25
		Ms. Anagha Dandekar	3.00	2.00
			65.25	89.20
15	Contribution paid to the Group Gratuity Scheme	Camlin Fine Sciences Limited Group Gratuity Scheme	33.85	72.15

*The compensation to Key Managerial Personnel figures does not include premium paid for group medical and accident insurance and share based payments.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

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, 2019	As at March 31, 2018
1	Trade Receivable	CFS Europe S.P.A	2,294.95	5,430.35
		CFS do Brazil	2,921.70	2,636.56
		Dresen Quimica S.A.P.I. De.C.V.	827.97	956.68
		CFS North America LLC	2,824.66	2,195.54
		Inovel S.A.S.	42.71	-
		CFS Wanglong Flavors (Ningbo) Company Ltd	7,010.67	-
		CFS Argentina S.A	76.34	-
		Hardware Renaissance Inc	74.90	69.29
			16,073.90	11,288.42
2	Trade Payable	CFS Europe S.P.A	4,122.96	5,831.80
		CFS Wanglong Flavors (Ningbo) Company Ltd	643.33	792.04
		Dresen Quimica S.A.P.I. De.C.V.	65.67	2.41
		Chemolutions Chemicals Ltd	139.89	36.49
			4,971.85	6,662.74
3	Other Payable	CFS do Brazil	115.57	72.56
		CFS North America LLC	0.54	-
		CFS Wanglong Flavors (Ningbo) Company Ltd	1.00	-
			117.11	72.56
4	Payable on purchase of Property, Plant and Equipment	CFS Europe S.P.A	40.02	-
			40.02	-
5	Loan and Advances Receivable	CFCL Mauritius Private Limited	977.04	994.13
		CFS do Brazil	1,383.43	1,300.88
		Solentus North America Inc	189.87	162.29
		CFS North America LLC	1,376.50	1,294.38
		CFS Antioxidantes De Mexico S.A. De C.V.	-	104.07
		Dresen Quimica S.A.P.I De C.V.	110.68	-
			4,037.52	3,855.75
6	Interest Receivable	CFS do Brazil	130.55	119.64
		Solentus North America Inc	49.91	34.67
		CFS North America LLC	268.12	159.87
		CFS Antioxidantes De Mexico S.A. De C.V.	-	10.07
		Dresen Quimica S.A.P.I De C.V.	18.61	-
			467.19	324.25
7	Other Receivable	CFS Europe S.P.A	427.46	646.66
		CFS do Brazil	17.59	149.04
		Solentus North America Inc	15.85	14.90
		CFS North America LLC	157.56	141.05
		CFS Antioxidantes De Mexico S.A. De C.V.	-	31.26
		Dresen Quimica S.A.P.I De C.V.	35.90	11.04
		CFS Wanglong Flavors (Ningbo) Company Ltd	18.59	1.84
			672.95	995.79
8	Capital Advance	Chemolutions Chemicals Ltd	-	352.20
		CFS Europe S.P.A	980.46	-
			980.46	352.20

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

Sr. No	Nature of transactions	Name of Related party	As at March 31, 2019	As at March 31, 2018
9	Long term gratuity and leave encashment benefits to Key Management Personnel	Mr. Ashish Dandekar	82.27	77.96
		Mr. Arjun Dukane	17.73	-
		Mr. Santosh Parab	6.70	5.43
		Mr. Rahul Sawale	4.02	2.30
			110.72	85.69
10	Rent Receivable	Abana Medisys Private Limited	0.47	0.39
		Fine Renewable Energy Limited	0.01	0.01
			0.48	0.40

45 Financial instruments – Fair values and risk management**a) Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

INR (in Lakhs)							
March 31, 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	-	1,889.03	1,889.03	-	-	-	-
Bank balances other than above	-	5,023.02	5,023.02	-	-	-	-
Loans	-	1,409.19	1,409.19	-	-	-	-
Deposits	-	204.15	204.15	-	-	-	-
Other Financial Assets	-	2,211.80	2,211.80	-	-	-	-
	325.49	39,801.27	40,126.76	-	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	-	416.66	416.66	-	-	-	-
Current							
Borrowings	-	19,900.13	19,900.13	-	-	-	-
Trade Payables	-	10,588.91	10,588.91	-	-	-	-
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	31,882.93	42,754.11	-	10,693.80	177.38	10,871.18

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

INR (in Lakhs)							
March 31, 2018	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	-	1,839.10	1,839.10	-	-	-	-
Deposits	-	45.86	45.86	-	-	-	-
Current							
Investments	10,807.63	-	10,807.63	-	10,807.63	-	10,807.63
Trade Receivables	-	21,142.14	21,142.14	-	-	-	-
Cash and Cash Equivalents	-	179.32	179.32	-	-	-	-
Bank Balances other than above	-	959.83	959.83	-	-	-	-
Loans	-	2,138.18	2,138.18	-	-	-	-
Deposits	-	202.62	202.62	-	-	-	-
Other Financial Assets	-	1,924.45	1,924.45	-	-	-	-
	10,807.63	28,431.50	39,239.13	-	10,807.63	-	10,807.63
Financial Liabilities							
Non Current							
Borrowings	-	1,449.86	1,449.86	-	-	-	-
Current							
Borrowings	-	20,029.44	20,029.44	-	-	-	-
Trade Payables	-	11,419.18	11,419.18	-	-	-	-
Current maturities of long term borrowings	-	350.56	350.56	-	-	-	-
Other Financial Liabilities	-	616.66	616.66	-	-	-	-
	-	33,865.70	33,865.70	-	-	-	-

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:

- (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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

- (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) Foreign Currency Convertible Bonds (FCCB) are fair valued using market approach based on market observable rates and published price. The fair value of the FCCB has been determined by computing the average cashflows determined through the Monte Carlo Simulation technique.
- (v) **Movement of items measured using unobservable inputs (Level 3):**

INR (in Lakhs)	
Particulars	Amount
Balance as at April 01, 2017	-
(Gains)/Losses recognised in Statement of Profit or Loss during 2017-18	-
Balance as at March 31, 2018	-
Entitlement pursuant to reverse-merger	367.33
(Gains)/Losses recognised in Statement of Profit or Loss during 2017-18	(199.47)
Unrealised exchange (Gain)/Loss on fair valuation of put option	9.52
Balance as at March 31, 2019	177.38

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 and to control and to monitor risks and adherence to these limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. Further, Audit Committee undertakes regular reviews of Risk Management Controls and Procedures.

(i) Credit risk

Credit risk is the risk that a customer or counterparty fails to meet its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and financial instruments.

Trade Receivables

Credit risk from trade receivables is managed by establishing credit limits, credit approvals and monitoring creditworthiness of the customers. Outstanding customer receivables are regularly monitored. The Company has computed credit loss allowances based on Expected Credit Loss Model, which excludes transactions with

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

subsidiaries.

The ageing of trade receivables is as follows:

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Outstanding for less than one year	10,628.67	10,161.10
Others	154.75	199.96
	10,783.42	10,361.06
Less: - Allowance for credit impaired receivables	(559.38)	(491.16)
	10,224.04	9,869.90

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, 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 [#]	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

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

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.

March 31, 2018	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings	1,449.86	1,869.29	184.47	552.15	883.09	249.58
Current						
Borrowings	20,029.44	20,029.44	20,029.44	-	-	-
Trade Payables	11,419.18	11,419.18	11,419.18	-	-	-
Current maturities of long term borrowings	350.56	350.56	350.56	-	-	-
Other Financial Liabilities	616.66	616.66	616.66	-	-	-
Financial Guarantee	-	23,705.21	23,705.21	-	-	-
	33,865.70	57,990.34	56,305.52	552.15	883.09	249.58

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(iii) Currency Risk

The Company's operations result in it being exposed to foreign currency risk on account of trade receivables, trade payables, borrowings and lendings. The foreign currency risk may affect the Company's income and expenses, or its financial position and cash flows. The objective of the Company's Management of foreign currency risk is to maintain these risk within acceptable parameters, while optimising returns.

The Company's exposure to foreign currency risk denominated monetary assets and liabilities at the end of the reporting period expressed in INR (in lakhs), is as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Monetary Assets	Monetary Liabilities	Monetary Assets	Monetary Liabilities
USD	27,211.02	(16,127.98)	18,144.36	(5,330.62)
EURO	2,106.97	(40.02)	6,072.39	(6,568.74)
	29,317.99	(16,168.00)	24,216.75	(11,899.36)

The following significant exchange rates have been applied during the year:

Particulars	Year end spot rate as at	
	March 31, 2019	March 31, 2018
USD / INR	69.1713	65.0441
EUR / INR	77.7024	80.6222

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 March 31, 2019 and March 31, 2018:

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

Particulars	Impact on profit before tax		Impact on equity	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
USD / INR increase by 5%	554.16	389.62	434.74	305.65
USD / INR decrease by 5%	(554.16)	(389.62)	(434.74)	(305.65)
EUR / INR increase by 5%	105.35	(16.52)	82.65	(12.96)
EUR / INR decrease by 5%	(105.35)	16.52	(82.65)	12.96

(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, 2019	As at March 31, 2018
Financial Liabilities		
Borrowings		
Fixed rate instruments		
Foreign Currency Convertible Bonds	10,693.80	-
Variable rate instruments		
Term Loans (including current maturities)	754.69	1,800.42
Cash Credit	19,900.13	16,364.75
Other short term loans	-	3,664.69
	31,348.62	21,829.86
Financial Assets		
Fixed rate instruments		
Fixed Deposits	6,846.06	931.22
Security Deposits	393.93	248.48
	7,239.99	1,179.70

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Company by the amounts indicated in the table below. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

Particulars	Impact on profit before tax		Impact on equity	
	100 BP increase	100 BP decrease	100 BP increase	100 BP decrease
March 31, 2019				
Financial Liabilities				
Variable rate instruments				
Borrowings	(206.50)	206.50	(162.00)	162.00
Cash flow sensitivity (net)	(206.50)	206.50	(162.00)	162.00
March 31, 2018				
Financial Liabilities				
Variable rate instruments				
Borrowings	(218.65)	218.65	(171.53)	171.53
Cash flow sensitivity (net)	(218.65)	218.65	(171.53)	171.53

e Offsetting Financial Assets and Financial Liabilities (Refer Note 12 and Note 24)

The amount of trade receivables and trade payables offset in the Balance Sheet is INR 5,417.51 lakhs (March 31, 2018: INR Nil). The gross amount of trade receivables is INR 31,603.42 lakhs and trade payables is INR 15,606.33 lakhs.

46 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, 2019	As at March 31, 2018
Non Current Borrowings #	11,110.46	1,449.86
Current Borrowings	19,900.13	20,029.44
Current maturities of Long Term Debts	338.03	350.56
Gross Debt	31,348.62	21,829.86
Less : Cash and Cash Equivalents	1,889.02	179.32
Less : Bank balances other than above	5,023.02	959.83
Less : Current Investments	325.49	10,807.63
Net Debt	24,111.07	9,883.08
Total Equity	34,742.64	33,145.84
Net Debt to Equity Ratio	0.69	0.30

(March 31, 2019) 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, 2019

47 Disclosures u/s 186(4) of the Companies Act, 2013

- a Details of investments made are disclosed under Note 5.
- b Details of Loans given to subsidiaries, associates, firms/companies in which directors are interested are disclosed in Note: 15.1, 15.2 and 15.3.
- c Details of Guarantee given on behalf are disclosed in Note: 43(I)(c) and (d).

48 Disclosures made in terms of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

The disclosure for loans, investments and Guarantee- 'Refer Note 47'. Further, there are no advances given by the company.

49 Previous years' figures have been regrouped / restated wherever necessary to conform to current year's classification.

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2019

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	Profit / (Loss) After Taxation	Proposed Dividend	% of Shareholding
1	CFCL Mauritius Limited	Apr 18 to Mar 19	EUR	77.70	59.73	(66.24)	14.43	978.50	957.57	-	(11.72)	-	-	100%
2	CFS Europe S.p.A.	Apr 18 to Mar 19	EUR	77.70	1,554.05	6,518.00	23,514.38	19,187.06	3,744.72	32,956.61	2,147.07	1,581.91	-	100%
3	CFS Do Brasil Importacao E Exportacao De Aditivos Alimenticios LTDA.	Apr 18 to Mar 19	BRL	17.68	1,603.11	(2,252.42)	4,043.76	4,788.81	95.74	4,110.67	(889.79)	-	-	100%
4	Solentus North America Inc	Apr 18 to Mar 19	CAD	51.99	56.01	(301.08)	17.15	262.22	-	-	(35.24)	-	-	100%
5	CFS North America LLC	Apr 18 to Mar 19	USD	69.17	978.17	(3,402.91)	2,646.06	5,070.80	-	2,359.09	(982.45)	-	-	100%
6	CFS International Trading (Shanghai) Ltd	Apr 18 to Mar 19	CNY	10.34	50.32	(80.98)	14.53	45.20	-	-	(7.55)	-	-	100%
7	Dresen Quimica, S.A.P.I. de C.V.	Apr 18 to Mar 19	MXP	3.59	2,803.01	4,068.30	13,956.59	11,879.55	4,794.27	18,410.84	2,820.27	1,867.75	-	65%
8	Industrias Petrotec de Mexico, S.A. de C.V.	Apr 18 to Mar 19	MXP	3.59	3.91	218.94	374.38	151.52	-	2,094.44	113.46	80.26	-	65%
9	Inovel, S.A.S.	Apr 18 to Mar 19	MXP	3.59	80.18	386.81	1,272.74	805.75	-	1,951.60	185.06	83.45	-	65%
10	Nuvel, S.A.C.	Apr 18 to Mar 19	MXP	3.59	30.49	1,121.30	1,503.98	352.19	-	1,831.00	107.49	82.29	-	65%
11	Britec, S.A.	Apr 18 to Mar 19	MXP	3.59	30.66	442.60	698.32	225.06	-	1,353.80	2.72	-	-	65%
12	Grinel, S.R.L.	Apr 18 to Mar 19	MXP	3.58	1.47	-	1.47	-	-	-	-	-	-	65%
13	Chemolutions Chemicals Ltd.	Apr 18 to Mar 19	INR	1.00	676.70	(352.08)	385.89	61.26	-	518.62	164.65	24.86	-	94.08%
14	CFS Wanglong Flavors (Ningbo) Co. Ltd.	Apr 18 to Mar 19	CNY	10.34	7,798.63	(754.38)	17,958.65	10,914.39	-	13,448.02	(1,248.41)	305.64	(942.77)	51%
15	CFS Argentina SA	Apr 11, 2018 to Mar 19	ARG	1.60	96.74	(83.99)	92.59	79.85	-	223.80	(63.78)	-	-	100%
16	CFS Chile SpA	June 27, 2018 to Mar 19	CLP	0.10	50.46	(5.23)	228.43	183.20	-	105.57	(3.44)	-	-	100%
17	CFS Pahang Asia Pte Ltd.	Apr 09, 2018 to Mar 19	SGD	51.22	35.11	(1.94)	31.81	0.49	-	-	(3.83)	-	-	100%

