



BRINGING SCIENCE
TO EVERYDAY LIFE

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Forward-Looking Statement

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

BRINGING SCIENCE TO EVERYDAY LIFE

At CFS, we go beyond the cold intellectual realm of science to explore, discover and innovate new ways to emotionally connect with customers everyday. We cater to the increasing demands of modern day living with high quality products for food, petfood and animal nutrition sectors as well as flavours, fragrances, dyes, pigments, biodiesel, petrochemicals, agrochemicals, pharmaceuticals, cosmetics, textile and tanning industries. Over the last three decades, we have earned customer loyalty with our knowledge, product offering and customer service.



OUR PASSION FOR SCIENCE
AND OUR INNOVATION EDGE
HAS GIVEN OUR CUSTOMERS
GREATER CONTROL OVER
THEIR PRODUCT BASKET AND
HAS EARNED US A DISTINCT
PLACE IN THE WORLD OF FINE
SCIENCES.

OUR CORE BUSINESS VERTICALS

SHELF LIFE SOLUTIONS

Food	Animal Nutrition		Pet Food	Aquaculture
<p>ANTIOXIDANTS</p> <ul style="list-style-type: none"> ● XTENDRA ● NASURE ● ANTAC 	<p>ANTIOXIDANTS</p> <ul style="list-style-type: none"> ● XTENDRA ● DANOX ● REDOX ● ROBITOX ● DRESQUIN (liq. / powder) <p>INHIBITORS</p> <ul style="list-style-type: none"> ● NOVAMOLD 55, 75 ● PROPICAL <p>ACIDIFIERS</p> <ul style="list-style-type: none"> ● POLIACID BS 	<p>ENERGISERS</p> <ul style="list-style-type: none"> ● ENERSUPRA ● MONO PROPYLENE GLYCOL POWDER <p>BACTERICIDES</p> <ul style="list-style-type: none"> ● SAL PLUS ● NUBAC <p>BINDERS</p> <ul style="list-style-type: none"> ● DRESBOND AC 	<p>ANTIOXIDANTS</p> <ul style="list-style-type: none"> ● XTENDRA ● NASURE ● OXIPET ● RENDEROX 	<p>ANTIOXIDANTS</p> <ul style="list-style-type: none"> ● ANTAC TR25 <p>Others</p> <p>ACIDIFIERS</p> <ul style="list-style-type: none"> ● POLIACID ● POLIACID R70 ● BIACID <p>SANITIZERS</p> <ul style="list-style-type: none"> ● BICLOR 10 ● BIACID 15

HIGHLIGHTS FY2015-16

- Started its operations in Central America with the launch of CFS Antioxidantes De Mexico, S.A. de C.V., a 100% subsidiary of CFS
- Launched CFS North America, LLC, a 100% owned subsidiary of CFS for manufacturing and selling of customised antioxidant blends
- CFS do Brasil plant is under construction for its expansion into dry blending facility for the petfood and animal nutrition industry which will start its operations from Q1 FY2017
- Forward integrated to development of blends to cater to the needs of local markets
- The Company has augmented its sales team in Europe to reach out to its customers in different parts of the world

AROMA INGREDIENTS



PERFORMANCE CHEMICALS

Petrochemicals

- TBC
- MEHQ
- HQ

Agrochemicals

- Veratrole
- MEHQ

Biodiesel

- TBHQ Technical

Pharmaceuticals

- Guaiacol
- 4-MAP
- Veratrole
- HQ
- Catechol

HIGHLIGHTS FY2015-16

- Launched Evanil, ethyl vanillin for food and bakery industry

HIGHLIGHTS FY2015-16

- Launched and began commercialisation of 4-MAP in Q4 FY2015. 4-MAP is used as a chemical intermediate in manufacturing of cosmetic additives like Avobenzone, resins & flavouring agents and in bulk pharmaceuticals. Production has commenced in Q1 FY2016 and the product trials are being conducted

HIGHLIGHTS POST FY2015-16 CLOSING

- Our subsidiary CFS Antioxidantes De Mexico S.A. De C.V., Mexico has acquired 65% stake in Dresen Química S.A.P.I De C.V., Mexico along with its group companies and subsidiaries
- CFS International Trading (Shanghai) Ltd., a registered office in China was set up for improving stock and sales or sales and distribution of our product portfolio, as China is one of the key focus market

CFS WORLD: OUR ETHOS

The shape signifies that

It's **UNSTOPPABLE**
and **INTEGRAL**

Not just a circle

It's a progressive circle...
moving ahead to

EXPERIMENT,
INNOVATE and
REACH OUT



Certain section of the border
do not have colour which
indicates that

we provide
BOUNDLESS
OPPORTUNITIES to
learn and grow

The circle has a gradient
which means

the pursuit of
PERFECTION is still
not over



GLOBAL REACH, LOCAL PRESENCE

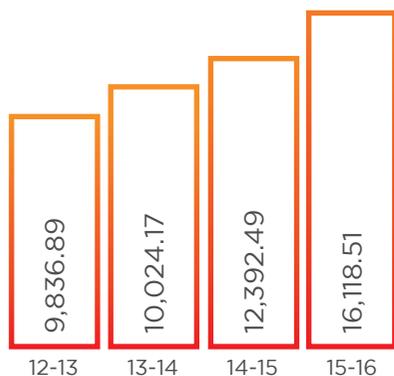


Not to scale - for illustrative purpose only

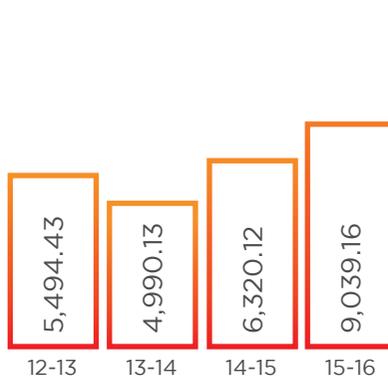
FINANCIAL HIGHLIGHTS (STANDALONE)

(₹ in Lacs)

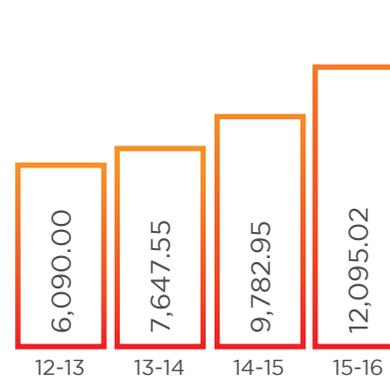
FIXED ASSETS GROSS BLOCK



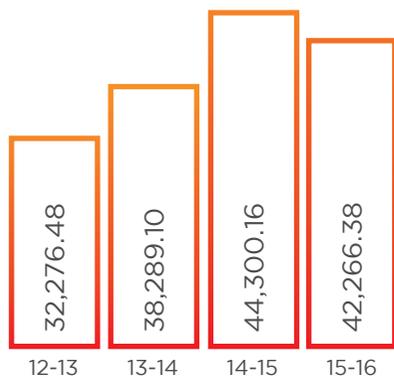
NET FIXED ASSETS



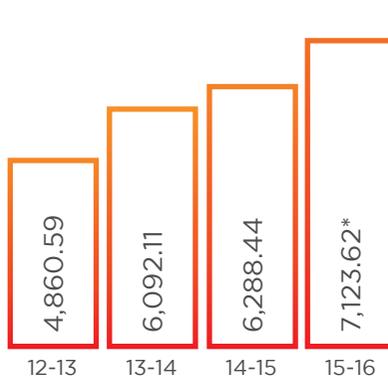
SHAREHOLDERS' FUNDS



GROSS SALES/OTHER OPERATING INCOME

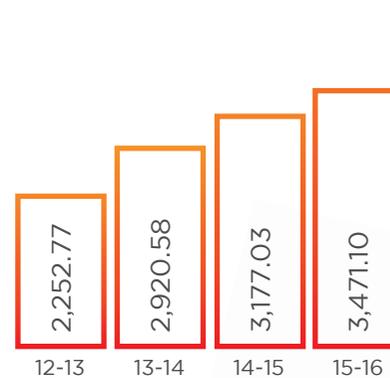


EBIDTA

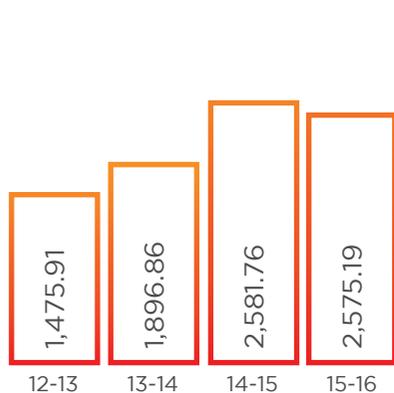


* EBITDA is before exceptional item ₹ 454.73/-

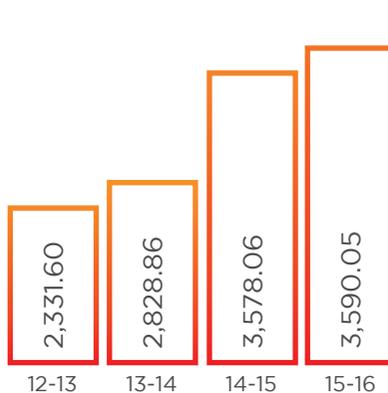
PROFIT BEFORE TAX



PROFIT AFTER TAX



CASH ACCRUALS



FINANCIAL HIGHLIGHTS (STANDALONE)