Part "B": Associates and Joint Ventures

1	Name of Associate	Fine Lifestyle Brands Limited
2	Latest audited Balance Sheet Date	3/31/2019
3	Shares of Associate held by the company on the Year end	
	Number of Shares	254,994
	Amount of Investment in Associate	2,549,940
	Extend of Holding %	49.04%
4	Description of how there is Significant Influence	
5	Reason why the Associate is not consolidated	
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (INR in lakhs)	Control of 49.04% of Equity Share Capital
7	Profit for the Year	NA
	i. Considered in Consolidation (INR in lakhs)	3.45
	ii. Not Considered in Consolidation (INR in lakhs)	(5.88)
8	Names of associates or joint ventures which are yet to commence operations	-
		NA

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

Dilip D. Dandekar

Ashish S. Dandekar

Chairman
Managing Director
DIN: 00846901

DIN: 01077379

Santosh Parab

Rahul D. Sawale

Chief Financial Officer
Company Secretary

Mumbai, Dated: May 24, 2019

Signatures to the Balance Sheet and Notes to Financial Statements

For and on behalf of the Board

Dilip D. Dandekar

Chairman

DIN: 00846901

Ashish S. Dandekar

Managing Director

DIN: 01077379

Santosh Parab

Chief Financial Officer

Rahul D. Sawale

Company Secretary

Mumbai, Dated: May 24, 2019

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"), and its associate which comprise the Consolidated Balance Sheet as at March 31, 2019, 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, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs (financial position) of the Group as at March 31, 2019, of consolidated profit, (financial performance including other

comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

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 and its associate 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. 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.

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 26 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 holding company, volatility of shares price over certain period, and observable market input e.g. risk free rate, currency swap rates, etc (Refer Note 22(l) 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>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 elaborately the models and methodology used for the valuation of the instrument which is designated as fair value through profit or loss both at the time of initial recognition and subsequent measurement on the reporting date. 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 holding 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 i.e. the liability component of the compound financial instrument is measured at Fair Value through Profit or Loss since the value of the embedded derivative cannot be separated from the host contract.</p> <p>Assessed the appropriateness of the disclosure in the Consolidated Financial Statements in accordance with the applicable financial reporting framework</p>
Capital Work-in-Progress in relation to Dahej Project	
<p>The Holding Company had commenced setting up a manufacturing facility at Dahej. 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.</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. We physically verified existence of certain tangible assets/ components that were not ready for use and classified as part of capital work in progress by visiting the construction site.</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 and deferred tax	
<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>The Holding Company has recognised deferred tax assets in respect of carried forward losses and other temporary differences. The recognition of deferred tax assets involves estimation regarding the likelihood of the realisation of these assets, in particular whether there will be taxable profits in future periods that support recognition of these assets.</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> <p>We considered the appropriateness of management's assumptions and estimates in relation to the likelihood of generating future taxable profits to support the recognition of deferred tax assets with reference to forecast taxable profits and consistency of these forecasts with the budgets.</p>
The following key audit matter and related audit procedures (as reproduced) was communicated to us by the auditors of CFS North America LLC., a subsidiary of the Holding Company.	
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>

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Financial Highlights, Directors' Report, Management Discussion and Analysis and Corporate Governance Report, but does not include the Consolidated Financial Statements, Standalone 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the 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 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. 67,494.75 lakhs as at March 31, 2019; total revenue of Rs. 20,076.97 lakhs and net cash flows amounting to Rs. 518.57 lakhs for the year ended on that date. The consolidated financial statements also include the Group's share of net loss of Rs. 5.88 lakhs for the year ended March 31, 2019, 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 management of the Holding Company 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 five subsidiaries whose financial statements reflect total assets of Rs. 1,339.36 lakhs as at March 31, 2019, total revenues of Rs. 374.15 lakhs and net cash flows amounting to Rs. 282.59 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 Rule 7 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, 2019 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, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and its associate and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**.

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

- i. The Group and its associate has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements - Refer Note 41(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, 2019.

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Dated: May 24, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Consolidated Financial Statements for the year ended March 31, 2019.

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 company and its associate, which are incorporated in India, as of March 31, 2019 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company and its associate, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control 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 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 Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with over Financial Reporting

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 over Financial Reporting

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 Over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group and its associate incorporated in India has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal controls with reference to financial statements criteria established by the Group and its associate incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(1) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Financial Statements insofar as it relates to a subsidiary and an associate company, which are companies incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Dated: May 24, 2019

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

Particulars	Notes	INR (in Lakhs)	
		As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2(a)	20,545.83	20,661.85
Capital Work-in-Progress	2(b)	5,733.22	1,285.28
Investment Property	3	207.19	207.19
Goodwill		4,443.31	4,462.86
Intangible Assets	4	2,047.91	2,477.88
Intangible Assets under development		167.10	76.44
Investment in Associate	5	13.36	19.24
Financial Assets			
Investments	6	714.25	714.25
Loans	7	1,113.84	65.66
Deferred Tax Assets (Net)	8	4,124.60	3,958.16
Income Tax Assets (Net)	9	739.69	680.74
Other Non-Current Assets	10	1,581.35	485.40
Total Non-Current Assets		41,431.65	35,094.95
Current Assets			
Inventories	11	28,541.39	23,901.90
Financial Assets			
Investments	12	325.49	10,807.63
Trade Receivables	13	20,931.98	20,534.78
Cash and Cash Equivalents	14	5,321.36	3,847.62
Bank Balances other than Cash and Cash Equivalents	15	5,023.02	960.86
Loans	16	307.14	343.83
Other Financial Assets	17	1,074.75	622.96
Other Current Assets	18	5,722.51	5,535.29
Total Current Assets		67,247.64	66,554.87
TOTAL ASSETS		108,679.29	101,649.82
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	19	1,212.54	1,212.30
Other Equity	20	35,875.57	35,903.97
Non-Controlling Interests	21	5,939.91	6,221.73
Total Equity		43,028.02	43,338.00
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	22	19,363.44	11,024.49
Provisions	23	236.88	196.40
Deferred Tax Liabilities (Net)	8	11.84	-
Total Non-Current Liabilities		19,612.16	11,220.89
Current Liabilities			
Financial Liabilities			
Borrowings	24	24,433.51	24,678.60
Trade Payables	25		
Total Outstanding Dues of Micro Enterprises and Small Enterprises and		400.09	45.88
Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises		16,061.32	17,733.13
Other Financial Liabilities	26	3,662.68	3,057.34
Other Current Liabilities	27	729.04	847.13
Provisions	28	703.69	700.48
Current Tax Liabilities (Net)	29	48.78	28.37
Total Current Liabilities		46,039.11	47,090.93
Total Liabilities		65,651.27	58,311.82
TOTAL EQUITY AND LIABILITIES		108,679.29	101,649.82
Significant Accounting Policies	1		

The accompanying notes 1 to 50 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: May 24, 2019

Signatures to the Consolidated Balance Sheet and Notes to Consolidated Financial Statements.

For and on behalf of the Board

Dilip D. Dandekar
 Chairman
 DIN: 00846901

Santosh Parab
 Chief Financial Officer

Mumbai, Dated: May 24, 2019

Ashish S. Dandekar
 Managing Director
 DIN: 01077379

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

Particulars	Notes	INR (in Lakhs)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from Operations	30	89,216.67	72,276.17
Other Income	31	1,378.73	1,155.81
Total Income		90,595.40	73,431.98
EXPENSES			
Cost of Materials Consumed	32	46,928.06	39,382.78
Purchases of Stock-in-Trade		2,617.41	3,096.56
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	33	(2,065.19)	(234.87)
Excise Duty		-	215.76
Employee Benefits Expense	34	8,788.52	7,286.57
Finance Costs	35	3,670.73	2,835.39
Depreciation and Amortisation Expense	36	2,899.32	2,665.42
Other Expenses	37	26,081.39	21,274.16
Total Expenses		88,920.24	76,521.76
Profit / (Loss) Before share of Profit/(Loss) of Associate		1,675.16	(3,089.79)
Share of Profit of Associate (Net of Tax)		(5.88)	17.16
Profit / (Loss) Before Tax		1,669.28	(3,072.63)
Tax Expense			
Current tax	8	1,582.98	857.11
Deferred tax	8	(214.28)	(1,532.52)
Total Tax Expense		1,368.70	(675.41)
Profit / (Loss) for the Year		300.58	(2,397.22)
Other Comprehensive Income			
(A) Items that will not be subsequently reclassified to Profit or Loss			
Remeasurements of Defined Benefit Plans		(46.30)	18.66
Income Tax relating to items that will not be reclassified to Profit or Loss		16.18	(6.23)
Total (A)		(30.12)	12.43
(B) Items that will be reclassified subsequently to Profit or Loss			
Exchange differences in translating the financial statements of foreign operations		133.15	1,828.71
Income Tax relating to items that will be reclassified to Profit or Loss		(49.70)	(604.63)
Total (B)		83.45	1,224.08
Total Other Comprehensive Income for the Year (A)+(B)		53.33	1,236.51
Total Comprehensive Income for the Year		353.91	(1,160.71)
Profit / (Loss) for the Year attributable to:			
Owners of the Company		57.72	(2,964.31)
Non-Controlling Interests		242.86	567.09
Total Other Comprehensive Income for the Year attributable to:			
Owners of the Company		55.99	1,222.95
Non-Controlling Interests		(2.66)	13.56
Total Comprehensive Income for the Year attributable to:			
Owners of the Company		113.71	(1,741.36)
Non-Controlling Interests		240.20	580.65
Earnings per Equity Share (Face Value INR 1 each)			
Basic	39	0.05	(3.07)
Diluted		0.05	(3.01)
Significant Accounting Policies	1		

The accompanying notes 1 to 50 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: May 24, 2019

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

Santosh Parab
Chief Financial Officer

Mumbai, Dated: May 24, 2019

Ashish S. Dandekar
Managing Director
DIN: 01077379

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

Particulars	INR (in Lakhs)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Cash Flow from Operating Activities		
Profit / (Loss) Before Taxation	1,675.16	(3,089.79)
Adjustment for:		
Depreciation and Amortisation Expense	2,899.32	2,665.42
Finance Costs	3,670.73	2,835.39
Foreign Exchange Loss/(Gain) (Unrealised)	173.97	(1,092.01)
(Gain) / Loss on sale of Property, Plant & Equipment and Intangible Assets	(6.73)	5.70
Provision for Gratuity	15.13	31.90
Provision for Compensated Absences	43.69	106.20
ESOP compensation (reversal) / cost	(3.07)	23.56
Allowance for Credit Loss	391.93	(99.87)
Bad debts written off	-	100.21
Bad Advances written off	-	36.46
Allowance for Doubtful Advances	-	(35.23)
Interest income	(101.55)	(82.67)
Net loss arising on Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)	118.27	(166.75)
Hyperinflationary effect on Consolidated Statement of Profit and Loss	32.88	-
Net gain arising on Financial Liabilities measured Fair Value Through Profit or Loss (FVTPL)	(199.47)	(238.31)
Operating Profit before working capital changes	8,710.26	1,000.21
Adjustment for:		
Increase/(Decrease) in Non Financial Liabilities	(118.09)	366.08
Increase/(Decrease) in Financial Liabilities	(1,308.46)	10,397.63
(Increase)/Decrease in Non Financial Assets	(4,955.29)	(6,834.53)
(Increase)/Decrease in Financial Assets	(1,606.59)	(5,456.27)
Cash generated from operations	(7,988.42)	(1,527.09)
Taxes Paid (Net)	(1,621.52)	(1,014.01)
Net Cash Flow from / (used in) Operating activities	(899.68)	(1,540.89)
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible Assets	(6,935.23)	(1,926.69)
Sale of Property, Plant & Equipment and Intangible Assets	20.20	24.41
Sale/ (Purchase) of non-current investments (Associate)	5.88	(17.16)
Sale / (Purchase) of Mutual Funds (Net)	10,363.87	(9,470.98)
Maturity of / (Investment in) fixed deposits	(4,064.56)	94.80
Interest Received	416.00	82.67
Acquisition of subsidiaries (Net)	-	(3,646.35)
Net Cash Flows from/(used in) Investing Activities	(193.84)	(14,859.30)

CONSOLIDATED STATEMENT OF CASH FLOWS (Contd.)

for the year ended March 31, 2019

Particulars	INR (in Lakhs)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital (net of issue expenses)	16.49	14,773.71
Received against Preferential Share Warrants	-	2,085.53
Proceeds from / (Repayment of) Foreign Currency Convertible Bonds	10,753.80	-
Proceeds from / (Repayment of) Long Term Borrowings (Net)	(1,641.32)	6,506.38
Proceeds from / (Repayment of) Short Term Borrowings (Net)	(245.09)	(2,310.97)
Interest Paid	(5,692.89)	(2,872.16)
Dividend paid to other shareholder of Dresen Quimica S.A.P.I de C.V.	(623.73)	-
Net Cash Flow from Financing Activities	2,567.26	18,182.49
Net Increase/(Decrease) in Cash & Cash Equivalents	1,473.74	1,782.30
Cash & Cash Equivalents at the beginning of the year	3,847.62	2,065.32
Cash & Cash Equivalents at the end of the year	5,321.36	3,847.62

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) The above Consolidated Statement of Cash Flows includes INR Nil (2017- 2018: INR 45.50 lakhs) towards Corporate Social Responsibility (CSR) activities (Refer Note 37).
- (c) Previous year's figures have been regrouped/reclassified wherever applicable.

The accompanying notes 1 to 50 form an integral part of the Financial Statements.

As per our Report of even date

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2019

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

Santosh Parab
Chief Financial Officer

Mumbai, Dated: May 24, 2019

Ashish S. Dandekar
Managing Director
DIN: 01077379

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

a) Equity Share Capital

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the reporting year	1,212.30	1,037.10
Issued pursuant to Qualified Institutions Placement (QIP)	-	172.41
Issued pursuant to exercise of Employee Stock Options	0.24	2.79
Changes in equity share capital during the year	0.24	175.20
Balance at the end of the reporting year	1,212.54	1,212.30

b) Other Equity

Particulars	Reserves and Surplus							Money received against Preferential Share Warrants	Foreign Currency Translation Reserve (FCTR)	Total before Non - Controlling Interest	Non-Controlling Interest	INR (in Lakhs)
	Equity Component of Foreign Currency Convertible Bonds (FCCBs)	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Employee Stock Option Outstanding	General Reserve	Retained Earnings					Total after Non - Controlling Interest
Balance as at March 31, 2017	-	134.52	1,080.63	6,811.58	168.56	2,534.88	10,176.36	-	(685.39)	20,221.14	1,761.48	21,982.62
(Loss) for the year	-	-	-	-	-	-	(2,964.31)	-	-	(2,964.31)	-	(2,964.31)
Remeasurement of Defined Benefit Plans	-	-	-	-	-	-	12.43	-	-	12.43	-	12.43
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	1,828.71	1,828.71	-	1,828.71
Other movements	-	-	-	-	-	(1.25)	-	-	-	(1.25)	-	(1.25)
Total Comprehensive Income for the year	-	-	-	-	-	(1.25)	(2,951.88)	-	1,828.71	(1,124.42)	-	(1,124.42)
Issue of Equity Shares pursuant to Qualified Institutions Placement (QIP)	-	-	-	14,827.60	-	-	-	-	-	14,827.60	-	14,827.60
Issue of Equity Shares pursuant to exercise of Employee Stock Options (ESOP)	-	-	-	219.60	-	-	-	-	-	219.60	-	219.60
QIP Issue Expenses	-	-	-	(412.83)	-	-	-	-	-	(412.83)	-	(412.83)
Deferred Tax on QIP Issue expenses	-	-	-	-	-	-	99.63	-	-	99.63	-	99.63
Fair valuation of ESOP	-	-	-	-	(12.28)	-	-	-	-	(12.28)	-	(12.28)
Receipt on exercise of Preferential Share Warrants	-	-	-	-	-	-	-	2,085.53	-	2,085.53	-	2,085.53
Changes in Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	4,460.25	4,460.25
Balance as at March 31, 2018	-	134.52	1,080.63	21,445.95	156.28	2,533.63	7,324.11	2,085.53	1,143.32	35,903.97	6,221.73	42,125.70
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 ESOP	-	-	-	16.25	-	-	-	-	-	16.25	-	16.25
Deferred Tax on QIP Issue expenses	-	-	-	-	-	-	(38.09)	-	-	(38.09)	-	(38.09)
Fair valuation of ESOP	-	-	-	-	(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 20.7)	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

As per our Report of even date

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Mumbai, Dated: May 24, 2019

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

Santosh Parab
Chief Financial Officer

Mumbai, Dated: May 24, 2019

Ashish S. Dandekar
Managing Director
DIN: 01077379

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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 speciality 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, 2019 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, 2019 are approved by the Board of Directors on May 24, 2019.

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."

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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

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 measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusions that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

C. Recent Accounting Developments

Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. The amendments are applicable to the Group from 1st April, 2019. The Group will be adopting the below stated standards and applicable amendments from their respective effective date.

a. Ind AS 116 – Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of lease for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Group is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements. The Group is currently evaluating the effect of above amendments.

b. Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

c. Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group is currently evaluating the effect of the above amendments.

d. Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

e. Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

f. Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect this amendment to have any impact on its financial statements.

g. Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates to which equity method is not applied.

h. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group does not expect this amendment to have any impact on its financial statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

the net recognised amount (measured at fair value) of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised as capital reserve on consolidation.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Put options issued to non-controlling interests are recognised as a liability and the subsequent changes in fair value of the put option liability are recognised in Consolidated Statement of Profit and Loss.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Common control transactions are accounted for based on pooling of interests method where the assets and liabilities of the acquiree are recorded at their existing carrying values, the identity of reserves of the acquiree is preserved and the difference between consideration and the face value of the share capital of the acquiree is adjusted with capital reserve on consolidation.

The financial information in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements irrespective of the actual date of the combination.

b. Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of Profit & Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Statement of profit or loss. Subsequently, it is accounted for as an equity-accounted investee depending on the level of influence retained.

c. Associates

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

d. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealised gains or

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

e. Acquisition of non-controlling interests

Acquisition of some or all of the non-controlling interest ("NCI") is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the Holding company. The associated cash flows are classified as financing activities. No goodwill is recognised as a result of such transaction

f. Basis of Consolidation

I Principles of consolidation

- (i) The consolidated financial statements relate to Camlin Fine Sciences Limited, its subsidiaries and an associate.
- (ii) Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over a subsidiary.
- (iii) The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are fully eliminated while preparing these consolidated financial statements.
- (iv) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.
- (v) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their policies in line with the Group's accounting policies.

II Investments in Associate

An associate is an entity over which the Group has significant influence. Investment in associate is accounted by using the equity method of accounting, after initially being recognised at cost.

g. Property, Plant & Equipment

(i) Recognition and Measurement

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

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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

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

(ii) Depreciation

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

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

Leasehold land is amortised equally over the period of lease.

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

(iii) Disposal or Retirement

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

h. Capital Work In Progress

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

i. Investment Property

(i) Recognition and Measurement

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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

j. Intangible Assets

(i) Initial Recognition

Acquired Intangible Assets

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

Internally generated intangible assets

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

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

- a) It is technically feasible to complete the intangible asset so that it will be available for use or sale.
- b) There is an intention to complete the asset.
- c) There is an ability to use or sell the asset.
- d) The asset will generate future economic benefits.
- e) Adequate resources are available to complete the development and to use or sell the asset.
- f) The expenditure attributable to the intangible asset during development phase can be measured reliably.

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

(ii) Amortisation

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

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

(iii) Derecognition

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

k. Impairment of non-financial assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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

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

l. Investment in Associate (Equity accounted investees)

Investment in associate is accounted by using the equity method of accounting, after initially being recognised at cost. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in associate, the difference between net disposal proceeds and the carrying amounts are recognized in the Consolidated Statement of Profit and Loss.

m. Financial Instruments

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

l. Financial Assets

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

(i) Initial recognition and measurement

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

(ii) Subsequent measurement and classification

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

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

(iii) Financial assets at amortised cost

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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

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

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

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

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

(v) Financial Asset at Fair Value through profit or loss (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
- Trade receivables

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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 Foreign Currency Convertible Bonds which are measured at Fair Value Through Profit or Loss.

(ii) Initial recognition and measurement

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

(iii) Loans and Borrowings

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

(iv) Financial Guarantee Contracts

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

(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 the allocation of gross proceeds. Transaction costs that relate to the issue of FCCBs are allocated to the liability and equity components in proportion to the allocation of gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are recognised as capital work in progress since the FCCBs are directly attributable to the construction of qualifying asset. Subsequent to initial recognition, the liability component of the compound financial instrument is measured at fair value through Profit or Loss based on the evaluation performed by an external independent valuer. 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 Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

III. Offsetting of Financial Instruments

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

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

n. Inventories

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

o. Cash and Cash Equivalents

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

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

p. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

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

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

(ii) Contingent Liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

(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.

q. 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) Rendering of services

Revenue is recognised from rendering of services 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.

r. Employee Benefits

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

(i) Short term employee benefits:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

(ii) Post-Employment Benefits:**Defined Contribution Plans**

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

Defined Benefit Plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Group'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 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.

s. 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".

t. Borrowing Cost

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

Borrowing costs 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, 2019

u. Foreign Currency Transactions / Translations

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

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

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

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

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 of in full, the relevant amount in FCTR is transferred to the Consolidated Statement of Profit and Loss.

v. Leases

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

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

w. Income Tax

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

(i) Current Tax

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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

- a) has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred Tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

- a) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

MAT (Minimum Alternate Tax) credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Group will pay normal income tax during the specified period and the said is created by way of credit to the Consolidated Statement of Profit and Loss and shown as MAT credit entitlement. The Group reviews carrying amount of MAT credit at each at the reporting date and writes down the same to the extent that there is no longer convincing evidence to the effect that the Group will pay normal income tax during the period.

x. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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, 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 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 CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

2 (a) Property, Plant & Equipment

Particulars	Gross Block				Accumulated Depreciation				Net Block				
	As at April 1, 2018	Additions	Assets acquired in Business Combinations	Deletions	Other Adjustments #	As at March 31, 2019	Upto April 1, 2018 For the year	Relating to assets acquired in Business Combinations	Deletions	Other Adjustments #	Upto March 31, 2019	As at March 31, 2019	As at March 31, 2018
Freehold Land	129.39	-	-	-	(4.69)	124.70	-	-	-	-	-	124.70	129.39
Leasehold Land	1,191.54	1,001.48	-	-	(0.41)	2,192.61	66.47	36.19	-	(0.01)	102.65	2,089.96	1,125.07
Leasehold Improvement	255.91	13.69	-	-	1.97	271.57	65.57	14.35	-	(4.94)	74.98	196.59	190.34
Factory & Other Building	2,778.19	433.67	-	-	(63.45)	3,148.41	237.05	148.32	-	(27.68)	357.69	2,790.72	2,541.14
Site Development	53.69	-	-	-	(26.07)	27.62	12.45	1.54	-	(9.36)	4.63	22.99	41.24
Plant, Equipment & Machinery	19,922.15	915.22	-	0.15	(857.11)	19,980.11	4,485.04	1,880.26	-	0.01	5,790.31	14,189.80	15,437.11
Furniture & Fixtures	390.17	28.05	-	0.26	2.46	420.42	203.41	39.49	-	0.05	242.63	177.79	186.76
Vehicles	290.56	91.96	-	35.00	(5.66)	341.86	130.26	56.20	-	21.88	162.32	179.54	160.30
ERP Hardware Cost	112.13	29.55	-	-	1.04	142.72	50.41	27.27	-	0.42	78.10	64.62	61.72
R&D Assets													
Equipment & Furniture	782.26	27.49	-	-	2.68	812.43	178.62	95.55	-	0.55	274.72	537.71	603.64
Building	212.60	-	-	-	-	212.60	27.46	13.73	-	-	41.19	171.41	185.14
Total Property, Plant and Equipment	26,118.59	2,541.11	-	35.41	(949.24)	27,675.05	5,456.74	2,312.90	-	21.94	7,129.22	20,545.83	20,661.85

Particulars	Gross Block				Accumulated Depreciation				Net Block				
	As at April 1, 2017	Additions	Assets acquired in Business Combinations	Deletions	Other Adjustments #	As at March 31, 2018	Upto April 1, 2017 For the year	Relating to assets acquired in Business Combinations	Deletions	Other Adjustments #	Upto March 31, 2018	As at March 31, 2018	As at March 31, 2017
Freehold Land	111.4	-	-	-	18.25	129.39	-	-	-	-	-	129.39	111.4
Leasehold Land	923.68	-	267.86	-	-	1,191.54	29.21	33.23	-	4.03	66.47	1,125.07	894.47
Leasehold Improvement	151.82	33.20	-	-	70.89	255.91	33.19	12.44	-	19.94	65.57	190.34	118.63
Factory & Other Building	1,433.09	-	1,103.44	-	241.66	2,778.19	13.73	129.22	-	94.10	237.05	2,541.14	1,419.36
Site Development	55.10	-	-	-	(1.41)	53.69	8.64	4.15	-	(0.34)	12.45	41.24	46.46
Plant, Equipment & Machinery	11,764.94	909.73	4,186.31	-	3,061.17	19,922.15	525.77	1,734.60	-	2,224.67	4,485.04	15,437.11	11,239.17
Furniture & Fixtures	336.66	15.99	-	-	37.52	390.17	166.38	41.33	-	(4.30)	203.41	186.76	170.28
Vehicles	319.02	33.08	-	80.02	18.48	290.56	108.20	57.17	-	49.93	130.26	160.30	210.82
ERP Hardware Cost	85.51	26.79	-	1.60	1.43	112.13	27.81	26.23	-	1.58	50.41	61.72	57.70
R&D Assets													
Equipment & Furniture	786.09	13.10	-	-	(16.93)	782.26	90.45	90.46	-	(2.29)	178.62	603.64	695.64
Building	212.60	-	-	-	-	212.60	13.73	13.73	-	-	27.46	185.14	198.87
Total	16,179.65	1,031.89	5,557.61	81.62	3,431.06	26,118.59	1,017.11	2,142.56	-	51.51	5,456.74	20,661.85	15,162.54
Plant and Equipment													

Other adjustments includes foreign exchange translation differences.