₹ in Lacs

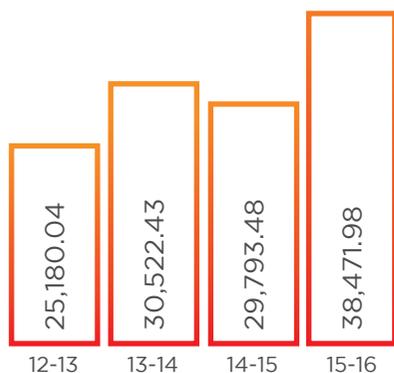
Sr. No.	Year Ending 31st March	2015-16	2014-15	2013-14	2012-13
A	Assets Employed				
1	Fixed Assets				
	Gross Block	16,118.51	12,392.49	10,024.17	9,836.89
	Less: Depreciation	7,079.36	6,072.37	5,034.04	4,342.46
	Net Fixed Assets	9,039.16	6,320.12	4,990.13	5,494.43
2	Net Current Assets	3,714.79	5,431.48	5,487.04	4,458.02
3	Others	1,851.22	1,224.00	515.19	231.82
	Total	14,605.17	12,975.60	10,992.36	10,184.27
B	Financed By				
1	Equity Share Capital	966.66	958.88	944.08	938.88
2	Reserves & Surplus	11,128.36	8,815.55	6,683.13	5,141.60
3	Employee Stock Options Outstanding	-	8.52	20.34	9.52
4	Shareholders' Funds	12,095.02	9,782.95	7,647.55	6,090.00
5	Loan Funds	2,000.38	2,671.31	2,852.46	3,766.98
6	Deferred Tax Liability	324.51	374.34	394.40	327.29
7	Long-term Provisions	185.26	147.00	97.95	-
	Total	14,605.17	12,975.60	10,992.36	10,184.27
C	Sales & Profitability				
1	Gross Sales/Other Operating Income	42,266.38	44,300.16	38,289.10	32,276.48
2	Less: Excise Duty/Discount	1,047.85	1,230.23	849.83	923.01
3	Net Sales/Other Operating Income	41,218.53	43,069.93	37,439.27	31,353.47
4	Other Income	370.25	194.64	232.70	286.50
5	Total Income (3+4)	41,588.78	43,264.57	37,671.97	31,639.97
6	Operating Profit (EBIDTA)	7,123.62	6,288.44	6,092.11	4,860.59
7	Finance Cost	2,182.93	2,115.11	2,239.53	1,752.13
8	Profit before Exceptional Item, Depreciation & Tax	4,940.69	4,173.33	3,852.58	3,108.46
9	Depreciation	1,014.86	996.30	932.00	855.69
10	Exceptional Item	454.73	-	-	-
11	Profit Before Tax	3,471.10	3,177.03	2,920.58	2,252.77
12	Taxes	895.91	595.27	1,023.72	776.86
13	Profit After Tax	2,575.19	2,581.76	1,896.86	1,475.91
14	Dividend & Tax on Dividend	525.39	519.84	388.23	329.51
15	Retained Earnings	2,049.80	2,061.92	1,508.63	1,146.40
16	Cash Accruals (9+13)	3,590.05	3,578.06	2,828.86	2,331.60
D	Per Share Information				
1	Earning Per Share (Basic) *	2.68	2.71	2.02	1.58
2	Earning Per Share (Diluted) *	2.67	2.70	2.02	1.58
3	Book Value Per Share (₹) *	12.51	10.20	8.10	6.49
4	Dividend Per Share (₹) * (Excluding Tax on Dividend)	0.45	0.45	0.35	0.30

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

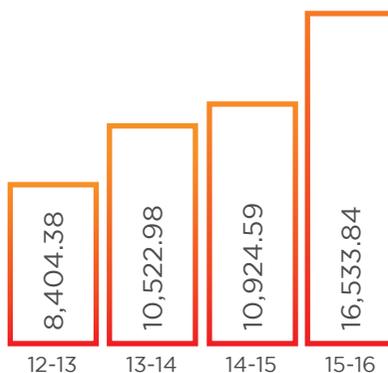
FINANCIAL HIGHLIGHTS (CONSOLIDATED)

(₹ in Lacs)

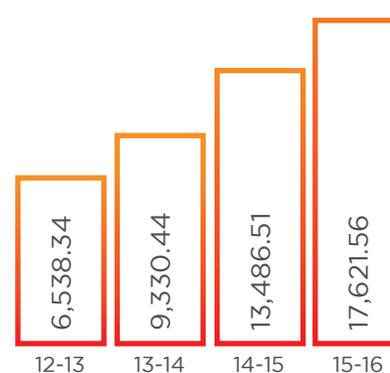
FIXED ASSETS GROSS BLOCK



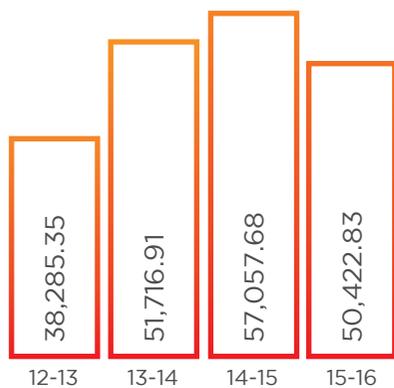
NET FIXED ASSETS



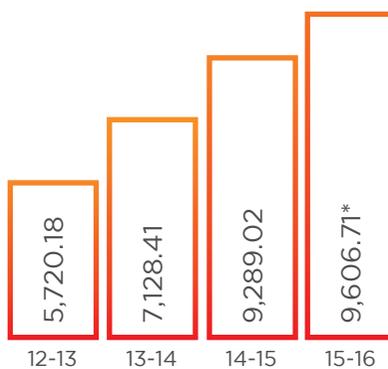
SHAREHOLDERS' FUNDS



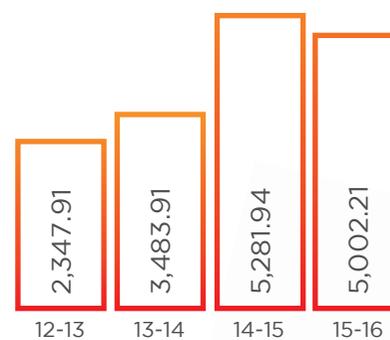
GROSS SALES/OTHER OPERATING INCOME



EBIDTA



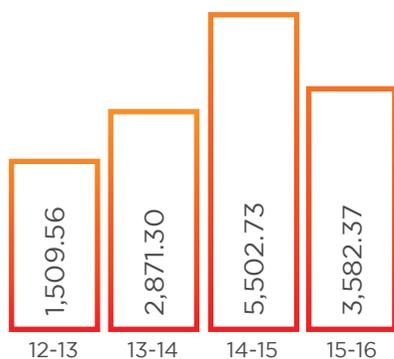
PROFIT BEFORE TAX



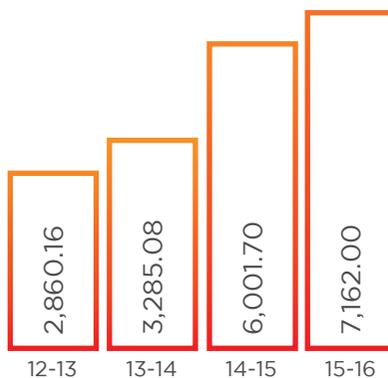
** Net of Sales/Purchases between CFSL & Subsidiaries

* EBITDA is before exceptional item ₹ 454.73/-

PROFIT AFTERTAX



CASH ACCRUALS



FINANCIAL HIGHLIGHTS (CONSOLIDATED)

₹ in Lacs

Sr. No.	Year Ending 31st March	2015-16	2014-15	2013-14	2012-13
A	Assets Employed				
1	Fixed Assets				
	Gross Block	38,471.98	29,793.48	30,522.43	25,180.04
	Less: Depreciation	21,938.14	18,868.91	19,999.45	16,775.66
	Net Fixed Assets	16,533.84	10,924.59	10,522.98	8,404.38
2	Net Current Assets	1,978.04	3,716.08	1,087.15	1,992.10
3	Others	1,764.26	2,173.53	1,065.14	223.54
	Total	20,276.14	16,814.18	12,675.27	10,620.02
B	Financed By				
1	Equity Share Capital	966.66	958.88	944.08	938.88
2	Reserves & Surplus	16,654.90	12,519.11	8,366.02	5,589.94
3	Employee Stock Options Outstanding	-	8.52	20.34	9.52
4	Shareholders' Funds	17,621.56	13,486.51	9,330.44	6,538.34
5	Loan Funds	2,144.80	2,806.33	2,852.46	3,766.98
6	Deferred Tax Liability	324.51	374.34	394.40	314.70
7	Long-term Provisions	185.26	147.00	97.97	-
	Total	20,276.14	16,814.18	12,675.27	10,620.02
C	Sales & Profitability				
1	Gross Sales/Other Operating Income **	50,422.83	57,057.68	51,716.91	38,285.35
2	Less: Excise Duty/Discount	1,488.61	1,230.23	849.83	923.01
3	Net Sales/Other Operating Income	48,934.22	55,827.45	50,867.09	37,362.34
4	Other Income	426.89	837.63	966.38	1,022.11
5	Total Income (3+4)	49,361.11	56,665.08	51,833.47	38,384.45
6	Operating Profit (EBIDTA)	9,606.71	9,289.02	7,128.41	5,720.18
7	Finance Cost	2,444.25	2,382.46	2,465.90	2,010.99
8	Profit before Exceptional Item, Depreciation & Tax	7,162.46	6,906.56	4,662.51	3,709.19
9	Depreciation	1,705.52	1,624.62	1,178.60	1,361.28
10	Exceptional Item	454.73	-	-	-
11	Profit Before Tax	5,002.21	5,281.94	3,483.91	2,347.91
12	Taxes	1,419.84	(220.79)	612.61	838.35
13	Profit After Tax	3,582.37	5,502.73	2,871.30	1,509.56
14	Dividend & Tax on Dividend	525.40	519.84	388.23	271.93
15	Retained Earnings	3,056.97	4,982.89	2,483.07	1,237.63
16	Cash Accruals	7,162.00	6,001.70	3,285.08	2,860.16
D	Per Share Information				
1	Earning Per Share (Basic) *	3.73	5.77	3.06	1.61
2	Earning Per Share (Diluted) *	3.71	5.75	3.04	1.60
3	Book Value Per Share (₹) *	18.23	14.06	9.88	6.96
4	Dividend Per Share (₹) * (Excluding Tax on Dividend)	0.45	0.45	0.35	0.30

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

** Net of Sales/Purchases between CFSL & Subsidiaries

MANAGING DIRECTOR'S MESSAGE



Dear Fellow Shareholders,

These are interesting times at CFS. Over the last few years, we have been strategically focussing on integration. Let me take you through our integration journey briefly: we started with backward integration in 2011 with CFS Europe, our Diphenol plant at Ravenna Italy. We have vertically integrated our downstream products like TBHQ, BHA, 4-TBC, Guaiacol, etc. to ensure the stability of our products, their supply, quality assurance, traceability, transparency and their provision at the most competitive price. We then started on our forward integration journey to get closer to our customers, by offering them customised solutions and opening our sales and marketing offices in markets like North, Central and South America, and in Asia.