2.a.1 Refer Note 22 and Note 24 for information on Property, Plant and Equipment pledged as security for borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

2 (b) Capital Work-in-Progress

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Capital Work-in-Progress	5,733.22	1,285.28
	5,733.22	1,285.28

2.b.1 Capital Work-in-Progress includes INR 91.73 lakhs (2017-18: INR 54.88 lakhs) towards borrowing costs on general borrowing capitalised during the year. The average capitalisation rate for general borrowing is 11.08% (2017-18: 11.26%). Further, the borrowing cost of INR 1,429.44 lakhs (net of interest income on temporary investments amounting to INR 314.45 lakhs) capitalised during the year is towards specific borrowing. The interest rate on specific borrowing is 7%.

2.b.2 Refer Note 41 (II) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

3 Investment Property

Particulars	INR (in Lakhs)			
	Gross and Net Carrying Amount		Fair Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Freehold Land	207.19	207.19	302.00	302.00
	207.19	207.19	302.00	302.00

3.1 Refer Note 22 and 24 for information on Investment Property pledged as security for borrowings.

3.2 The name of erstwhile Camlin Fine Chemicals Limited is on the title deeds of freehold land. The formalities for changing the name is in process.

3.3 Direct operating expenses arising from investment property that did not generate rental income during the year amount to INR 0.29 lakhs (Previous Year March 31, 2018: INR 0.21 lakhs).

3.4 Fair Value Hierarchy

The fair value of investment property has been determined by external independent property valuer, having appropriate recognised professional qualification and experience in the location and category of the property being valued. The fair value measurement for investment property has been categorised as Level 3 based on inputs to the valuation technique used.

3.5 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 has been derived using 'Selling Price Method'. Under this approach, enquiries are made with local architects, builders, local real estate consultants and other related agencies about the current market rates in area and on that basis, fair market value of the property is ascertained. This approach leads to reasonable estimation of the prevailing market value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

4 Intangible Assets

Particulars	Gross Block					Accumulated Amortisation					Net Block			
	As at April 1, 2018	Additions	Assets acquired in Business Combinations	Deletions	Other Adjustments #	As at March 31, 2019	Upto April 1, 2018	For the year	Relating to assets acquired in Business Combinations	Deletions	Other Adjustments #	Upto March 31, 2019	As at March 31, 2019	As at March 31, 2018
ERP Software Cost	159.85	18.14	-	-	(2.54)	175.45	53.21	47.39	-	-	0.03	100.63	74.82	106.64
Technical Know-How	103.47	-	-	-	-	103.47	103.47	-	-	-	-	103.47	-	-
Development Expenditure	1,245.89	155.06	-	-	(27.44)	1,373.51	612.86	331.93	-	-	(15.83)	928.96	444.55	633.03
R & D Process Development	80.20	-	-	-	-	80.20	58.38	21.82	-	-	-	80.20	-	21.82
Patents	1,855.55	-	-	-	(2.78)	1,852.77	139.17	185.28	-	-	(0.22)	324.23	1,528.54	1,716.38
Total Intangible Assets	3,444.96	173.20	-	-	(32.76)	3,585.40	967.09	586.42	-	-	(16.02)	1,537.49	2,047.91	2,477.87

Particulars	Gross Block					Accumulated Amortisation				Net Block				
	As at April 1, 2017	Additions	Relating to assets acquired in Business Combinations	Deletions	Other Adjustments#	As at March 31, 2018	Upto April 1, 2017	For the year	Relating to assets acquired in Business Combinations	Deletions	Other Adjustments #	Upto March 31, 2018	As at March 31, 2018	As at March 31, 2017
ERP Software Cost	65.78	90.86	-	-	3.21	159.85	21.82	28.04	-	-	3.35	53.21	106.64	43.96
Technical Know-How	103.47	-	-	-	-	103.47	103.46	-	-	-	0.01	103.47	-	0.01
Development Expenditure	942.50	93.01	-	-	210.38	1,245.89	110.53	326.46	-	-	175.87	612.86	633.03	831.97
R & D Process Development	80.20	-	-	-	-	80.20	29.19	29.19	-	-	-	58.38	21.82	51.01
Patents	-	-	1,855.55	-	-	1,855.55	-	139.17	-	-	-	139.17	1,716.38	-
Total Intangible Assets	1,191.95	183.87	1,855.55	-	213.59	3,444.96	265.00	522.86	-	-	179.23	967.09	2,477.87	926.95

Other adjustments includes foreign exchange translation differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

5 Investment in Associate

Particulars	INR (in Lakhs)			
	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments (Fully Paid) (At Cost)				
Unquoted				
Fine Lifestyle Brand Limited (of INR 10 each)	254,994	13.36	254,994	19.24
Aggregate amount of unquoted investments		13.36		19.24
Aggregate amount of impairment in value of investments		-		-

6 Investments

Particulars	INR (in Lakhs)			
	As at March 31, 2019		As at March 31, 2018	
	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 6.1)	-	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
Saraswat Co-Operative Bank Limited (of INR 10 each)	5,000	0.50	5,000	0.50
		719.35		719.35
Provision for impairment in value of investments (Refer Note 6.2)		(5.10)		(5.10)
		714.25	-	714.25
Aggregate amount of unquoted investments		714.25	-	714.25
Aggregate amount of impairment in value of investments		5.10	-	5.10

6.1 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'. Pursuant to 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 the put option as a financial obligation amounting to INR 615.15 lakhs is recognised as an investment.

6.2 The provision for impairment in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited.

7 Loans

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered good		
Security Deposits	1,113.84	65.66
	1,113.84	65.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

8 Deferred Tax Assets (Net)

(a) Movement in Deferred Tax Balances

Particulars	INR (in Lakhs)					
	As at April 1, 2018	Movement during the year			As at March 31, 2019	
	Deferred Tax Assets / (Liabilities)	Recognised in Consolidated Statement of Profit and Loss	Recognised in Equity	Recognised in OCI	Net	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 (including on translation of foreign operations)	175.36	-	-	-	149.43	(11.84)
Deferred Tax Assets/ (Liabilities)	3,958.16	214.28	(38.09)	16.18	4,124.60	(11.84)

Particulars	INR (in Lakhs)					
	As at April 1, 2017	Movement during the year			As at March 31, 2018	
	Deferred Tax Assets	Deferred Tax Liabilities	Recognised in Consolidated Statement of Profit and Loss	Recognised in Equity	Recognised in OCI	Deferred Tax Assets / (Liabilities)
Deferred Tax Assets/ (Liabilities)						
Property, Plant and Equipment & Intangible Assets	23.14	(625.20)	65.07	-	-	(536.99)
Provision for Bad and Doubtful Debts and Advances	236.50	178.53	80.32	-	-	495.35
QIP Issue Expenses	-	42.09	-	99.63	-	141.72
Employee Benefits	-	56.96	(20.83)	-	-	36.13
Remeasurement of Defined Benefit Plan	-	0.33	-	-	(6.23)	(5.90)
Unabsorbed business losses	1,342.83	39.00	1,530.72	-	-	2,912.55
Disallowances under the Income-Tax Act	-	5.37	9.21	-	-	14.58
R&D Costs	146.63	-	(75.12)	-	-	71.51
Deductible costs for cash	252.11	-	0.73	-	-	252.84
Consolidation Adjustments	464.08	-	(57.68)	-	-	406.40
Unutilised MAT Credit	-	14.04	-	-	-	14.04
Others	6.10	(25.53)	-	-	-	(19.43)
Exchange Differences	(61.69)	-	-	-	-	175.36
Deferred Tax Assets/ (Liabilities)	2,409.70	(314.41)	1,532.42	99.63	(6.23)	3,958.16

Deferred Tax Asset has been recognised at INR 2,652.28 lakhs (March 31, 2018 INR 2,912.55 lakhs) based on the current sale contracts on hand, and the probable future taxable profits based on the budgets of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

(b) Tax expense recognised in Consolidated Statement of Profit and Loss

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax		
In respect of the current year	1,579.30	849.71
In respect of prior year	3.68	7.40
	1,582.98	857.11
Deferred Tax		
Origination and reversal of Tax on Temporary Differences	106.13	(1,532.52)
MAT Credit Entitlement	(320.41)	-
	(214.28)	(1,532.52)
Tax expense for the year	1,368.70	(675.41)

(c) Tax recognised in Other Comprehensive Income

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Items that will not be subsequently reclassified to Profit and Loss		
Remeasurements of defined benefit plans	(16.18)	6.23
Items that will be subsequently reclassified to Profit and Loss		
Exchange differences on translation of financial statements of foreign operations	49.70	604.63
Total	33.52	610.86

(d) Reconciliation of Effective Tax Rate

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit / (Loss) Before Tax	1,675.16	(3,089.79)
Statutory Indian Income Tax rate [#]	21.55%	33.38%
Expected Income Tax Expense	361.00	-
Tax effect of:		
Adjustments recognised in current year in relation to tax of prior years	3.68	7.40
Effect of tax provision at subsidiaries	1,258.89	849.71
Tax rate difference	(40.59)	-
Property, Plant and Equipment & Intangible Assets	328.55	(65.07)
Provision for Doubtful Debts and Advances	(39.09)	(39.00)
Employee Benefits	5.15	20.83
Unabsorbed business losses	260.27	(1,497.02)
Disallowances under the Income-Tax Act	17.69	(9.94)
Research and Development Expenses	61.82	-
Transaction costs relating to FCCB	147.79	-
Interest income from temporary investment of FCCB funds	(109.72)	-
Impact of Consolidation Adjustments	(498.91)	57.68
Unutilised MAT Credit	(320.41)	-
Others	(67.42)	-
Total Income Tax Expense	1,368.70	(675.41)

[#] The Holding Company is chargeable to tax under Minimum Alternate Tax (MAT) during financial year 2018-2019. Hence, tax rate applicable is 21.55% instead of normal rate of income tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

e) Unrecognised tax items

As at March 31, 2019, unrecognised deferred tax assets on account of tax losses for which no deferred tax assets is recognised is INR 620.31 lakhs (March 31, 2018: INR 166.25 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, 2019 is INR 2,724.48 lakhs (March 31, 2018: INR 720.52 lakhs).

9 Income Tax Assets (Net)

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Advance Tax and Tax Deducted at Source (Net)	739.69	680.74
	739.69	680.74

10 Other Non-Current Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Capital Advances	1,352.22	384.82
Prepaid Expenses	229.13	100.58
	1,581.35	485.40

11 Inventories

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Raw material and Components		
(i) in stock	7,549.01	5,468.98
(i) in transit	3,316.27	2,808.70
(b) Work-in-Progress	6,113.89	7,926.31
(c) Finished goods	8,082.75	5,712.43
(d) Stock-in-Trade	2,660.27	1,152.98
(e) Stores and Spares	819.20	832.50
	28,541.39	23,901.90

12 Investments

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2019
Unquoted, carried at Fair Value Through Profit or Loss		
Investment in Mutual Funds	325.49	10,807.63
	325.49	10,807.63
Aggregate amount of Unquoted Investments and Market Value thereof	325.49	10,807.63
Aggregate amount of impairment in value of Investments	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

13 Trade Receivables

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unsecured		
(i) Trade Receivables Considered Good	20,931.98	20,534.78
(ii) Trade Receivables Credit Impaired	2,254.52	1,927.47
Less: Allowance for credit impaired receivables (Refer Note 13.2)	(2,254.52)	(1,927.47)
	20,931.98	20,534.78

13.1 Above balances of trade receivables includes INR 74.90 lakhs (March 31, 2018: INR 69.29 lakhs) from related parties.

13.2 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 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, 2019	As at March 31, 2018
Balance as at Beginning of the Year	1,927.47	1,843.06
Add: Created during the Year	391.93	223.94
Less: Released during the Year	-	(323.81)
Add /(Less):- Effect of foreign currency exchange differences during the year	(64.88)	184.28
Balance as at end of the Year	2,254.52	1,927.47

13.3 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 2,665.32 lakhs (March 31, 2018: INR 4,235.87 lakhs). The corresponding carrying amount of associated liabilities are recognised as short term borrowings. (Refer Note 24.2 (b) and 24.3)

14 Cash and Cash Equivalents

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Balances with Banks in Current Accounts	3,460.69	3,841.91
(b) Deposits with original maturity of less than 3 months	1,849.25	-
(c) Cash on Hand	11.42	5.71
	5,321.36	3,847.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

15 Bank Balances other than Cash and Cash Equivalents

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Earmarked balances with banks (Refer Note 15.1)	26.21	28.61
(b) Deposits with original maturity for 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.	935.78	931.22
	5,023.02	959.83

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

16 Loans

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good, Unless otherwise stated		
(a) Security Deposits	217.17	215.47
(b) Loans to Employees	47.97	11.62
(c) Loans to others	42.00	116.74
	307.14	343.83

17 Other Financial Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Export Benefits Receivable	928.60	538.47
Insurance Claim Receivable	-	63.70
Others	146.15	20.79
	1,074.75	622.96

18 Other Current Assets

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good, Unless otherwise stated		
Advances to Vendors		
(i) Considered Good	1,210.17	494.01
(ii) Considered Doubtful	10.77	10.77
Less: Provision for doubtful advance to Vendors	(10.77)	(10.77)
Prepaid Expenses	670.72	505.75
Balance with Gratuity Fund (Refer Note 34.1 (c))	115.12	141.71
Balance with Government Authorities	3,488.21	4,254.32
Others	238.29	139.50
	5,722.51	5,535.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

19 Equity Share Capital

		INR (in Lakhs)	
Particulars		As at March 31, 2019	As at March 31, 2018
a) Authorised :			
	150,000,000 Equity Shares of INR 1 each (March 31, 2018: 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, 2018: 121,229,371 Equity Shares of INR 1 each)	1,212.54	1,212.30
		1,212.54	1,212.30

c) During the year, the Holding Company has issued 24,625 Equity Shares (2017-18: 278,422 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, 2019		As at March 31, 2018	
	No. of Shares	INR (in Lakhs)	No. of Shares	INR (in Lakhs)
Equity Shares				
Outstanding at the beginning of the Year	121,229,371	1,212.30	103,709,570	1,037.10
Add: Issued pursuant to Qualified Institutions Placement (QIP) (Refer Note 19 (h) (ii))	-	-	17,241,379	172.41
Add: Issued pursuant to exercise of employee stock options (Refer Note 19 (c))	24,625	0.24	278,422	2.79
Outstanding at the end of the Year	121,253,996	1,212.54	121,229,371	1,212.30

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, 2019		As at March 31, 2018	
	No. of Shares	% held	No. of Shares	% held
(i) Ashish S. Dandekar	14,010,550	11.55	13,804,550	11.39
(ii) SBI Magnum Multicap Fund	11,808,706	9.74	10,311,571	8.50
	25,819,256	21.29	24,116,121	19.89

g) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

- The Holding Company has 543,563 (March 31, 2018: 583,988) Equity Shares reserved for issue under Employee Stock Option Scheme as at March 31, 2019 (Refer Note 34.2 (a) for terms of employee stock options).
- The Holding Company has 8,617,548 (March 31, 2018: Nil) Equity Shares as at March 31, 2019 reserved for issue on conversion of Foreign Currency Convertible Bonds (Refer Note 22.1 for terms of Foreign Currency Convertible Bonds).
- The Holding Company has 9,000,000 (March 31, 2018: 9,000,000) Equity Shares reserved for Preferential Share Warrants (Refer Note 20.7 for terms of Preferential Share Warrants).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Share issue Expense (adjusted against Securities Premium Account in terms of Section 52 of the Companies Act, 2013)	-	159.16
Capital expenditure including capital advances	-	679.44
Investments in Subsidiaries	-	2,101.29
Loans to Subsidiaries (including advances of INR 702.40 lakhs)	-	1,969.13
Foreign consultant fees	-	314.22
General Corporate Purposes	-	344.41
Amount Invested in Units of Mutual Funds	-	-
Total funds raised from QIP	-	5,567.65

- ii) On November 23, 2017, the Holding Company has allotted 17,241,379 Equity Shares of INR 1 each at a premium of INR 86 per share amounting to share proceeds of INR 15,000 lakhs pursuant to a Qualified Institutions Placement (QIP) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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

Particulars	As at March 31, 2019	As at March 31, 2018
Share issue Expense (adjusted against Securities Premium Account in terms of Section 52 of the Companies Act, 2013)	412.83	412.83
Capital expenditure including capital advances	2,117.88	650.03
Investments in / Loans to Subsidiaries	2,657.25	2,604.24
General Corporate Purposes	9,812.04	2,795.90
Amount Invested in Units of Mutual Funds	-	8,537.00
Total funds raised from QIP	15,000.00	15,000.00

*(March 31, 2018) Investments in Subsidiaries amounting to INR 1,938.19 lakhs have been made on April 6, 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

20 Other Equity

		INR (in Lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
i) Equity component of Foreign Currency Convertible Bonds (FCCB) (Refer Note 20.1)	330.97	-	
ii) Capital Reserve (Refer Note 20.2)			
Opening Balance	134.52	134.52	
Additions during the Year	104.14	-	
Closing Balance	238.66	134.52	
iii) Capital Reserve on Consolidation (Refer Note 20.3)	1,080.63	1,080.63	
iv) Securities Premium (Refer Note 20.4)			
Opening Balance	21,445.95	6,811.58	
Additions during the Year	16.25	15,047.20	
Utilisations during the Year	-	(412.83)	
Closing Balance	21,462.20	21,445.95	
v) Employee Stock Option Outstanding (Refer Note 20.5)			
Opening Balance	156.28	168.56	
Utilisations during the Year	(3.07)	(12.28)	
Closing Balance	153.21	156.28	
vi) General Reserves (Refer Note 20.6)			
Opening Balance	2,533.63	2,534.88	
Additions during the Year	2.66	-	
Utilisations during the Year	(0.00)	(1.25)	
Closing Balance	2,536.29	2,533.63	
vii) Retained Earnings			
Opening Balance	7,324.11	10,176.36	
Profit / (Loss) for the Year	57.72	(2,964.31)	
Remeasurement of Defined Employee Benefit Plan	(30.12)	12.43	
Dividend paid to non-controlling shareholder of a subsidiary	(623.73)	-	
Deferred tax on QIP expenses	(38.09)	99.63	
Closing Balance	6,689.89	7,324.11	
viii) Money received against Preferential Share Warrants (Refer Note 20.7)			
Opening Balance	2,085.53	-	
Additions during the Year	-	2,085.53	
Closing Balance	2,085.53	2,085.53	
ix) Foreign Currency Translation Reserve	-		
Opening Balance	1,143.32	(685.39)	
Additions during the year	154.87	1,828.71	
Closing Balance	1,298.19	1,143.32	
	35,875.57	35,903.97	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

Nature and Purpose of Reserves:

20.1 Equity component of foreign currency convertible bonds

Pursuant to Ind AS 32, Foreign Currency Convertible Bonds (FCCBs) 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

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

Capital reserve also includes a non-distributable profit reserve for EUR 78,903 (INR 53.92 lakhs) being subordinated to the collection of a receivable due from one supplier of CFS Europe S.p.A. and approved in accordance with a resolution passed by the shareholders of CFS Europe S.p.A.

20.3 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.

20.4 Securities Premium

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

20.5 Employee Stock Option Outstanding

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

20.6 General Reserve

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

20.7 Money received against Preferential Share Warrants

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

21 Non-Controlling Interests

21.1 The details of Non-Controlling Interests in Subsidiaries are provided below:

Name	Country of Incorporation	Share of Non-Controlling Interests		Profit / (Loss) allocated to Non-Controlling Interests		Accumulated Non-Controlling Interests	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Dresen Quimica S.A.P.I. de C.V. (Dresen Quimica)*	Mexico	35.00%	35.00%	704.13	700.05	2,693.01	2,531.01
Chemolutions Chemicals Ltd.	India	5.92%	5.92%	1.47	5.40	19.38	17.91
CFS Wanglong Flavors (Ningbo) Co. Ltd.	China	49.00%	49.00%	(460.86)	(138.36)	3,212.17	3,672.81
CFS Pahang Asia Pte Ltd.	Singapore	49.00%	-	(1.88)	-	15.35	-
				242.86	567.09	5,939.91	6,221.73

* The details of profits and accumulated Non-Controlling Interests shown above are consolidated results of Dresen Quimica and its five subsidiaries.

21.2 Movement of Non-Controlling Interests

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	6,221.73	1,761.48
Share of Profit / (Loss) for the year	242.86	567.09
Non-Controlling Interests arising on incorporation of CFS Pahang Asia Pte Ltd. during the year	17.22	-
Non-Controlling Interests arising on acquisition of Ningbo Wanglong Flavors and Fragrances Company Limited during the year	-	3,818.07
Dividend paid during the year	(623.73)	-
Effect of foreign currency exchange differences during the year	81.83	75.09
Balance at the end of the year	5,939.91	6,221.73

Note:

i) During the year ended March 31, 2019,

On April 09, 2018, CFS Pahang Asia Pte. Ltd., Singapore was incorporated, in which the Company has subscribed to 51% of capital.

ii) During the year ended March 31, 2018,

The Company along with CFS Europe S.p.A. has acquired 51% stake in Ningbo Wanglong Flavors and Fragrances Company Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

21.3 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Non-current assets	4,254.27	3,639.63	155.02	274.16	7,863.04	7,099.06	1.23	-
Current assets	11,982.06	9,033.87	230.87	123.32	10,095.61	6,439.82	30.58	-
Non-current liabilities	2,749.07	3,228.08	-	-	519.12	501.67	-	-
Current liabilities	5,712.07	3,566.77	61.26	97.73	10,395.28	5,040.47	0.49	-
Equity attributable to the owners	5,082.18	3,347.64	305.25	281.84	3,832.08	4,323.93	15.97	-
Non-controlling interests	2,693.01	2,531.01	19.38	17.91	3,212.17	3,672.81	15.35	-
Total income	21,762.31	16,476.71	518.67	413.75	13,452.51	8,880.73	0.01	-
Total expenses	18,628.10	13,778.21	354.02	289.67	14,700.92	9,253.52	3.84	-
Profit / (Loss) for the year	2,011.79	1,845.67	24.86	91.19	(942.77)	(282.36)	(3.83)	-
Profit / (Loss) attributable to owners of the Company	1,307.66	1,145.62	23.39	85.79	(481.91)	(144.00)	(1.95)	-
Profit / (Loss) attributable to non-controlling interests	704.13	700.05	1.47	5.40	(460.86)	(138.36)	(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.

22. Borrowings

Particulars		INR (in Lakhs)			
		As at March 31, 2019		As at March 31, 2018	
		Non-current	Current	Non-current	Current
I Foreign Currency Convertible Bonds (Refer Note 22.1)		10,693.80	-	-	-
		10,693.80	-	-	-
II Term Loans					
(a) From Banks - Secured					
(i) In Foreign Currency (Refer Note 22.2)		7,791.12	1,836.78	9,013.26	1,078.14
		7,791.12	1,836.78	9,013.26	1,078.14
(ii) In Rupees (Refer Note 22.3)		416.66	338.03	1,449.86	350.56
		416.66	338.03	1,449.86	350.56
(b) From Banks - Unsecured					
(i) In Foreign Currency (Refer Note 22.4)		208.62	116.54	307.75	149.12
		208.62	116.54	307.75	149.12
(c) From Others - Unsecured					
(i) In Foreign Currency (Refer Note 22.5)		253.24	-	253.62	-
		253.24	-	253.62	-
		19,363.44	2,291.35	11,024.49	1,577.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

22.1 Foreign Currency Convertible Bonds

Foreign Currency Convertible Bonds (FCCBs) denominated in USD carried at INR 10,693.80 lakhs as at March 31, 2019 (March 31, 2018: INR Nil) represent 30 unsecured, unlisted and unrated FCCBs of US\$ 500,000 each aggregating to US\$ 15,000,000. FCCBs are convertible into the 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. 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 September 14, 2023 and September 14, 2024. 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.

Subsequent to the initial recognition, the liability component of the compound financial instrument i.e. FCCB is measured at Fair Value Through Profit or Loss (FVTPL) since the embedded derivative is principally towards the finance cost and repayment tenure impacting cash flows cannot be separated from the host contract. This is based on the evaluation performed by an external independent valuer engaged by the Holding Company.

22.2 Term Loans from Banks in Foreign Currency - Secured

- a) INR 3,507.95 lakhs (March 31, 2018: INR 3,402.62 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 CFCL Mauritius Pvt. Ltd., pledge of 100% shares of subsidiary in China held by the Company and held by the subsidiary in Italy and corporate guarantee of the Company and CFCL Mauritius Pvt. Ltd. to the extent of USD 20 million. The loan is repayable in 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 550 basis points over 1 month USD LIBOR.
- b) INR 2,686.56 lakhs (March 31, 2018: INR 2,826.52 lakhs) secured by security stated in note 22.2.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 550 basis points over 1 month EURIBOR.
- c) INR 3,423.49 lakhs (March 31, 2018: INR 3,862.26 lakhs) secured by pledge of 65% equity shares of Dresen Quimica S.A.P.I. de C.V. held by the Company and corporate guarantee of the Company to the extent of US\$ 6.435 million. The loan is repayable in 24 quarterly instalments commencing after a moratorium period of 24 months from the date of disbursement i.e. April 26, 2016. The current interest rate is at a spread of 375 basis points over 6 month USD LIBOR.
- d) INR 9.90 lakhs (March 31, 2018: INR Nil) secured by hypothecation of vehicle of subsidiary at Brasil. The loan is repayable in 36 monthly instalments. The current interest rate is 11.40% p.a.

22.3 Term Loans from Banks in Rupees - Secured

- a) INR Nil lakhs (March 31, 2018: INR 695.17 lakhs) secured by first pari passu charge on all movable and immovable assets of the Company, both present and future other than assets which are exclusively charged to other lenders. Further, secured by second pari passu charge on current assets of the Company, both present and future to be shared with other lenders.
- b) INR 750.00 lakhs (March 31, 2018: INR 1,083.33 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 11.05%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

- c) INR 4.69 lakhs (March 31, 2018: INR 21.92 lakhs) secured by hypothecation of vehicles. The loan is repayable in tenure of five to seven years. The current interest rate ranges from 11.50% to 12.50%.

22.4 Term Loans from Banks in Foreign Currency - Unsecured

INR 325.16 lakhs (March 31, 2018: INR 456.87 lakh) pertains to a subsidiary in Italy. The loan is repayable in 20 structured instalments by August 2021. The current interest rate is at a spread of 150 basis points over 3 month EURIBOR.

22.5 Loans (in foreign currency) from others - Unsecured

INR 253.24 lakhs (March 31, 2018: INR 253.62 lakhs) pertains to a subsidiary in China. The current interest rate is 6.75%.