Today, we stand on a firm footing as the integration journey is progressing. We are poised and prepared to unlock new possibilities and potential as we straddle the entire value chain - from manufacturing to marketing.

With the global population touching nearly 7.4 billion, the potential for expansion and growth is unprecedented. CFS is geared to capitalise on this huge opportunity and reach out and touch lives of people all over the world. Pet and farm animals is another market where we are poised to expand strongly in the future.

Shelf Life Solutions, we believe, is a very promising space. We are focussed to be wherever there's a need for Shelf Life Solutions, no matter how challenging the path. We expanded our Shelf Life Solution business with forward integration into antioxidant blends. We are expanding our global reach to address the pet food and animal nutrition markets in different geographies. We believe in closely working with our customers with the aim to provide easy access, enhanced timely delivery and offer cost-effectiveness through superior output of our products and services.

- We set up CFS North America, LLC, a 100% owned subsidiary of Camlin Fine Sciences Ltd., to focus on the development, manufacturing and selling of customised antioxidant blends to the food, petfood and animal feed industries
- In January 2016, we started our operations in Central

America with the launch of CFS Antioxidantes De Mexico, S.A. de C.V., a 100% subsidiary of Camlin Fine Sciences Ltd. To further strengthen our presence and reach to our customers in Central America, we acquired 65% stake in Dresen Química S.A.P.I de C.V., a leading food and feed blend company in Mexico

- One of the key highlights of this year is our partnership with Dresen, a leading blend company catering to pet food and animal nutrition industry. In addition to antioxidant products, Dresen also has many products in its portfolio which we will now be able to offer to our existing and new clients
- Our subsidiary in Brazil established in 2013-14, continues to channelise its resources and expertise in developing antioxidant blends and catering to the food, pet food and animal nutrition industries

With this, we have covered the length and breadth of American continents to serve them better,

- To strengthen our foothold in China, we are in the process of setting up a 100% subsidiary company which should commence from mid next year

With the world moving towards natural sources, we introduced a range of natural antioxidants under the brand name 'NaSure' - plant-based extracts like Rosemary extract, Green tea extract and Natural Tocopherols.

We will leverage every opportunity in the antioxidant segment by bringing in tailor-made blends with applications in fats and oils, fried snack foods, bakery, confectionery and dairy products. With the addition of the blends, the customers would not only have complete traceability from raw material to finished product, but also better control over their product basket.

We are in the process of setting up operations in European Union (EU) to focus on developing customised blends for food, petfood and animal nutrition industries.

Our Performance Chemicals division introduced new products during the year. We continue to focus on deeper market penetration by adding distribution channels in newer geographies. We will be setting up a distribution hub in China and plan to enter into other key markets like North and Latin America. Our vision is to become a major Diphenol supplier in the world and our Dahej project is underway to make this a reality. We are awaiting environmental clearance to begin execution of Dahej project. We would further build on our strength of Diphenols by expanding our portfolio with newer Hydroquinone and Catechol derivatives.

In our manufacturing facilities, we have successfully implemented process improvement measures for Hydroquinone and Catechol in Italy and in Tarapur to optimise cost and capacities. This has also given a boost to Guaiacol capacity this year.

Our Aroma Ingredients business is at a nascent stage. This year, we have introduced Evanil, a potent form of vanillin. We are also developing vanillin blends to widen the application for bakery and dairy applications.

At CFS, we have been consistently investing in augmenting our capabilities and competencies by expanding our reach and presence, building our sales teams and enhancing our innovation and research & development strength. The Company's Shelf Life Solutions Development, Testing and Applications Laboratory at its head office has begun its operations in full swing. This Centralised laboratory of CFS is equipped to provide technical expertise and support to the various CFS application laboratories located globally for developing formulations and blends to cater to the food, petfood and animal nutrition industries.

- Consolidated Gross Sales (inclusive of net sales and purchases between CFSL and its subsidiaries) for the financial year ending on 31st March, 2016 is at ₹ 50,422.83 Lacs in comparison with that of previous financial year ending on 31st March, 2015 at ₹ 57,057.68 Lacs
- Consolidated EBIDTA (before exceptional item) for the year was ₹ 9,606.71 Lacs compared to ₹ 9,289.02 Lacs of the previous year
- Consolidated PBT (before exceptional items) for the year was ₹ 5,456.57 Lacs compared to ₹ 5,247.83 Lacs of the previous year
- Consolidated Cash Accruals (before exceptional item & tax) for the 12 months period ending on 31st March, 2016 is at ₹ 7,162.00 Lacs in comparison with that of previous financial year ending on 31st March, 2015 at ₹ 6,001.70 Lacs

The Company has shown stability with respect to volumes in this financial year for the entire product

portfolio besides capturing new product segments. However, the negative impact on values due to the drop in sales prices driven by drop in crude oil prices, have effectively reduced the sales value though there has been a positive impact on material/input costs arising due to fall in chemical prices.

We continue to plough back our surplus in enhancing our capabilities, which, we are confident, will enable and ensure our future growth in the long term.

As a responsible corporate citizen, we are committed through our various interventions in aiding child education, nutrition and health-care. We continue to adhere to highest level of compliance and governance, and have always advocated fairness and transparency in our organisation. We are building our people strength, especially outside India where we currently have approximately 152 people. As we grow, we are adding a rich diversity and ensuring inclusiveness that makes us truly a global organisation.

I am convinced that CFS is poised for a sustained phase of growth. We have got all the building blocks in place.

Our passion will earn us customer satisfaction and a distinct place in the world of fine sciences as we continue bringing science to everyday life.

Thank you for your trust and faith in CFS.

With regards,

Ashish S. Dandekar

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dilip D. Dandekar - Chairman
Mr. Ashish S. Dandekar - Managing Director
Mr. Dattatraya R. Puranik - Executive Director and CFO
Ms. Leena Dandekar - Executive Director
Mr. Pramod M. Sapre - Independent Director
Mr. Sharad M. Kulkarni - Independent Director
Mr. Bhargav A. Patel - Independent Director
Mr. Abeezer E. Faizullabhoj - 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

Mr. Rahul D. Sawale - Company Secretary

REGISTERED OFFICE

F/11 - 12, WICEL,
Opp. SEEPZ Main Gate, Central Road,
Andheri (East), Mumbai - 400 093.
Tel. No. 91-22-6700 1000
Fax: 91-22-2832 4404
Website: www.camlinfs.com
Email: secretarial@camlinfs.com
CIN-L74100MH1993PLC075361

WORKS

Plot No. D-2/3, M.I.D.C. Boisar,
Tarapur (Dist. Thane) 401 506. (Unit-1)
Plot No. N-165, M.I.D.C. Boisar,
Tarapur (Dist. Thane) 401 506. (Unit-2)

AUDITORS

M/s. B. K. Khare & Co.
Chartered Accountants
Mumbai

BANKERS

IDBI Bank Limited
Bank of India
Oriental Bank of Commerce
State Bank of India
State Bank of Travancore
Export-Import Bank of India
State Bank of Patiala

REGISTRARS AND TRANSFER AGENTS

* Link Intime India Pvt Ltd
C-13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup West,
Mumbai - 400 078.
Tel : 91-022-2594 6970
Fax: 91-022-2594 6969
Email : rnt.helpdesk@linkintime.co.in

* *w.e.f. 20th June, 2016*

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of Camlin Fine Sciences Limited, will be held on Wednesday the 10th August, 2016 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber, Churchgate, Mumbai 400 020 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the financial statements (including the consolidated financial statements) of the Company for the financial year ended 31st March, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend of ₹ 0.45 per equity share for the year ended 31st March, 2016.
3. To appoint a Director in place of Mr. Ajit S. Deshmukh (DIN: 00203706), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Nirmal V. Momaya (DIN: 01641934), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. B. K. Khare and Co., Chartered Accountants (F.R.No.: 105102W), as Statutory Auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, M/s. B. K. Khare & Co., Chartered Accountants, (Firm Registration No. 105102W) be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General meeting of the Company and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2017, as may be determined by the audit committee in consultation with the auditors, in addition to the reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of accounts of the Company.

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

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, consent of the Members be and is hereby accorded for the re-appointment of Mr. Dattatraya R. Puranik (DIN: 02909122) designated as ‘Executive Director & Chief Financial Officer’ of the Company, for a period of 3 years with effect from 1st August, 2016 upto 31st July 2019 on the terms and conditions including remuneration as set out in the draft agreement entered between the Company and Mr. Dattatraya R. Puranik with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in the Companies Act, 2013, including any statutory modifications or re-enactments thereof for the time being in force, including any amendments thereto as may be agreed to between the Board and Mr. Dattatraya R. Puranik.

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

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Atul R. Pradhan (DIN: 00171022) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of this meeting.

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

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Nicola A. Paglietti (DIN: 06904583) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of this meeting.

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

9. To consider and if thought fit to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in supersession of all earlier resolutions passed in this regard, consent of the members of the Company be and is hereby accorded for maintenance of the Register and Index of Members, Register and Index of Debenture holders and copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the office of M/s. Link Intime India Private Limited, having its registered office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078, the Company's Registrar and Transfer Agent, or at such other place within Mumbai, where the Registrar and Transfer Agent may shift its office from time to time instead of being kept at the Registered office of the Company.

RESOLVED FURTHER THAT any of the Directors of the Company and / or the Company Secretary, be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

By Order of the Board
Rahul Sawale
Company Secretary

Place : Mumbai

Dated : 23rd May, 2016

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, 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 1st August, 2016 to 10th August, 2016 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for 2015-16.
4. The Dividend, if approved, will be paid within the stipulated period to those eligible shareholders whose names stand in the Register of Members as on 1st August, 2016.
5. 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.
6. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), be transferred to the Investor Education and Protection Fund. Members who have not encashed their Dividend Warrants for the financial years ended 31st March, 2009 to 31st March 2015 may approach the R & T Agent/Company for issuance of demand draft upon completion of necessary formalities in the said behalf in lieu of such warrants.

7. Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice and is given in the Corporate Governance Report. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a print copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode. With a view to use 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.
9. Electronic copy of the Notice of the 23rd 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 23rd 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.
10. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website www.camlinfs.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
11. 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.
12. 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.
13. 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.
14. Members who are holding Shares in physical form are requested to get their Shares dematerialised with any Depository Participants in their own interest.
15. 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 (the "Rules") the Company is pleased to provide members facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

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

The instructions for e-voting are as under:

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

1. Open the attached PDF file "CFSL 23rd AGM e-voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.

2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>

3. Click on "Shareholder - Login".

4. Put User ID and password as initial password noted in step (1) above and Click Login.

5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.

6. Home page of “e-voting” opens. Click on e-voting: Active Voting Cycles.
 7. Select “EVEN” of Camlin Fine Sciences Limited. Members can cast their vote online from 7th August, 2016 (9:00 am IST) till 9th August, 2016 (5:00 pm IST).
 8. Note: e-voting shall not be allowed beyond said time.
 9. Now you are ready for “e-Voting” as “Cast Vote” page opens.
 10. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
 11. Once you have voted on the resolution, you will not be allowed to modify your vote.
 12. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail cfl.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy
1. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM : EVEN (E Voting Event Number) USER ID PASSWORD/PIN
 2. Please follow all steps from Sl. No. 2 to Sl. No. 9 above, to cast vote.
 3. In case of any queries, you may refer the Frequently Asked Questions available at the Downloads section of www.evoting.nsdl.com (FAQs) for Shareholders and e-voting user manual for Shareholders
 4. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

Please note that:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through ‘Forgot Password’ option available on the site to reset the same.
 - Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are a shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
 - In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following Telephone No.: 1800-222-990.
16. 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 4th August, 2016.
 17. Mr. J. H. Ranade, Partner of M/s. J. H. Ranade and Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 18. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 19. The Results declared along with the Scrutinizers report shall be placed at the Company’s website www.camlinfs.com and on the website of NSDL immediately after the results are declared by the Chairman and simultaneously communicated to the BSE and NSE.
 20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Important Note:

Member / proxy needs to furnish the printed attendance slip/proxy form along with valid identity proof such as PAN card, passport, AADHAR card or driving license to enter into AGM hall. As Company is required to provide e-voting facility to its Members in terms of Section 108 of the Act read with Rule 20 of the Rules voting by show of hands will not be available to the Members at the 23rd 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
Company Secretary

Place : Mumbai
Dated : 23rd May, 2016

ANNEXURE FORMING PART OF THE NOTICE

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

SPECIAL BUSINESS

Item No. 6

Mr. Dattatraya R. Puranik, aged 64 years, is B.Com (Hons), FICWA, ACMA (Australia) and MBA (Finance) and has over 30 years of experience in finance and accounting field in India and abroad. He is working with the Company as Chief Financial Officer since June, 2008 and as Chief Financial Officer and Executive Director since August, 2012. Considering his excellent performance it is proposed to re-appoint Mr. Puranik as an Executive Director and Chief Financial Officer for a further period of 3 years w.e.f 1st August, 2016 and the proposed terms of appointment including remuneration structure as approved by the remuneration committee is given below:

Basic Salary

₹ 2,07,000/- per month as a salary.

Perquisites and Other Allowances

₹ 40,00,000/- per annum as perquisites and other allowances such as house rent allowance, gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession, club fees, provision of car with driver, telephone/mobile/ communication facilities, personal accident insurance cover and such other perquisites and allowances. Perquisites and allowances shall be evaluated as per the Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost. Within the ceiling actual composition and quantum of perquisites and allowances shall be determined by the Board of Directors in consultation with the appointee.

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

Commission:

The Executive Director & Chief Financial Officer may also be paid remuneration by way of commission (in addition to salary, house rent allowance, perquisites, other allowances) calculated with reference to the Net Profits of the Company for a particular financial year as the Board of Directors of the Company (including Nomination and Remuneration Committee) may decide, subject to the overall ceilings laid down under the provisions of Section 197 read with the provisions of Schedule V of the Companies Act, 2013. However, in case of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Dattatraya R. Puranik shall be restricted to Part II Section II of Schedule V of the Companies Act, 2013.

Term of Office:

For a period of three years from 1st August, 2016 to 31st July, 2019.

General:

- (i) Appointee shall not be paid any sitting fee for attending meeting of the Board or Committee(s) thereof.
- (ii) Appointee shall be subject to the superintendence, control and direction of the Board, he shall exercise powers as may be delegated to him by the Board of Directors from time to time.
- (iii) The appointment is terminable by either party giving the other two (2) months' notice in writing.

Memorandum of Concern or Interest:

Apart from Mr. Dattatraya R. Puranik, none of the Directors and the Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the above appointment.

The Board recommends the resolution for your approval.

Item No. 7

Mr. Atul R. Pradhan holding diploma in Electronics and Electrical Communication Engineering and MBA has more than 27 years of professional experience in Management Consultancy and Industry at senior level. His brief resume is given in Corporate Governance Report for the information of the Members.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Pradhan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a further term of (5) Five consecutive years from the conclusion of the ensuing Annual General Meeting.

In the opinion of the Board, Mr. Pradhan fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the Consent letter received from Mr. Pradhan and the draft letter for appointment of Mr. Pradhan as an Independent Director will be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

A notice along with requisite deposit has been received from a member proposing Mr. Pradhan as a candidate for the office of Director of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Pradhan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Pradhan as an Independent Director, for the approval by the Members of the Company.

Except Mr. Pradhan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

The Board recommends the resolution for your approval.

Item No. 8

Mr. Nicola A. Paglietti, an Italian National holding Masters in Law is a member of the Bar of New York and Rome.

He possesses over 22 years of professional experience in Contracts and Corporate Laws. His brief resume is given in Corporate Governance Report for the information of the Members.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Paglietti being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a further term of (5) Five consecutive years from the conclusion of the ensuing Annual General Meeting.

In the opinion of the Board, Mr. Paglietti fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the Consent letter received from Mr. Paglietti and the draft letter for appointment of Mr. Paglietti as an Independent Director will be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

A notice along with requisite deposit has been received from a member proposing Mr. Paglietti as a candidate for the office of Director of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Paglietti as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Paglietti as an Independent Director, for the approval by the Members of the Company.

Except Mr. Paglietti, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested.

The Board recommends the resolution for your approval.

Item No. 9

The Company had appointed M/s. Sharepro Services (India) Private Limited ("Sharepro") as its Registrar and Transfer Agent (hereinafter referred to as "R&T Agent").

SEBI on receiving a complaint from one of the listed entity on irregularities at Sharepro, conducted an inspection at their office and inter alia observed that dividend and shares belonging to rightful investors were transferred to the persons related to the management of Sharepro. In view of the above, SEBI passed an interim order against them on 22nd March, 2016 restraining Sharepro from buying, selling or dealing in the Securities market or associating itself with the Securities market.

Pursuant to the aforesaid order of the SEBI and with a view to protect the interests of the shareholders, the Board of Directors of the Company at its meeting held on 23rd May, 2016, approved the termination of Sharepro as the Company's R&T Agent and the appointment of M/s Link Intime India Private Limited, having its registered office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078, as the R&T Agent of the Company. M/s Link Intime India Private Limited were appointed as the Company's R&T Agent with effect from 20th June, 2016. In accordance with Section 94 and other applicable provisions of the Companies Act, 2013 ("Act") read with the rules framed thereunder, the Register and Index of Members Register and Index of Debenture Holders, and copies of all Annual Returns under Section 92 of the Act are required to be kept and maintained at the Registered Office of the Company, unless a special resolution is passed in a General Meeting authorizing keeping of the register at any other place within the city, town or village in which the Registered Office is situated. The Company accordingly seeks the approval of the members to maintain the Register and Index of Members and Returns at the offices of M/s Link Intime India Private Limited, having its registered office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 or at such other place within Mumbai, instead of being kept at the Registered office of the Company.

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

The Board recommends the resolution for your approval.

By Order of the Board
Rahul Sawale
Company Secretary

Place : Mumbai
Dated : 23rd May, 2016

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 23rd Annual Report and the Audited Financial Statements of Accounts for the financial year ended 31st March, 2016.

Financial Highlights of 2015-16 (Standalone)

- Net Sales and other income of the Company were ₹ 41,588.78 Lacs as compared to ₹ 43,264.57 Lacs in the previous year.
- Profit before tax was ₹ 3,471.10 Lacs as compared to ₹ 3,177.03 Lacs in the previous year.
- Profit after tax was ₹ 2,575.19 Lacs as compared to ₹ 2,581.76 Lacs in the previous year.
- Considering the profits available for distribution, Directors have recommended a dividend of ₹ 0.45 per equity share of ₹ 1/- each (i.e.45%).

Financial Results

(₹ in Lacs)

	2015-2016	2014-2015
Net Sales & Other Income	41,588.78	43,264.57
Profit before Interest & Depreciation	7,123.62	6,288.44
Interest	2,182.93	2,115.11
Depreciation	1,014.86	996.30
Profit/(Loss) before exceptional item and tax	3,925.83	3,177.03
Less : Exceptional Item [#]	454.73	-
Less: Provision for Tax (Net)	895.91	595.27
Profit After Tax	2,575.19	2,581.76
Balance available for Appropriation	8,105.00	6,179.66
Appropriations:		
Proposed Dividend*	436.35	431.50
Corporate Dividend Tax	89.03	88.35
General Reserve	130.00	130.00
Balance Carried Forward	7449.62	5529.81
	8,105.00	6,179.66

Loss on final settlement of insurance claim.

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

Our Results of Operations on Consolidated basis is as follows:

Consolidated EBIDTA (before exceptional item) for the financial year ending on 31st March 2016 is at ₹ 9,606.34 Lacs (19.05 % of sales) in comparison with that of previous financial year ending on 31st March 2015 at ₹ 9,254.91 Lacs (16.22 % of sales).