23 Provisions

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Compensated Absences	236.88	196.40
	236.88	196.40

24 Borrowings

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
I Loans repayable on demand		
(a) From Banks -Secured		
Working Capital loans (Refer Note 24.1)	21,768.19	18,403.45
II Other Short Term Borrowings		
(a) From Banks -Secured		
Working Capital loans (Refer Note 24.2)	-	3,935.31
(b) From Banks -Unsecured		
Working Capital loans (Refer Note 24.3)	2,665.32	2,339.84
	24,433.51	24,678.60

24.1 Loans repayable on demand - Secured

- (a) INR 19,900.13 lakhs (March 31, 2018: INR 16,364.75 lakhs) pertains to the Company on account of cash credit availed from banks and are secured by first pari passu charge over Company's current assets, both present and future. Further, secured by second pari passu charge on all movable and immovable fixed assets of the Company, both present and future. The current interest rates range from 10.50% to 11.60%.
- (b) INR 4.39 lakhs (March 31, 2018: INR 41.23 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. The current interest rate is 11.80%.
- (c) INR 1,863.67 lakhs (March 31, 2018: INR 1,997.47 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

24.2 Other Short Term Borrowings - Secured

- (a) INR Nil lakhs (March 31, 2018: INR 1,768.66 lakhs) pertains to the Company towards External Commercial Borrowings (ECB) availed from banks and is secured by security stated against Note 24.1.a above.
- (b) INR Nil lakhs (March 31, 2018: INR 1,896.03 lakhs) pertains to the Company towards Export Bill Discounting (EBD) availed from banks and is secured by security stated against Note 24.1.a above.
- (c) INR Nil lakhs (March 31, 2018: INR 270.62 lakhs) pertains to a Subsidiary in Brazil secured by hypothecation of book debts of the Subsidiary.

24.3 Other short term borrowings - Unsecured

- (a) INR 1,231.05 lakhs (March 31, 2018: INR 1,437.37 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 1,434.27 lakhs (March 31, 2018: INR 902.47 lakhs) pertains to Subsidiary in Italy towards Export Bill Discounting (EBD) availed from banks. The current interest rates range from 1.20% to 2.75%.

25 Trade Payables

		INR (in Lakhs)	
Particulars		As at March 31, 2019	As at March 31, 2018
(a)	Total Outstanding dues of Micro Enterprises and Small Enterprises	400.09	45.88
(b)	Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	16,061.32	17,733.13
		16,461.41	17,779.01

26 Other Financial Liabilities

		INR (in Lakhs)	
Particulars		As at March 31, 2019	As at March 31, 2018
Current maturities of foreign currency debt (Refer Note 22 (II) (a) (i) and Note 22 (II) (b) (i))		1,953.32	1,227.26
Current maturities of long-term debt (Refer Note 22 (II) (a) (ii))		338.03	350.56
Interest accrued but not due on borrowings		103.59	157.01
Unpaid / Unclaimed dividends (Refer Note 26.1)		22.29	24.30
Share Application money received for allotment of securities and due for refund		-	0.38
Deposits		0.79	5.02
Unclaimed Interest on public deposit		2.53	2.53
Unclaimed public deposit (Refer Note 26.2)		4.10	4.10
Payable towards purchase of Property, Plant and Equipment		146.70	20.67
Put Option Liability (Refer Note 26.3)		177.38	367.33
Other outstanding liabilities		913.95	898.18
		3,662.68	3,057.34

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

26.2 The unclaimed public deposits of INR 4.10 lakhs outstanding at March 31, 2019 (March 31, 2018: 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.

26.3 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 0.26 million (INR 177.38 lakhs) (March 31, 2018: USD 0.55 million (INR 367.33 lakhs)) as calculated by the Independent Valuer based on the shareholders agreement using 'Income Approach'.

27 Other Current Liabilities

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Advances received from customers	52.80	-
Statutory Dues	668.96	706.92
Others	7.28	140.21
	729.04	847.13

28 Provisions

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Compensated absences	703.69	700.48
	703.69	700.48

29 Current Tax Liabilities (Net)

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Provision for Tax (Net)	48.78	28.37
	48.78	28.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

30 Revenue from Operations

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Sale of Products		
Finished goods	78,663.18	68,652.60
Traded goods	9,143.27	2,577.05
	87,806.45	71,229.65
(b) Other Operating Revenues		
Export Incentives	846.46	578.76
Service Income	524.97	455.05
Sale of Scrap	38.79	12.71
	1,410.22	1,046.52
	89,216.67	72,276.17

30.1 Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise and Value Added Tax (VAT) have been subsumed into GST. In accordance with Indian Accounting Standards and Schedule III of the Companies Act, 2013 unlike excise duty, GST and VAT are not part of revenue. Accordingly, the figures for the year ended March 31, 2019, are not strictly relatable to the previous year. The following additional information is provided to facilitate such understanding:

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations (A)	89,216.67	72,276.17
Excise duty on sale (B)	-	215.76
Revenue from operations excluding excise duty on sale (A) - (B)	89,216.67	72,060.41

30.2 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, 2019	For the year ended March 31, 2018
Domestic	10,898.34	8,957.27
Exports	76,908.11	62,272.38
Revenue from operations excluding excise duty on sale (A) - (B)	87,806.45	71,229.65

30.3 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.

30.4 The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

30.5 Effective April 1, 2018, the Group has adopted Ind AS 115 - Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

31 Other Income

		INR (in Lakhs)	
Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest Income			
Bank Deposits		90.99	76.37
Other financial assets carried at amortised cost		10.56	6.30
		101.55	82.67
(b) Other Non-Operating Income			
Gain on foreign exchange transactions and translation		-	328.53
Income from Investment measured at FVTPL (Refer Note 31.1)		368.89	337.17
Gain on fair valuation of Put option liability (Refer Note 26.3)		199.47	238.31
Gain on property, plant and equipment sold		6.73	-
Miscellaneous Income		702.09	169.13
		1,277.18	1,073.14
		1,378.73	1,155.81

31.1 Income / (Loss) from Investment measured at FVTPL includes fair valuation impact of INR (118.27) lakhs (Previous Year March 31, 2018: INR 166.75 lakhs)

32 Cost of Materials Consumed

		INR (in Lakhs)	
Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material and Packing Material Consumed			
Opening Inventories		8,277.68	4,634.13
Add: Purchases		49,515.66	43,026.33
Less: Closing Inventories		(10,865.28)	(8,277.68)
		46,928.06	39,382.78

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

		INR (in Lakhs)	
Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Inventories			
Finished Goods		5,712.43	8,813.88
Stock-in-Trade		1,152.98	849.54
Work-in-Progress		7,926.31	4,893.43
		14,791.72	14,556.85
Closing 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
		(2,065.19)	(234.87)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

34 Employee Benefits Expense

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Wages (Refer Note 34.1(a))	8,264.45	6,858.71
Contributions to -		
Provident Funds and other Funds (Refer Note 34.1 (b))	133.05	118.04
Gratuity Fund (Refer Note 34.1(c))	15.13	31.90
Share based payments to Employees (Employee Stock Option Plan) (Refer Note 34.2)	(3.07)	23.56
Staff Welfare Expenses	378.96	254.36
	8,788.52	7,286.57

34.1 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, 2019	As at March 31, 2018
Short term	703.69	700.48
Long Term	236.88	196.40
	940.57	896.88

(ii) Recognised in Consolidated Statement of Profit and Loss

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses	43.69	106.20

(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 133.05 lakhs (2017-18: INR 118.04 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

(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, 2019. 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 & Loss, the details of the defined benefit obligation and the funded status of the Company's gratuity plan:

		INR (in Lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
I Change in the Present Value of Projected Benefit Obligation			
Present Value of Benefit Obligation at the beginning of the Year	337.55	303.36	
Interest Cost	26.26	21.84	
Current Service Cost	25.17	24.72	
Past Service Cost	-	13.15	
Benefits paid from the Fund	(54.55)	(17.67)	
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(0.25)	(13.47)	
Actuarial (Gains) / Losses on Obligations - Due to Experience	41.57	5.62	
Present Value of Benefit Obligation at the end of the Year	375.75	337.55	
II Change in the Fair Value of Plan Assets			
Fair Value of Plan Assets at the beginning of the Year	479.26	386.16	
Interest Income	37.29	27.80	
Contributions by the Employer	33.85	72.15	
Benefits paid from the Fund	(54.55)	(17.67)	
Return on Plan Assets, excluding Interest Income	(4.98)	10.82	
Fair Value of Plan Assets at the end of the year	490.87	479.26	
III Net Asset / (Liability) recognised in Consolidated Balance Sheet			
Present value of defined benefit obligation at the end of the Year	(375.75)	(337.55)	
Fair value of plan assets at the end of the Year	490.87	479.26	
Net Asset / (Liability) at the end of the Year	115.12	141.71	
IV Expenses recognised in the Consolidated Statement of Profit and Loss			
Current Service Cost	25.17	24.71	
Net Interest Cost	(11.03)	(5.96)	
Past Service Cost (See Note below)	-	13.15	
Expenses recognised in the consolidated Statement of Profit and Loss	14.14	31.90	
During the previous financial year, the Company had changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from INR 10 lakhs to INR 20 lakhs. Change in liability due to this scheme change is recognised as past service cost during the previous financial year.			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

		INR (in Lakhs)	
Particulars	As at March 31, 2019	As at March 31, 2018	
V Expenses recognised in the Other Comprehensive Income (OCI)			
Actuarial (Gains) / Losses on Obligation for the year	41.32	(7.84)	
Return on Plan Assets, excluding Interest Income	4.98	(10.82)	
Net (Income) / Expense for the year recognised in OCI	46.30	(18.66)	
VI Actuarial assumptions considered			
(i) Discount rate	7.79%	7.78%	
(ii) Expected return on plan assets	7.79%	7.78%	
(iii) Salary escalation rate	5.00%	5.00%	
(iv) Rate of employee turnover	2.00%	2.00%	
(v) Mortality Table	Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)	
The assumptions of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors.			
VII Category of asset as at the end of the year			
Insurer Managed Funds (100%)			
(Fund is managed by LIC as per guidelines of Insurance Regulatory and Development Authority. Category-wise composition of plan assets is not available).			
VIII Maturity profile of Benefit Payments			
(i) Year 1	35.24	34.92	
(ii) Year 2	31.90	31.12	
(iii) Year 3	53.17	27.70	
(iv) Year 4	28.33	50.15	
(v) Year 5	29.32	26.76	
(vi) Years 6 -10	190.31	144.29	
(vii) Years 11 and above	370.02	347.22	
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	375.75	337.55	
1% increase in Discount Rate	(23.42)	(21.01)	
1% decrease in Discount Rate	26.62	23.89	
1% increase in Salary Escalation Rate	26.78	24.31	
1% decrease in Salary Escalation Rate	(23.91)	(21.73)	
1% increase in Rate of Employee Turnover	4.95	4.43	
1% decrease in Rate of Employee Turnover	(5.56)	(4.97)	

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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.

34.2 Employee Stock Option Scheme

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
	30-Dec-14	12-Feb-16	
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)
	March 31, 2019		March 31, 2018	
Options outstanding at the beginning of the year	583,988	82.28	903,760	76.88
Options granted during the year	-	N.A	-	N.A
Options exercised during the year	24,625	67.00	278,422	67.00
Options expired / forfeited during the year	15,800	67.00	41,350	67.00
Options outstanding at the end of the year	543,563	82.28	583,988	82.28
Exercisable at the end of the year	543,563	82.28	583,988	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	0.75 years		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			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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 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	

- b) The Holding Company has granted options on April 08, 2019 to eligible employees of Group under "CFS Employees Stock Option Scheme, 2018" approved by the Board of Directors, Shareholders and Remuneration Committee.

35 Finance Costs

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expense	4,303.85	2,819.69
Exchange difference regarded as an adjustment to borrowing cost	133.12	-
Other Borrowing Costs	1,069.38	70.58
Total Finance Costs	5,506.35	2,890.27
Less: Interest income from temporary investments (Refer Note 2.b.1)	(314.45)	-
Less: Capitalised to Capital Work-in-Progress (Refer Note 2.b.1)	(1,521.17)	(54.88)
	3,670.73	2,835.39

36 Depreciation and Amortisation Expenses

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on Property, Plant and Equipment (Refer Note 2(a))	2,312.90	2,142.56
Amortisation on Intangible Assets (Refer Note 4)	586.42	522.86
	2,899.32	2,665.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

37 Other Expenses

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of Stores and Spares	382.28	363.51
Power and Fuel	8,042.01	6,143.04
Rent (Refer Note 40)	829.20	763.72
Rates and Taxes	136.12	67.16
Insurance	597.12	529.43
Repairs to Buildings	2.12	-
Repairs to Plant and Equipment	2,346.83	1,128.29
Repairs other than above	769.40	617.85
Sub-Contract Charges	1,246.68	808.30
Labour Charges	601.51	551.92
Advertisement and Sales Promotion	1,263.51	1,171.08
Transport and Forwarding Charges	2,150.70	1,864.88
Commission / Discount / Service Charges on Sales	846.51	911.82
Travelling and Conveyance	1,242.48	1,057.51
Directors' Fees	65.25	89.20
Auditor's Remuneration		
Amount paid to Auditors	28.92	42.59
Less: Amount debited to Securities Premium	-	(15.00)
	28.92	27.59
Legal & Professional Fees	1,515.98	1,151.86
Bad Debt written off	-	100.21
Allowances for Credit Loss	391.93	(99.87)
Bad Advances written off	-	36.46
Allowances for Doubtful Advances	-	(35.23)
Loss on Property, Plant & Equipment discarded	-	5.70
Loss on foreign currency transactions and translation	100.05	291.45
Corporate Social Responsibility Contribution	-	45.50
Bank Charges	424.05	344.87
Miscellaneous Expenses	3,098.74	3,337.91
	26,081.39	21,274.16

38 Research and Development Expenses

Total revenue expenditure on Research and Development (R&D) aggregates to INR 311.91 lakhs (2017-18: INR 188.15 lakhs). The details are as below:

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue expenditure eligible u/s 35(2AB)		
Salaries and Incentives	179.36	121.01
Travelling & Conveyance	13.52	11.13
Laboratory Expenses	48.40	19.59
Other Expenses	70.63	36.42
	311.91	188.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