Consolidated PBT (before exceptional items) for the financial year ending on 31st March 2016 is at ₹ 5,456.57 Lacs (11 % of sales) in comparison with that of previous financial year ending on 31st March 2015 at ₹ 5,247.83 Lacs (9.20 % of sales).

Consolidated Cash Accruals (before exceptional item & tax) for the 12 months period ending on 31st March 2016 is at ₹ 7,162.00 Lacs (14.20 % of sales) in comparison with that of previous financial year ending on 31st March 2015 at ₹ 6,001.70 Lacs (10.52 % of sales).

State of Affairs

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

(i) Shelf-life Extension Solutions; (ii) Aroma Ingredients; and (iii) Performance Chemicals. We have recently added animal nutrition products to our portfolio pursuant to our recent acquisition of 65% stake in Dresen Quimica SAPI De CV, Mexico (Dresen) and going forward we expect this to complement our Shelf-life Extension Solutions portfolio. We market our products globally including in Europe, Asia Pacific, India, South and Central America and North America.

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

Aroma Ingredients 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 Vanillin Products are Guaiacol and Guethol, respectively, which in turn are derived from Catechol. 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.

Reserves

During the year under the review, the Company has transferred ₹ 130.00 Lacs to the General Reserve from the amounts available for appropriation.

Dividend

Your Directors are pleased to recommend payment of dividend at the rate of ₹ 0.45 per equity share (i.e. 45%).

The Company had transferred a sum of ₹ 0.99 Lacs 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 2007-2008 with the Company for a period of 7 years from the due date of payment.

Employee Stock Option Scheme

During the year under review, the Company allotted 7,77,700 Equity Shares of ₹ 1/- each upon exercise of stock options by the eligible Employees/Directors under the Employee Stock Option Schemes of 2008, 2012 and 2014 respectively.

The applicable disclosure as stipulated under SEBI Regulations as at 31st March, 2016 is given in “Annexure A” to this report.

Deposits

During the year under review, your Company neither accepted nor renewed any fixed deposits falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. The total unclaimed Fixed Deposits as on 31st March, 2016 were ₹ 4.00 Lacs.

Subsidiaries

The Company has the following overseas subsidiaries (including step down subsidiaries) as on 31st March, 2016:

- **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 100% owned subsidiary of the Company engaged in manufacture and sale of key raw materials required by the Company.
- **CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda.**
A 100% owned subsidiary in Brazil to manufacture and market customized blends to cater to the Latin American market. Besides, it also handles distribution of bulk antioxidants and vanillin.
- **Solentus North America Inc.**
A 100% 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% 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.

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

On 04th May, 2016, our subsidiary CFS Antioxidantes De Mexico S.A. De C.V., Mexico acquired 65% stake in Dresen Quimica SAPI De C.V., Mexico along with its group companies viz. Industrias Petrotec De Mexico, 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.

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 23rd May, 2016 the copies of Audited Financial Statements of the Subsidiaries have not been attached to the Annual Accounts of the Company. These documents will, however, be made available upon request by any member of the Company and also shall be available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

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

Directors

As the present term of appointment of Mr. Dattatraya R. Puranik, Executive Director & Chief Financial Officer, ends on 31st July, 2016, resolution for renewal of his appointment for the period 01st August, 2016 to 31st July, 2019 is being placed before the members for approval at the ensuing General Meeting.

Mr. Ajit S. Deshmukh and Mr. Nirmal V. Momaya are retiring by rotation and being eligible offer themselves for re-appointment. You are requested to re-appoint them.

Mr. Atul R. Pradhan and Mr. Nicola A. Paglietti are being re-appointed as the Independent Directors of the Company from the ensuing Annual General Meeting for a term of 5 years. You are requested to re-appoint them.

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

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

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

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

Board Evaluation

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

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

The overall performance of Chairman, Executive Directors and the Non-executive Directors of the Company is 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, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2016 and of the profit and loss of the Company for the year ended on that date;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (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.
- (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 5 (five) 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.

Approval of resolutions through Postal Ballot

During the year under review, the Company has sought approval of the Members for amending main objects and other objects clause of Memorandum of Association, issue of securities upto ₹ 150 crores, increase in authorized share capital and alteration of capital clause in Memorandum and Articles of Association of the Company. The results of the postal ballot were declared on 04th December, 2015. All the resolutions were passed with requisite majority.

Auditors

M/s. B. K. Khare and Co., Chartered Accountants (FR No. 105102W), retire as Statutory Auditors at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from the retiring Auditors to the effect that their appointment as Statutory Auditors, if made, would be within the limits prescribed u/s 141 of the Companies Act, 2013.

Members are requested to consider and re-appoint M/s. B. K. Khare and Co., Chartered Accountants, as the Statutory Auditors of the Company from the ensuing Annual General Meeting till the conclusion of next Annual General Meeting.

Auditors' Report

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

Reporting of Frauds

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the

Company has appointed Messrs J. H. Ranade & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure B". The findings of the Secretarial Audit were entirely satisfactory.

Cost Audit

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

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

Particulars of employees

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

Corporate Social Responsibility (CSR)

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

The projects identified and adopted are as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013. The Company endeavors to make CSR a key business process for sustainable development and welfare of the needy sections of the society.

During the Financial Year 2015-16, the Company has spent entire amount of ₹ 63.57 Lacs towards CSR activities through various trusts and NGO's operating in the said areas.

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

Vigil Mechanism / Whistle Blower Policy

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

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

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given 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. Accordingly, the disclosure of related Party Transactions as required under Section 134 (3) (h) of the Companies Act 2013 in form AOC-2 is not applicable to your Company.

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

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

As required by the Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgoings respectively, is given in the "Annexure-D" to this report.

Risk Management Policy

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

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

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

There are no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

Sexual Harassment of Women at Workplace:

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

Corporate Governance

As required under SEBI LODR 2015, a detailed Report on Corporate Governance is given as a part of Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Certificate of the compliance with Corporate Governance requirements by the Company issued by the Practicing Company Secretaries is attached to the Report on Corporate Governance.

Management Discussion and Analysis

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

Extract of the annual return

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

Acknowledgment

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

For & On behalf of the Board

Ashish S. Dandekar
Managing Director

Dattatraya R. Puranik
*Executive Director &
Chief Financial Officer*

Place : Mumbai

Dated : 23rd May, 2016

ANNEXURE A TO DIRECTORS' REPORT

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

		ESOP - 2008	ESOP - 2012	ESOP - 2014
a	Options granted	2900000	1494000	1638000
b	Exercise price	₹ 5/- & ₹ 6.20/- plus applicable taxes, as may be levied on the Company.	₹ 8/- plus applicable taxes, as may be levied on the Company.	₹ 67/- plus applicable taxes, as may be levied on the Company.
c	Option vested	1764650	1377250	819000
d	Options exercised	88200	354000	335500
e	Total number of shares arising as a result of exercise of options	2104850	1343400	335500
F	Option lapsed	3600	3750	72000
G	Variation in terms of option	Exercise Price for the Shares Issued in Tranche IV is ₹ 6.20/-	-	-
H	Money realized by exercise of options	₹ 5,46,840/-	₹ 28,32,000/-	₹ 2,24,78,500/-
I	Total number of options in force	Nil	Nil	1230500
J	Employee-wise details of options granted to Key Managerial Personnel / Director	Mr. P. M. Sapre - 50000 Mr. S. M. Kulkarni - 50000 Mr. A. E. Faizullabhoy - 50000 Mr. B. A. Patel - 50000 Mr. D. R. Puranik - 50000 Mr. P. K. Dhotre - 50000 Mr. A. S. Dukane - 50000 Mr. G. S. Satpute - 50000	Mr. P. M. Sapre - 25000 Mr. S. M. Kulkarni - 25000 Mr. A. E. Faizullabhoy - 25000 Mr. B. A. Patel - 25000 Mr. D. R. Puranik - 25000 Mr. P. K. Dhotre - 25000 Mr. A. S. Dukane - 25000	Mr. D. R. Puranik - 40000 Mr. A. S. Dukane - 40000 Mr. M. A. Jose - 40000
K	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	None
L	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	None
M	Diluted earning per share (EPS) pursuant to the issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'earning per share'.	2.67	2.67	2.67

Place : Mumbai
Dated : 23rd May, 2016

Ashish S. Dandekar
Managing Director

For & On behalf of the Board
Dattatraya R. Puranik
Executive Director &
Chief Financial Officer

ANNEXURE B TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016, 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, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of overseas direct investments including loans and guarantees.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits) Regulation, 2014, notified on 28th October 2014.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit period).
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during audit period)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during audit period) and
 - i. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable w.e.f. 1st December, 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 (Applicable w.e.f 1st July 2015).
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

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

We further report that: -

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

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

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

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

We further report that during the Audit period, consents of the members were accorded through Postal Ballot, to the Board under Section:

- a. 13 of the Companies Act, 2013 for amendment to Main Objects Clause III (A) (1) and Other Objects of the Memorandum of Association of the Company.
- b. 13, 14, 61 and 64 of the Companies Act, 2013 for increase in the Authorised Share Capital and alteration of the Capital Clause of the Memorandum of Association and related clause of Articles of Association of the Company.
- c. 42, 62 and 71 of the Companies Act, 2013 for issue of various types of securities upto ₹150 Crores.

For **J. H. Ranade & Associates**

Company Secretaries

J. H. Ranade

(Proprietor)

Place: Thane

Date: 20th May, 2016

FCS: 4317, CP: 2520

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

Our Secretarial Audit Report of even date for the Financial Year 2015-16 is to be read along with this letter.

Management's Responsibility:

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

Auditor's Responsibility:

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

Disclaimer:

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

For **J. H. Ranade & Associates**

Company Secretaries

J. H. Ranade

(Proprietor)

FCS: 4317, CP: 2520

Place: Thane

Date: 20th May, 2016

ANNEXURE C TO DIRECTORS' REPORT

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

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

In the initial period, Company will operate CSR Policy in the areas education, healthcare, sanitation and hygiene. Arising from this the focus areas that have emerged are Education, Healthcare, Sustainable livelihood and espousing social causes. The projects shall be 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 2015-16, the Company has spent ₹ 63.57 Lacs towards CSR activities through various trusts and NGO's operating in the areas of promoting healthcare, education including special education and employment enhancing vocation skills

especially among children, the differently abled, tribal communities and measures for reducing inequalities faced by socially and economically backward classes.

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

2. The Composition of the CSR Committee:

Composition:

- Mr. Abeezer E. Faizullabhoy - Chairman
- Mr. Dilip D. Dandekar - Member
- Mr. Ashish S. Dandekar - Member

3. Average net profit of the Company for last three financial years: ₹ 3,178.45 Lacs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 63.57 Lacs

Details of CSR spent during the financial year.

a) Total amount to be spent for the financial year: ₹ 63.57 Lacs

b) Amount unspent, if any: Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	Project / Activity	Sector	State and district	Amount outlay (budget) (₹ In Lacs)	Amount spent (₹ In Lacs)	Cumulative expenditure (₹ In Lacs)	Amount spent : Direct or through implementing agency
1	Development support to people belonging to tribal backward class	Up-liftment Tribal Backward Class	Jashpur, Chattisgarh	10.00	10.00	-	Akhil Bharatiya Vanvasi Kalyan Ashram, a public trust formed since 1952.
2	Promoting education, including special education and health for differently abled	Special education for differently abled	Thane, Maharashtra	10.00	10.00	-	Sangopita -A shelter for care, NGO started in 2003
3	Education, youth empowerment	Education and empowerment of economically backward groups	Mumbai, Maharashtra	28.57	28.57	-	Vivekanada Rock Memorial & Vivekananda Kendra a registered society since 1963.
4	Promoting healthcare	Healthcare for poor patients	Mumbai, Maharashtra	10.00	10.00	-	Shushrusa Citizens' Co-operative Hospital Ltd., started in 1966
	TOTAL			63.57	63.57	-	

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

Ashish S. Dandekar
Managing Director

Abeezar E. Faizullabhoj
Chairman CSR Committee

Dattatraya R. Puranik
*Executive Director &
Chief Financial Officer*

Place : Mumbai

Dated : 23rd May, 2016

ANNEXURE D TO DIRECTORS' REPORT

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

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

A. CONSERVATION OF ENERGY

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

Energy conservation measures taken:

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

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

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

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

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

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

B. TECHNOLOGY ABSORPTION

- (i) the efforts made towards technology absorption;

The Company's R & D Laboratories are 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; and

- (iv) the expenditure incurred on Research and Development.

(₹ in Lacs)

		2015-2016	2014-2015
4.	Expenditure on R&D		
a)	Capital	177.53	948.94
b)	Recurring	210.08	247.89
c)	Total	387.61	1196.83
d)	Total R&D Expenditure as a Percentage of total turnover	0.93%	2.77%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lacs)

	2015-2016	2014-2015
Foreign exchange outgo	22,314.65	25,612.24
Foreign exchange earned	32,646.27	33,060.68

For & On behalf of the Board

Ashish S. Dandekar
Managing Director

Dattatraya R. Puranik
Executive Director &
Chief Financial Officer

Place : Mumbai

Dated : 23rd May, 2016

ANNEXURE E TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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. Sharepro Services India Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072, Tel: (022) 67720300/67720400 and Fax : (022) 28591568 *M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 Email: rnt.helpdesk@linkintime.co.in Tel.: 022 - 2594 6970 *w.e.f. 20th June, 2016

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

Sr. No.	Name and Description of main Products /services	NIC Code of the Product /service	% to total turnover of the Company
1.	BHA	29093090	38.23
2.	TBHQ	29072990	25.34

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: Viale della Lirica, 35 48124 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.	Fine Lifestyle Brands Ltd. Add: Plot No. F/11 & F/12, WICEL, Opp. SEEPZ Main Gate, Central Road, Andheri East, Mumbai - 400 093	U51311MH2008PLC186375	Associate	49.04%	2(6)

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

Category-wise Share Holding

Category Code	Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change in shareholding during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group2									
(1)	Indian									
(a)	Individuals/H.U.F	42,862,31	-	42,862,316	44.70	31,320,169	-	31,320,169	32.40	(12.30)
(b)	Cental/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	6,014,820	-	6,014,820	6.27	6,014,820	-	6,014,820	6.22	(0.05)
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	48,877,136	-	48,877,136	50.97	37,334,989		37,334,989	38.62	(12.35)

Category Code	Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change in shareholding during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Foreign									
(a)	Non Resident Individuals/ Foreign Nationals	1,172,800	-	1,172,800	1.22	1,172,800	-	1,172,800	1.21	(0.01)
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	1,172,800		1,172,800	1.22	1,172,800		1,172,800	1.21	(0.01)
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	50,049,936		50,049,936	52.20	38,507,789	-	38,507,789	39.84	(12.36)
(B)	Public Shareholding³									
(1)	Institutions									
(a)	Mutual Fund/ UTI	818,076	-	818,076	0.85	667,635	-	667,635	0.69	(0.16)
(b)	Financial Institutions/ Banks	12,570	3,000	15,570	0.02	106,180	3,000	109,180	0.11	0.10
(c)	Central/State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	62,000	-	62,000	0.06	3,511,707	-	3,511,707	3.63	3.57
(g)	Foreign portfolio - corp	-	-	-	-	37,500	-	37,500	0.04	0.04
	Sub-Total (B)(1)	892,646		895,646	0.93	4,323,022	3,000	4,326,022	4.48	3.54
(2)	Non Institutions									
(a)	Bodies Corporate	7,046,193	11,150	7,057,343	7.36	8,331,004	11,150	8,342,154	8.63	1.27
(b)	Individuals									
	i) Holding nominal share capital upto ₹ 1 Lac	16,741,041	2,553,450	19,294,491	20.12	28,404,636	2,586,560	30,991,196	32.06	11.94
	ii) Holding nominal share capital in excess of ₹ 1 Lac	17,941,760	320,400	18,262,160	19.05	13,851,670	-	13,851,670	14.33	(4.72)
(c)	Any Other(specify) Individual Non-Resident Individual	-	-	-	-	-	-	-	-	-
	Foreign National	50,000	-	50,000	0.05	51,400	-	51,400	0.05	0.00

Category Code	Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change in shareholding during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	Non Resident Individuals (Non-Rep)	85,498	-	85,498	0.09	181,541	-	181,541	0.19	0.10
	Non Resident Individuals (Rep)	191,056	2,000	193,056	0.20	412,058	2,000	414,058	0.43	0.23
	Trust	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	42,055,548	2,887,000	44,942,548	46.87	51,232,309	2,599,710	53,832,019	55.69	8.82
	Total Public shareholding (B)=(B)(1)+(B)(2)	42,948,194	2,890,000	45,838,194	47.80	55,555,331	2,602,710	58,158,041	60.16	12.36
	TOTAL (A)+(B)	92,998,130	2,890,000	95,888,130	100.00	94,063,120	2,602,710	96,665,830	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)	92,998,130	2,890,000	95,888,130	100.00	94,063,120	2,602,710	96,665,830	100.00	-

B Shareholding of Promoter and Promoter Group

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No of Shares held	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No of Shares held	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Abha A. Dandekar	9,433,586	9.84	-	5,573,937	5.77	-	(4.07)
2	Ashish S. Dandekar	13,594,200	14.18	-	13,631,000	14.10	-	(0.08)
3	Cafco Consultants Limited	748,800	0.78	-	748,800	0.77	-	(0.01)
4	Camart Industries Ltd	2,659,680	2.77	-	2,659,680	2.75	-	(0.02)
5	D P Dandekar (HUF)	504,000	0.53	-	504,000	0.52	-	(0.00)
6	Leena Dandekar	7,556,144	7.88	-	3,696,495	3.82	-	(4.06)
7	Rajani S. Dandekar	524,800	0.55	-	524,800	0.54	-	(0.00)
8	S D Dandekar (HUF)	968,000	1.01	-	968,000	1.00	-	(0.01)
9	Subhash D. Dandekar	848,000	0.88	-	848,000	0.88	-	(0.01)
10	Vibha Agencies Pvt. Ltd.	2,606,340	2.72	-	2,606,340	2.70	-	(0.02)
11	Vivek A. Dandekar	9,433,586	9.84	-	5,573,937	5.77	-	(4.07)
12	Anagha S. Dandekar	1,172,800	1.22	-	1,172,800	1.21	-	(0.01)
	TOTAL	50,049,936	52.20		38,507,789	39.84		(12.36)

Change in Promoter and Promoter Groups Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Leena Dandekar				
	At the beginning of the year	7556144	7.88	7556144	7.88
	Less : Sale in open market	3859649	4.03	3859649	4.03
	At the end of the year			3696495	3.82
2	Abha A. Dandekar				
	At the beginning of the year	9433586	9.84	9433586	9.84
	Less : Sale in open market	3859649	4.03	3859649	4.03
	At the end of the year			5573937	5.77
3	Vivek A. Dandekar				
	At the beginning of the year	9433586	9.84	9433586	9.84
	Less : Sale in open market	3859649	4.03	3859649	4.03
	At the end of the year			5573937	5.77
4	Ashish S.Dandekar				
	At the beginning of the year	13594200	14.18	13594200	14.18
	Add : Purchase in open market	36800	0.04	36800	0.04
	At the end of the year			13631000	14.10