39 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/(Loss) attributable to ordinary shareholders (Basic)

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit / (Loss) attributable to Owners of the Company as per Consolidated Statement of Profit and Loss	57.72	(2,964.31)
Less: QIP issue expenses debited to Securities Premium	-	(412.83)
Profit / (Loss) attributable to ordinary shareholders of the Company	57.72	(3,377.14)

ii) Weighted average number of ordinary shares (Basic)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Number of equity shares at the beginning of the year	121,229,371	103,709,570
Add: Effect of shares issued during the year	-	6,093,528
Add: Effect of share options exercised	13,156	95,089
Weighted average number of equity shares for basic EPS	121,242,527	109,898,187
Basic Earnings Per Share (Amount in INR)	0.05	(3.07)

b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit /(loss) attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

i) Profit/(Loss) attributable to ordinary shareholders (Diluted)

Particulars	INR (in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit / (Loss) attributable to Owners of the Company as per Consolidated Statement of Profit and Loss	57.72	(2,964.31)
Less: QIP issue expenses debited to Securities Premium	-	(412.83)
Profit / (Loss) attributable to ordinary shareholders of the Company	57.72	(3,377.14)

ii) Weighted average number of ordinary shares (Diluted)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Weighted average number of equity shares outstanding (Basic)	121,242,527	109,898,187
Add: Potential equity shares under Preferential Warrants granted	-	2,078,020
Add: Potential equity shares under Employee Stock Option Plan	9,579	122,814
	121,252,106	112,099,021
Diluted Earnings Per Share (Amount in INR)	0.05	(3.01)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

- 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, 2019	For the year ended March 31, 2018
Conversion of Foreign Currency Convertible Bonds (FCCBs)	8,617,548	-
Preferential warrants granted	9,000,000	-
	9,000,000	-

40 Leases**I Assets taken on operating lease:**

- a) The Group's significant leasing arrangements are in respect of operating leases for premises (Commercial, Residential premises, Warehouses etc.) Lease expenditure for operating leases is recognised on a straight line basis over the period of lease. The leasing arrangements range between 11 months to five years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements, refundable interest free security deposits have been given.
- b) Future minimum lease rentals payable as at March 31, 2019 as per the lease agreements are as under:

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Future minimum lease payments under operating leases		
Not later than 1 year	411.86	497.98
Later than 1 year and not later than 5 years	302.27	610.18
Later than 5 years	-	-
	714.13	1,108.16

- c) Lease payments recognised in the Consolidated Statement of Profit and Loss for the year is INR 829.20 lakhs (2017-18: INR 763.72 lakhs).

II Assets taken on finance lease:

- a) Significant leasing arrangements include assets dedicated for use under long term arrangements. The arrangements cover a substantial part of the economic life of the underlying assets and has a renewal option on expiry. The lease period is 30 years to 99 years.
- b) Future minimum lease rentals payable as at 31st March, 2019 as per the lease agreements are as under:

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Future minimum lease payments under finance leases		
Not later than 1 year	0.68	0.68
Later than 1 year and not later than 5 years	2.72	2.72
Later than 5 years	14.23	14.91
	17.63	18.31

- c) The information on gross amount of leased assets, depreciation and impairment is given in Note 2 (a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

41 Contingent Liabilities and Commitments

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
I Contingent liabilities		
a) Claims for Excise Duties, Taxes and Other Matters		
i) In respect of Income Tax matter	16.25	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	603.18	205.77
II Commitments		
Value of contracts (net of advance) remaining to be executed on capital account not provided for	3,926.07	733.83

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 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.

42 Related Party disclosures

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. Leena Dandekar - Executive Director (upto April 10, 2017)

Ms. Anagha Dandekar - Non-Executive Director (from August 13, 2018)

Mr. Nirmal V. Momaya - Non Executive Director

Mr. Ajit S. Deshmukh - Non Executive Director

Mr. Sharad M. Kulkarni - Non Executive Director (Independent)

Mr. Pramod M. Sapre - Non Executive Director (Independent)

Mr. Abeezer E. Faizullahoy - Non Executive Director (Independent)

Mr. Bhargav A. Patel - Non Executive Director (Independent)

Mr. Atul R. Pradhan - Non Executive Director (Independent)

Mr. Nicola A. Paglietti - Non Executive Director (Independent)

Mr. Dattatraya Puranik - (Executive Director & CFO till February 9, 2017 and thereafter Executive Director till May 19, 2017)

Mr. Arjun S. Dukane - Executive Director - Technical (from June 1, 2018)

Mr. Santosh Parab - Chief Financial Officer

Mr. Rahul Sawale - Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 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 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 28, 2017)

MK Falcon Agrotech Private Limited

Pillar Properties Private Limited

V R Momaya & Associates

Kokuyo Camlin Limited

Hemant Sahai Associates (Mr. Abeezer E. Faizullahoy resigned as Partner from February 04, 2019)

Studio Internazionale

Argus Partners (Mr. Abeezer E. Faizullahoy appointed as Partner from February 05, 2019)

vi Post-employment benefit plan

Camlin Fine Sciences Limited Group Gratuity Scheme

II The details of transactions with related parties during the year are given below:

S r. No	Nature of Transactions	Name of Related Party	INR (in Lakhs)	
			For the year ended March 31, 2019	For the year ended March 31, 2018
1	Sale of products	Hardware Renaissance Inc	102.08	73.65
2	Consultancy / Professional services	Mr. Subhash D. Dandekar	6.00	6.35
		Mrs. Rajani S. Dandekar	5.40	5.40
		V.R. Momaya & Asscoiates	3.40	0.94
		Pagoda Advisors Pvt. Limited	60.65	56.30
		Hemant Sahai Associates	23.55	1.34
		Studio Internazionale	54.16	54.22
			153.16	124.55
3	Reimbursement of expenses	Kokuyo Camlin Limited	0.16	0.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

S r. No	Nature of Transactions	Name of Related Party	INR (in Lakhs)	
			For the year ended March 31, 2019	For the year ended March 31, 2018
4	Rent received	Abana Medisys Private Limited	0.01	0.01
		Fine Renewable Energy Limited	0.01	0.01
		Chemolutions Chemicals Limited	0.01	0.01
			0.03	0.03
5	Compensation paid to Directors and Key Management Personnel	Short term employee benefits (including bonus and value of perquisites)*		
		Mr. Ashish S. Dandekar	184.81	185.47
		Mr. Dilip D. Dandekar	32.40	32.40
		Ms. Leena Dandekar	-	1.55
		Mr. Dattaraya Puranik	-	8.85
		Mr. Arjun Dukane	35.54	-
		Mr. Santosh Parab	54.18	43.90
		Mr. Rahul Sawale	25.46	22.32
			332.39	294.49
		Post employment and Long term benefits to Key Management Personnel		
		Mr. Ashish S. Dandekar	4.31	3.78
		Mr. Arjun Dukane	0.29	-
		Mr. Santosh Parab	1.27	1.05
		Mr. Rahul Sawale	1.72	1.51
			7.59	6.34
		Sitting fees paid to Non-Executive Directors		
		Mr. Dilip D. Dandekar	5.25	9.35
		Mr. Nirmal V. Momaya	5.00	7.00
		Mr. Ajit S. Deshmukh	3.00	6.00
		Mr. Sharad M. Kulkarni	10.25	15.50
		Mr. Pramod M. Sapre	10.80	14.15
		Mr. Abeezar E, Faizullahoy	10.45	11.95
		Mr. Bhargav A. Patel	10.00	11.75
		Mr. Atul R. Pradhan	5.50	8.25
		Mr. Nicola A. Paglietti	2.00	3.25
		Ms. Anagha Dandekar	3.00	2.00
			65.25	89.20
6	Contribution paid on behalf of Gratuity Trust	Camlin Fine Sciences Limited Group Gratuity Scheme	33.85	72.15

*The compensation to Key Managerial Personnel figures does not include premium paid for group medical and accident insurance and share based payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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, 2019	As at March 31, 2018
1	Trade Receivable	Hardware Renaissance Inc	74.90	69.29
2	Trade Payable	Studio Internazionale	25.56	40.07
3	Long term benefits to Key Management Personnel	Mr. Ashish Dandekar	82.27	77.96
		Mr. Arjun Dukane	17.73	-
		Mr. Santosh Parab	6.70	5.43
		Mr. Rahul Sawale	4.02	2.30
			110.72	85.69
4	Rent Receivable	Abana Medisys Private Limited	0.47	0.39
		Fine Renewable Energy Limited	0.01	0.01
			0.48	0.40

43 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').

b) Information about products and services

The Group has revenues from external customers to the extent of INR 89,216.67 lakhs (2017-18: INR 72,276.17 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 12,279.51 lakhs (2017-18: INR 9,553.74 lakhs) and from outside India is INR 76,937.16 lakhs (2017-18: INR 62,722.43 lakhs). Non-current assets other than financial instruments and deferred tax assets from India are INR 16,831.79 lakhs (March 31, 2018: INR 9,933.02 lakhs) and from outside India are INR 18,631.79 lakhs (March 31, 2018: INR 20,404.62 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

44 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, 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

INR (in Lakhs)

March 31, 2018	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	-	65.66	65.66	-	-	-	-
Current							
Investments	10,807.63	-	10,807.63	-	10,807.63	-	10,807.63
Trade Receivables	-	20,534.78	20,534.78	-	-	-	-
Cash and Cash Equivalents	-	3,847.62	3,847.62	-	-	-	-
Bank Balances other than above	-	960.86	960.86	-	-	-	-
Loans	-	343.83	343.83	-	-	-	-
Other Financial Assets	-	622.96	622.96	-	-	-	-
	10,807.63	26,375.71	37,183.34	-	10,807.63	-	10,807.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

INR (in Lakhs)							
March 31, 2018	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							
Borrowings	-	11,024.49	11,024.49	-	-	-	-
Current							
Borrowings	-	24,678.60	24,678.60	-	-	-	-
Trade Payables	-	17,779.01	17,779.01	-	-	-	-
Current maturities of Long Term Borrowings	-	1,577.82	1,577.82	-	-	-	-
Put Option Liability	367.33	-	367.33	-	-	367.33	367.33
Other Financial Liabilities	-	1,112.19	1,112.19	-	-	-	-
	367.33	56,172.11	56,539.44	-	-	367.33	367.33

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) Foreign Currency Convertible Bonds (FCCBs) are fair valued using market approach based on market observable rates and published price. The fair value of the FCCBs has been determined by computing the average cashflows determined through the Monte Carlo Simulation technique.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

(v) Movement of items measured using unobservable inputs (Level 3):

Particulars	(INR in lakhs)
	Put Option Liability
Balance as at April 01, 2017	597.37
(Gains)/Losses recognised in Consolidated Statement of Profit or Loss during 2017-18	(238.31)
Unrealised exchange (Gain)/Loss on fair valuation of put option	8.27
Balance as at March 31, 2018	367.33
(Gains)/Losses recognised in Consolidated Statement of Profit or 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

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 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)	
	As at March 31, 2019	As at March 31, 2018
Outstanding for less than one year	21,028.77	18,744.02
Others	2,157.73	3,718.23
	23,186.50	22,462.25
Less: - Allowance for credit impaired receivables	(2,254.52)	(1,927.47)
	20,931.98	20,534.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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.

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 [#]	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 Holding Company before the maturity date.

INR (in Lakhs)

March 31, 2018	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non Current						
Borrowings	11,024.49	14,333.54	611.99	3,188.55	9,444.38	1,088.62
Current						
Borrowings	24,678.60	24,678.60	24,678.60	-	-	-
Trade Payables	17,779.01	17,779.01	17,779.01	-	-	-
Current maturities of Long Term Borrowings	1,577.82	1,577.82	1,577.82	-	-	-
Other Financial Liabilities	1,322.51	1,322.51	1,322.51	-	-	-
	56,382.43	59,691.48	45,969.93	3,188.55	9,444.38	1,088.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

(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:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Monetary Assets	Monetary Liabilities	Monetary Assets	Monetary Liabilities
USD	41,840.19	(50,548.33)	24,493.94	(25,278.77)
EURO	5,284.19	(13,091.41)	15,257.14	(27,464.63)
MXP	5,701.56	(4,225.16)	3,478.18	(5,187.42)
RMB	2,574.70	(1,763.32)	1,452.87	(2,888.14)
BRL	1,745.00	(155.81)	1,200.80	(169.57)
	57,145.64	(69,784.03)	45,882.93	(60,988.53)

The following significant exchange rates have been applied during the year:

Particulars	Year end spot rate as at	
	March 31, 2019	March 31, 2018
USD / INR	69.1713	65.0441
EUR / INR	77.7024	80.6222
MXP / INR	3.5851	3.5837
BRL / INR	17.6782	19.6915
RMB / INR	10.3365	10.3520

Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Group's profit or loss before tax and equity as at 31st March 2019 and 31st March 2018:

Particulars	Impact on profit before tax		Impact on equity	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
USD / INR increase by 5%	42.34	467.10	(216.38)	(562.20)
USD / INR decrease by 5%	(42.34)	(467.10)	216.38	562.20
EUR / INR increase by 5%	131.46	(24.54)	(524.44)	(585.55)
EUR / INR decrease by 5%	(131.46)	24.54	524.44	585.55
MXP / INR increase by 5%	-	-	(327.98)	(85.46)
MXP / INR decrease by 5%	-	-	327.98	85.46
BRL / INR increase by 5%	-	(2.91)	79.46	69.51
BRL / INR decrease by 5%	-	2.91	(79.46)	(69.51)
RMB / INR increase by 5%	-	-	40.56	(71.77)
RMB / INR decrease by 5%	-	-	(40.56)	71.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

(iv) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of change in market interest rates relates primarily to its borrowings. The Group's borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period is as follows:

Particulars	INR (in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Financial Liabilities		
Borrowings		
Fixed rate instruments		
Foreign Currency Convertible Bonds	10,693.80	-
Variable rate instruments		
Term Loans (including current maturities)	10,960.99	12,602.31
Cash Credit	21,768.19	18,403.45
Other short term loans	2,665.32	6,275.15
	46,088.30	37,280.91
Financial Assets		
Fixed rate instruments		
Fixed Deposits	6,846.06	932.25
Security Deposits	1,331.01	281.13
	8,177.07	1,213.38

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 Basis Points (BP) in interest rate would have resulted in variation in the interest expense for the Group by the amounts indicated in the table below. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	Impact on profit before tax		Impact on equity	
	100 BP increase	100 BP decrease	100 BP increase	100 BP decrease
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
March 31, 2018				
Financial Liabilities				
Variable rate instruments				
Borrowings	(373.56)	373.56	(293.06)	293.06
Cash flow sensitivity (net)	(373.56)	373.56	(293.06)	293.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

45 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, 2019	As at March 31, 2018
Non-current Borrowings#	19,363.44	11,024.49
Current Borrowings	24,433.51	24,678.60
Current maturities of long term borrowings	2,291.35	1,577.82
Gross Debt	46,088.30	37,280.91
Less - Cash and Cash Equivalents	5,321.36	3,847.62
Less - Bank balances other than above	5,023.02	960.86
Less- Current Investments	325.49	10,807.63
Net debt	35,418.43	21,664.80
Total equity	37,088.11	37,116.27
Net debt to Equity ratio	0.95	0.58

(March 31, 2019) Non-Current Borrowings includes FCCB, being compound financial instruments convertible into equity shares of the Company at the option of the holder of bonds.