Shareholding Pattern of top ten shareholdings

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	India Capital Fund Ltd.				
	At the beginning of the year	0		0	0.00
	Purchase of Shares	3442027	3.56	3442027	3.56
	At the end of the year			3442027	3.56
2	Camart Industries Ltd				
	At the beginning of the year	2659680	2.75	2659680	2.75
	At the end of the year			2659680	2.75
3	Rahul D. Dandekar				
	At the beginning of the year	1129600	1.17	1129600	1.17
	At the end of the year			1129600	1.17
4	Dilip D. Dandekar				
	At the beginning of the year	1427120	1.48	1427120	1.48
	At the end of the year			1427120	1.48
5	Ketki Amit Sawant				
	At the beginning of the year	1129600	1.17	1129600	1.17
	At the end of the year			1129600	1.17
6	Aditi Dilip Dandekar				
	At the beginning of the year	1129600	1.17	1129600	1.17
	At the end of the year			1129600	1.17
7	DDI Consultants Ltd.				
	At the beginning of the year	960000	0.99	960000	0.99
	At the end of the year			960000	0.99
8	Shatrunjaya Traders Pvt. Ltd.				
	At the beginning of the year	895580	0.93	895580	0.93
	Sale of Shares	50	0.00	895530	0.93
	At the end of the year			895530	0.93
9	Urjita J Master				
	At the beginning of the year	0		0	0.00
	Purchase of Shares	1014000	1.05	1014000	1.05
	At the end of the year			1014000	1.05
10	Kokuyo Camlin Ltd.				
	At the beginning of the year	800000	0.83	800000	0.83
	At the end of the year			800000	0.83

Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Ashish S. Dandekar				
	At the beginning of the year	13594200	14.06	13594200	14.06
	Purchase of Shares	36800	0.04	13631000	14.10
	At the end of the year			13631000	14.10
2	Dilip D. Dandekar				
	At the beginning of the year	1427120	1.48	1427120	1.48
	At the end of the year			1427120	1.48
3	Pramod M. Sapre				
	At the beginning of the year	172490	0.18	172490	0.18
	ESOP	12500	0.01	184990	0.19
	At the end of the year			184990	0.19
4	Abeezar E Faizullabhoy				
	At the beginning of the year	145500	0.15	145500	0.15
	ESOP	12500	0.01	158000	0.16
	At the end of the year			158000	0.16
5	Sharad M Kulkarni				
	At the beginning of the year	148900	0.15	148900	0.15
	ESOP	12500	0.01	161400	0.17
	At the end of the year			161400	0.17
6	Bhargav A Patel				
	At the beginning of the year	137500	0.14	137500	0.14
	ESOP	12500	0.01	150000	0.16
	At the end of the year			150000	0.16
7	Dattatraya R. Puranik				
	At the beginning of the year	134723	0.14	134723	0.14
	ESOP	32500	0.03	167223	0.17
	Sale of Shares	14000	0.01	153223	0.16
	At the end of the year			153223	0.01
8	Leena Dandekar				
	At the beginning of the year	7556144	7.82	7556144	7.82
	Sale of Shares	3859649	3.99	3696495	3.82
	At the end of the year			3696495	3.82

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
9	Atul R. Pradhan				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
10	Nicola A. Paglietti				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
11	Nirmal V. Momaya				
	At the beginning of the year	3601520	3.73	3601520	3.73
	At the end of the year			3601520	3.73
12	Ajit S. Deshmukh				
	At the beginning of the year	20	-	20	-
	At the end of the year			20	-
13	Rahul D. Sawale				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-

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

(₹ in Lacs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,518.62	9.30	-	13,527.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29.52	-	-	29.52
Total (i+ii+iii)	13,548.14	9.30	-	13,557.44
Change in Indebtedness during the financial year				
* Addition	3,511.92	-	-	3,511.92
* Reduction	1,116.68	9.30	-	1,125.98
Net Change	2,395.24	(9.30)	-	2,385.94
Indebtedness at the end of the financial year				
i) Principal Amount	15,894.95	-	-	15,894.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	48.43	-	-	48.43
Total (i+ii+iii)	15,943.38	-	-	15,943.38

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. A. S. Dandekar	Ms. L. Dandekar	Mr. D. R. Puranik	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	87.48	52.80	21.48	161.76
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	37.00	20.30	34.77	92.07
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option (ESOP exercised during the year)		-	32,500	32,500
3	Sweat Equity	-	-	-	-

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. A. S. Dandekar	Ms. L. Dandekar	Mr. D. R. Puranik	
4	Commission				
	- as% of profit	-	-	-	-
	- others, as approved by Board	50.00	-	10.00	60.00
5	Others, please specify (contribution to PF/ Gratuity /Superannuation)	15.97	9.45	-	25.42
	Total (A)	190.45	82.55	66.25	339.25
	Ceiling as per the Act				

B. Remuneration to other directors:

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	9.95	10.75	11.45	11.25	4.25	5.25	52.90
	Commission	4.50	4.50	4.50	4.50	4.50	4.50	27.00
	Others, please specify	-	-	-	-	-	-	
	Total (1)	14.45	15.25	15.95	15.75	8.75	9.75	79.90
2	Other Non-Executive							
	Directors	A. S. Deshmukh	N. V. Momaya	D. D. Dandekar				
	Fee for attending board/committee meetings	5.00	5.00	6.35				16.35
	Commission	4.50	4.50	-				9.00
	Others, Remuneration	-	-	30.00				30.00
	Total (2)	9.50	9.50	36.65				55.35
	Total (B)=(1+2)	-	-	-	-	-	-	135.25
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO*	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	-	4.28	-	
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	5.18	-	
	(c) Profits in lieu of salary under Section 17(3) Income - tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	
	- as% of profit	-	-	-	
	- others, specify	-	-	-	
5	Others, please specify	-	-	-	
	Total	-	9.46	-	

* Refer to VI (A) above for Mr. D. R. Puranik, Executive Director & CFO's Remuneration

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil

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					

Ashish S. Dandekar
Managing Director

For & On behalf of the Board
Dattatraya R. Puranik
Executive Director &
Chief Financial Officer

Place : Mumbai

Dated : 23rd May, 2016

MANAGEMENT DISCUSSION AND ANALYSIS:

Your Company's business comprises of three key verticals - Shelf Life Solutions, Aroma Ingredients and Performance Chemicals.

1. SHELF LIFE SOLUTIONS:

Camlin Fine Sciences Ltd. (CFS) is a leading producer and exporter of Shelf Life Solutions (SLS) viz. antioxidants TBHQ and BHA, having more than 45% of the market share. The Company is fully integrated with an assured supply of the key raw materials through its 100% subsidiary CFS Europe SpA, having its manufacturing facility in Italy.

On a global front, Financial Year (FY) 2015-16 was a challenging year for the antioxidants industry. The price of oil fell rapidly during the last 2 years, thereby causing the cost of WTI crude to fall, which did not recover until April 2016. This has resulted in drop in prices of petroleum products across different regions and has weakened the market sentiments. This has also consequently impacted the raw material prices for antioxidant market. In spite of this market volatility, the Company has maintained its market share in both TBHQ & BHA bulk business. The Company has shown stability w.r.t volumes in this financial year for the entire products portfolio besides capturing new product segments. However, the negative impact on values due to the drop in sales prices driven by drop in crude oil prices, resulted in the reduction of the sales value though there has been positive impact on material/input costs due to fall in chemical prices.

During the FY 2015-16, CFS has focused on expanding the SLS business by making large investments in building technical capabilities, widening product portfolio capacities, increasing sales and marketing teams, enhancing development and testing of products by setting up Applications laboratory. Our strategy of moving into forward integration of antioxidant blends is now under active implementation at a global level. The markets for such antioxidant blends would cater to three main end-users - human food, pet food and animal nutrition. During the year under review, CFS built a product portfolio to address each of the above markets through our expert global team. The Company's understanding of its customer has made the basket of products very relevant to the market needs.

To maintain the Company's leadership position and with severe pressure on the selling price due to competition, in the FY 2015-16, CFS focussed on process improvements in its R & D Centre at Tarapur, India to optimize cost and capabilities. Our process development lab through its experienced team has shown successful results during the year by obtaining cost reduction.

Testing and Applications Laboratory which were commissioned in early 2015 at the Company's Head Office in Mumbai, has gathered momentum. The main areas of work for FY 2015-16 included new development of antioxidant and aroma blends, evaluation trials, analysis and commercial scale feasibility of new ingredients, blends and application products, process improvements for blends, technical and sales support for the food, animal feed and petfood industry for our offices/markets in different parts of the world. The laboratory provides the customers with a unique collaborative approach for product design and development.

With the world moving towards natural products, surveys indicate preference of natural antioxidants in certain markets. CFS introduced a range of natural antioxidants under the brand name 'NaSure' - plant based extracts like Rosemary extract, Green tea extract and Natural Tocopherols.

GLOBAL OPERATIONS

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

CFS do Brasil, strategically located in Indaiatuba, near São Paulo, Brazil serves customers in Latin America. In 2015, CFS do Brasil focused on building its product portfolio, testing methods and other technical developments for the food, pet food and animal nutrition industries.

It now has a fully functional plant to serve the human and pet food industry. By first quarter of the FY 2017-18, the facility will be ready to produce for the animal nutrition industry. CFS sales team includes experts in each of these areas and are currently reaching out to these markets. The benefit of this investment made during the year, will be seen in the coming years.

For all its relevant markets and applications, the Company's products comply with Kosher and ISO 22000:2005 requirements.

CFS North America, LLC

CFS North America, LLC, (CFSNA) 100% owned subsidiary of CFS was incorporated in third quarter of FY 2015-16, which is headquartered in Urbandale, Iowa. During the year, CFSNA hired an expert team in the US including for technical, operations, sales and marketing functions. The Customer Application and Testing laboratory is under construction and will be completed in first quarter of FY 2016-17. The benefit of the large investment made in the US market will be seen from next year when CFSNA begins its operations.

CFS Antioxidantes De Mexico, S.A. de C.V.

In forth quarter of FY 2015-16, the Company started its operations in Central America with the incorporation of CFS Antioxidantes De Mexico, S.A. de C.V. (CFSM) a 100 % subsidiary of CFS. This was launched with the aim of gaining presence and reaching out to its customers in Mexico, Central America, Caribbean and Andean region.

This was further boosted with CFSM entering into a share purchase agreement to acquire 65% of Dresen Quimica S.A.P.I de C.V., ('Dresen') in Mexico. Dresen is a leading antioxidant blend Company located in Mexico, Central America, some Latin American countries with its 100% subsidiaries in Peru, Gautamala, Columbia, Dominican Republic and a branch office in Cuba. With this acquisition, CFS will get access to new markets/customers as well as access to a portfolio of products, which are focused on animal nutrition markets. Dresen has several products other than antioxidants in its portfolio, which have a good potential in the animal nutrition area. CFS will take this product portfolio in the coming year to Brazil, North America, Europe, and Asia, to address the animal nutrition markets in those geographies.