46 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, 2019
INCOME			
Revenue from Operations	89,167.56	49.11	89,216.67
Other Income	1,333.99	44.74	1,378.73
Total Income	90,501.55	93.85	90,595.40
EXPENSES			
Cost of Materials Consumed	46,841.07	86.99	46,928.06
Purchases of Stock-in-Trade	2,617.41	-	2,617.41
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(2,065.19)	-	(2,065.19)
Employee Benefits Expense	8,779.20	9.32	8,788.52
Finance Costs	3,670.73	-	3,670.73
Depreciation and Amortisation Expense	2,899.27	0.05	2,899.32
Other Expenses	26,051.02	30.37	26,081.39
Total Expenses	88,793.51	126.73	88,920.24
Profit / (Loss) Before Tax	1,708.04	(32.88)	1,675.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

47 Business Combinations

I Acquisition/ Reverse-merger during financial year ended 31st March, 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, adsorbants, acidifying agents, bactericides, binders and mould inhibitors. The acquisition has enabled the Group to widen the product portfolio in pet food and animal food segment and get 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.

II Acquisitions made during financial year ended 31st March, 2018.

a) CFS (Ningbo) Wanglong Flavors and Fragrances Company Limited

On 12th July, 2017, the Company along with CFS Europe S.p.A. acquired 51% stake in CFS (Ningbo) Wanglong Flavors and Fragrances Company Limited (CFS Wanglong) for its Vanillin manufacturing facility. Pursuant to the acquisition of CFS Wanglong, the Group has acquired manufacturing and technological capabilities to produce high quality Vanillin and has also helped to increase production capacity of Vanillin.

The results of CFS Wanglong have been consolidated by the Group from the consummation date i.e. July 12, 2017 on a line by line basis. The consideration for this acquisition amounted to INR 4,065.73 lakhs. Purchase price has been primarily allocated based on the fair values of identifiable assets acquired of INR 6,851.17 lakhs resulting in goodwill of INR 571.63 lakhs.

The consideration transferred and Goodwill on acquisition is as follows :

	INR (in Lakhs)
Consideration transferred	4,065.73
Non-Controlling Interests (measured at proportionate share of net assets acquired)	3,357.07
Less: - Fair Value of Net Assets acquired	(6,851.17)
Goodwill on acquisition	571.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

The fair value of assets acquired in respect of the above Business Combination is as under :

	INR (in Lakhs)
Property, Plant & Equipment and Intangible Assets	6,851.17

The Revenue and Loss after Tax of CFS Wanglong for the financial year ended March 31, 2018 are as follows:-

	INR (in Lakhs)
Particulars	For the year ended March 31, 2018
Revenue	8,880.73
(Loss) After Tax	(372.79)

48 Group Information

The following entities have been considered in the preparation of Consolidated Financial Statements:

Sr. No.	Name of the Entity	Country of Incorporation	% of ownership interest either directly or indirectly through Subsidiaries	
			As at March 31, 2019	As at March 31, 2018
I	Subsidiaries			
(a)	Direct subsidiaries			
1	CFCL Mauritius Pvt. Ltd.	Mauritius	100%	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 Antioxidantes De Mexico S.A.de C.V.(Upto January 31, 2019) (Refer Note 48.1)	Mexico	NA	100%
6	CFS International Trading (Shanghai) Limited	China	100%	100%
7	Chemolutions Chemicals Limited	India	94.08%	94.08%
8	CFS Wanglong Flavors (Ningbo) Co. Ltd. (Since July 12, 2017) (Refer Note 48.2)	China	51%	51%
9	CFS Pahang Asia Pte Ltd. (Since April 09, 2018)	Singapore	51%	NA
10	Dresen Quimica, S.A.P.I. de C.V. (Since January 31, 2019) (Refer Note 48.1)	Mexico	65%	NA
(b)	Indirect subsidiaries			
1	CFS Europe S.p.A.	Italy	100% held by CFCL Mauritius Pvt. Ltd.	100% held by CFCL Mauritius Pvt. Ltd.
2	Dresen Quimica, S.A.P.I. de C.V. (Till January 31, 2019) (Refer Note 48.1)	Mexico	NA	65% held by CFS Antioxidantes De Mexico S.A.de C.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

Sr. No.	Name of the Entity	Country of Incorporation	% of ownership interest either directly or indirectly through Subsidiaries	
			As at March 31, 2019	As at March 31, 2018
3	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.
4	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.
5	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.
6	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.
7	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.
8	CFS Argentina S.A. (since April 11, 2018)	Argentina	95% held by CFS Do Brasil and 5% by CFS Europe S.p.A	NA
9	CFS Chile De SpA (since July 27, 2018)	Chile	100% held by CFS Do Brasil	NA
II	Associate			
	Fine Lifestyle Brands Limited	India	49.04%	49.04%

47.1 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 Company with effect from January 31, 2019.

47.2 The Company holds 7.65% stake and CFS Europe S.p.A, holds 43.35% stake in CFS Wanglong Flavors (Ningbo) Co. Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

49 Additional Information as required under Schedule III to the Companies Act, 2013, of Enterprises Consolidated as Subsidiary / Associate

Sr. No.	Name of Entity in the Group	Net Assets		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (INR in Lakhs)	As % of Consolidated Profit and Loss	Amount (INR in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (INR in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (INR in lakhs)
	Holding Company								
	Camlin Fine Sciences Limited	93.68	34,742.64	1,858.53	1,072.82	(53.80)	(30.12)	916.98	1,042.70
	Subsidiaries								
	Indian								
1	Chemolutions Chemicals Limited	0.86	317.75	43.07	24.86	-	-	21.86	24.86
	Foreign								
1	CFCL Mauritius Private Limited	18.65	6,917.54	2,720.02	1,570.11	(200.19)	(112.08)	1,282.23	1,458.03
2	CFS Do Brasil Industria Comercio Importacao E Exportacao De Aditivos Alimenticios LTDA	(1.75)	(649.31)	(1,541.45)	(889.79)	47.88	26.81	(758.92)	(862.98)
3	Solentus North America Inc	(0.66)	(245.07)	(61.06)	(35.24)	(6.31)	(3.53)	(34.10)	(38.78)
4	CFS North America LLC	(6.54)	(2,424.74)	(1,701.97)	(982.45)	(91.61)	(51.29)	(909.09)	(1,033.74)
5	CFS Antioxidantes De Mexico S.A. De. C.V.	19.07	7,071.06	3,485.17	2,011.79	1,156.48	647.48	2,338.62	2,659.26
6	CFS International Trading (Shanghai) Ltd	(0.08)	(30.66)	(13.08)	(7.55)	0.12	0.07	(6.58)	(7.48)
7	CFS Wanglong Flavors (Ningbo) Co. Ltd.	20.63	7,650.16	(1,633.23)	(942.77)	(11.56)	(6.47)	(834.79)	(949.24)
8	CFS Argentina SA	0.03	12.75	(110.49)	(63.78)	(36.10)	(20.21)	(73.86)	(83.99)
9	CFS Chile SpA	0.12	45.23	(5.96)	(3.44)	(3.20)	(1.79)	(4.60)	(5.23)
10	CFS Pahang Asia Pte Ltd.	0.09	33.17	(6.63)	(3.83)	0.02	0.01	(3.36)	(3.82)
	Total	144.10	53,440.52	3,032.92	1,750.73	801.73	448.88	1,934.39	2,199.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

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)
a)	Consolidation eliminations/ adjustments	(60.11)	(22,292.32)	(2,502.00)	(1,444.27)	(706.48)	(395.55)	(1,623.15)	(1,845.68)
b)	Non-Controlling Interests								
	Indian Subsidiaries								
	Chemolutions Chemicals Limited	0.05	19.38	2.55	1.47	-	-	1.29	1.47
	Foreign Subsidiaries								
	CFS Antioxidantes De Mexico S.A. De. C.V.	7.26	2,693.01	1,219.82	704.13	(11.09)	(6.21)	613.77	697.92
	CFS Wanglong Flavors (Ningbo) Co. Ltd.	8.66	3,212.17	(798.38)	(460.86)	6.32	3.54	(402.18)	(457.32)
	CFS Pahang Asia Pte Ltd.	0.04	15.35	(3.26)	(1.88)	0.02	0.01	(1.64)	(1.87)
	Total Non-Controlling Interest	16.01	5,939.91	420.73	242.86	(4.75)	(2.66)	211.24	240.20
c)	Associate								
	Indian								
	Fine Lifestyle Brands Limited		-	(10.19)	(5.88)	-	-	-	-
	Total Consolidated	100.00	37,088.11	100.00	57.72	100.00	55.99	100.00	113.71

50 Previous years' figures have been regrouped / restated wherever necessary to conform to current years's classification.

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[illegible]

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[illegible]

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[illegible]



Bringing science to everyday life

Camlin Fine Sciences Limited

F/11-12, WICEL, Opp. SEEPZ, Central Road, Andheri (E),
Mumbai-400093, India.

Ph: +91 22 6700 1000 Fax: +91 22 2832 4404

www.camlinfs.com | secretarial@camlinfs.com

CIN: L74100MH1993PLC075361

www.sapprints.com

Conceptualized, Designed and Developed by **Valorem Advisors** www.valoremadvisors.com

Camlin Fine Sciences Limited

F/11 - 12, WICEL, Opp. SEEPZ Main Gate, Central Road, Andheri (East), Mumbai - 400 093.

Tel.: 022 - 6700 1000; **Fax:** 022 - 2832 4404; **Email:** secretarial@camlinfs.com; **CIN:** L74100MH1993PLC075361**ATTENDANCE SLIP**

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

I hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company (AGM) on Friday the 2nd August, 2019 at 3.00 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber, Churchgate, Mumbai 400 020.

Name of attending Member/Proxy

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

Note: No Duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring your copy of the Annual Report to the Meeting.

----- TEAR HERE -----

Camlin Fine Sciences Limited

F/11 - 12, WICEL, Opp. SEEPZ Main Gate, Central Road, Andheri (East), Mumbai - 400 093.

Tel.: 022 - 6700 1000; **Fax:** 022 - 2832 4404; **Email:** secretarial@camlinfs.com; **CIN:** L74100MH1993PLC075361**PROXY FORM**

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

Name and Address of the Member(s):

Name of Jointholders, if any:

Folio No./DP ID - Client Id:

No. of Shares held:

E-mail ID:

I/We, being the member(s) of **CAMLIN FINE SCIENCES LIMITED** hereby appoint:

1.	Name:		Signature:	
	Address:			
	E-mail id:			
or failing him				
2.	Name:		Signature:	
	Address:			
	E-mail id:			
or failing him				
3.	Name:		Signature:	
	Address:			
	E-mail id:			

E-VOTING PARTICULARS (Refer Notice of AGM for detailed instructions)

EVS (Electronic Voting Sequence Number)	User ID	PAN / Sequence No.

P.T.O.

----- TEAR HERE -----

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company (AGM) on Friday the 2nd August, 2019 at 3.00 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of following resolutions:

No.	Item No.	No of shares held by me	I assent to the resolution	I dissent to the resolution
1	To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31st March, 2019 and the reports of the Board of Directors and Auditors thereon. (Ordinary Resolution)			
2	To appoint a Director in place of Ms. Anagha S. Dandekar (DIN: 07897205), who retires by rotation and being eligible, offers herself for re-appointment. (Ordinary Resolution)			
3	To appoint a Director in place of Mr. Arjun S. Dukane (DIN: 06820240), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)			
4	Appointment of Mr. Amol Shah (Din: 00171006) as an Independent Non-Executive Director (Ordinary Resolution)			
5	Approval of material related party transaction for the financial year 2019-20. (Ordinary Resolution)			
6	Payment of remuneration to Mr. Dillip D. Dandekar, Chairman & Non-Executive Director. (Special Resolution)			

Signed this _____ day of _____ 2019.

Place: Mumbai

Date:

(Signature of the Shareholder)

Affix
Revenue
Stamp

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A shareholder need not use all his votes nor he need to cast all his votes in the same way. It may be noted that since all the shares in the issued and paid-up capital of the Company are fully paid and rank pari-passu in all respects, each share entitles the member for one vote.