CFS Europe S.p.A (CFSE)

CFS has also initiated the process to set-up an operation to address the EU and East European markets for Shelf Life Solutions. During the FY 2015-16, the Company hired a team of experts to address this market. The Company has initiated the process of identifying a suitable location in Italy for manufacturing antioxidant blends and other portfolio of products.

Also, CFSE has initiated the process to identify a location to house a technical applications and testing laboratory in Denmark. CFSE is expected to complete the construction of both the manufacturing facility and the laboratory by third quarter of FY 2016-17 and will begin its operations in the subsequent quarter.

CFS International Trading (Shanghai) Ltd.

The process of setting up of Company's 100% owned subsidiary in China to address the local market is in progress. CFS has started hiring the team in China and expects to commence the business from second quarter FY 2016-17.

II. AROMA INGREDIENTS

Vanillin and Ethyl Vanillin

The Company has gained focus on Vanillin & Ethyl Vanillin under the brand name Vanesse and Evanil respectively, with its venture into aroma segment in FY 2014. At its manufacturing plant in Ravenna, Italy, CFSE produces Catechol, the basic ingredient used to make vanillin and ethyl vanillin. As one the leading manufacturers and the only Indian manufacturer of these products from Catechol origin, CFS uses an environment friendly and clean process most trusted by the food and flavor industry. The Company makes all key ingredients in-house and has positioned itself as a quality global vanillin player.

The Company has state-of-the-art R&D facility in-house which works on technological improvement and ensures the highest standards of ingredient quality and food safety in our process offering complete traceability from Catechol to Vanillin [Vanesse]. Each batch is carefully tested by food flavourists and enables the Company to deliver customer's requirement with consistency and desired aromatic notes. Its catechol-guaiacol based vanillin is a preferred product in advanced markets of US/EU compared to that of Chinese supplier [made from toluene] due to quality or health hazard concerns.

The Company recently launched, Ethyl Vanillin, under the brand name 'Evanil' produced from Catechol-Guethol route. It is two to three times more potent than vanillin. It offers more concentrated flavor profile with added advantage to certain segments and applications.

During the year, process improvements have been initiated in Italy as well as in Tarapur, India to optimize cost and capacities. The full impact of these process

improvements in Catechol downstream products will be seen in coming years.

This year would focus on development of Vanillin and Ethyl Vanillin flavor blends for bakery applications. Application trails are on with flavor blends in bakery and dairy products.

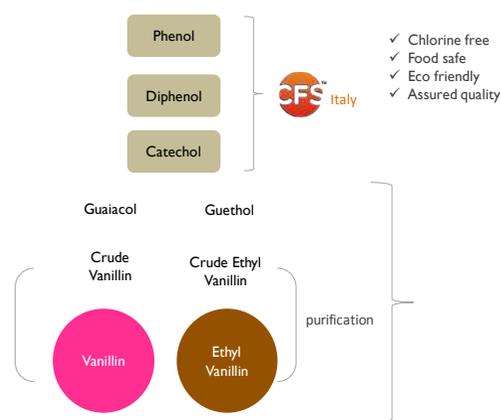


Figure 1.0: Production steps

Application related information (For Vanillin & Ethyl Vanillin) -

Segments	Application
Food and Beverages	Bakery, Biscuits, Cake, Cake Premixes, Muffin, Donuts, Pan Cake, Ice Cream, Dark Chocolate, Milk Chocolate, Confectionery (Soft-centre sweets, Fondants Candy Soft/Hard, Fudge, Marshmallow, Chewing gum etc.), Nutritional and Health Supplements Powder, Drinking Chocolate, Puddings, Custard Powder, Flavored Milk, Vanilla powder etc.
Flavor & Fragrances	Flavors, Fragrance in Personal care products, Perfumes, Attar,
Incense Sticks Segment	Masala and Scented Incense Sticks, Loban and Dhoop
Pharmaceuticals	Medicinal Syrups, Compressed Tablets, Chewable tablets, Active Pharmaceutical Ingredients [API]
Animal Nutrition	Cattle Feed

Purpose of using Vanillin & Ethyl Vanillin - Vanillin & Ethyl Vanillin products are used to give food and beverages a flavour of vanilla, to enhance other flavours or to mask or smoothen unwanted off-flavours. Usage of Vanillin & Ethyl Vanillin depends upon labelling requirements, Cost in use,

Process requirement (Solubility, Intensity, Temperature), personal taste and geographical differences.

III. PERFORMANCE CHEMICALS

The process improvement measures were initiated in CFSE to optimize cost and capacities. The full impact of these measures for Hydroquinone and Catechol production in Italy will be seen in FY 2016-17. The R&D team's constant focus is on the development of Diphenol downstream products by commercializing newly developed products, by enhancing the capacities with new and improved processes along with technological upgradations.

The Vapor phase methylation technology for converting Catechol to Guaiacol has been successfully implemented. The process is continuous, economical and environment friendly. Due to the uniqueness of the process, the Company has successfully made an application to register this process patent. The Company has doubled its Guaiacol capacity to 4000 TPA this year.

During this year, the Performance Chemicals Division has introduced new products such as 4-Methoxy Acetophenone (4-MAP) to catering to aromatics, dyes and pigment industry. The Company will focus on deeper market penetration, by adding distribution channels in newer geographies. The Company has already commissioned distribution hub in China and have plans to enter into other key markets like North and Latin America.

The Company has enhanced the capacity of Tertiary Butyl Catechol (TBC) and Hydroquinone Monomethyl Ether, used as polymerization inhibitor for the petrochemical industry. This is to serve the global customers. The Company has received product approvals and is poised to initiate its supplies to markets such as India, China, Europe and America.

Veratrole another important downstream product developed and commercialized by the Company has captured 70% market share in 2015-16. This product is an important intermediate for the pharmaceutical and agrochemical industry and well accepted in India and international market.

Asia Pacific region [APAC] leads the cosmetic industry with a market share of 35% in 2014 and is the region of focus for the cosmetics providers. 4-Methoxy Acetophenone (4-MAP) is an aromatic chemical compound and is used as a chemical intermediate in manufacturing of cosmetic additives like Avobenzone, resins & flavoring agents and in bulk pharmaceuticals

has gained momentum due to this. There are very few manufacturers of this product in the world. Production has commenced in fourth quarter FY 2016 and the product trials are being conducted. Customer approvals are under process.

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

The Company has purchased land admeasuring 67,507.15 sq. mts. situated at Dahej SEZ, located in Vagra Taluka of western part of Bharuch District, Gujarat. The work for setting up a plant for manufacturing Catechol/Hydroquinone/Vanillin is in progress. Due its good connectivity via road, National Highway (NH-8) and railway - both connecting to major metros like New Delhi and Mumbai makes it beneficial for gaining logistical support too.

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

With regards to its progress, the Company has applied for environment clearance on the project. It has appointed the Project management Consultant of international repute and the project is expected to be in commercial production from FY 2018-19 and is moving as per schedule.

RISKS AND CONCERNS:

In international markets, there are always associated risks, but also possibilities of potential gains

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

The availability of key raw materials from international

sources at the right quantity and at right price is also a risk factor associated with the business of The Company. However the Company has mitigated this risk with CFS Europe SpA., which facilitates backward integration. The main raw material supplies are thus available at the right quantity and at right price. Through proper planning and with due diligence and compliance of all aspect of transfer pricing, currency impacts within transfer pricing and its monitoring on regular basis is ensured. Besides, the risk of over dependence on few overseas suppliers for key raw material and its price sensitivity has been take care with this facility.

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

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

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

INFORMATION & TECHNOLOGY:

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

The Company views SAP as a strategic tool to enhance

its operational efficiencies, through various functional integration.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

FINANCIAL PERFORMANCE REVIEW:

The major items of the financial statements on standalone basis is shown below.

(₹ In Lacs)		
Particulars	2015-2016	2014-2015
Revenue from operations(gross)	42,266.38	44,300.16
Net Sales & Other Income	41,588.78	43,264.57
Profit before Interest & Depreciation	7,123.62	6,288.44
Interest	2,182.93	2,115.11
Depreciation	1,014.86	996.30
Profit/(Loss) before exceptional item and tax	3,925.83	3,177.03
Less : Exceptional Item [#]	454.73	-
Less: Provision for Tax (Net)	895.91	595.27
Profit After Tax	2,575.19	2,581.76

Loss on final settlement of insurance claim.

Our Results of Operations on Consolidated basis is as follows:

Consolidated EBIDTA (before exceptional item) for the financial year ending on 31st March 2016 is at ₹ 9,606.34 Lacs (19.05 % of sales) in comparison with

that of previous financial year ending on 31st March 2015 at ₹ 9,254.91 Lacs (16.22 % of sales).

Consolidated PBT (before exceptional items) for the financial year ending on 31st March 2016 is at ₹ 5,456.57 Lacs (11 % of sales) in comparison with that of previous financial year ending on 31st March 2015 at ₹ 5,247.83 Lacs (9.20 % of sales).

Consolidated Cash Accruals (before exceptional item & tax) for the 12 months period ending on 31st March 2016 is at ₹ 7,162.09 Lacs (14.20 % of sales) in comparison with that of previous financial year ending on 31st March 2015 at ₹ 6,001.70 Lacs (10.52 % of sales).

CORPORATE SOCIAL RESPONSIBILITY (CSR):

During the Financial Year 2015-16, the Company has spent ₹ 63.57 in Lacs towards CSR activities through various trusts and NGO's operating in the areas of promoting education, including special education and employment enhancing vocation skills especially among children, healthcare, the differently abled, promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward classes. Further, the Company understands the importance of CSR initiatives and has donated funds to spread educational awareness amongst children from tribal area school through contributions towards these activities.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

CFS believes in creating strong leadership and an inclusive environment where differences are valued and CFS team members can innovate to drive the business forward. It invests in its employees; nurturing their talent and helping them develop skills to match the demands of the business during each different growth phase.

It continuously seeks to inculcate within its employees, a strong sense of business ethics and social responsibility.

Relations with the employees at all levels remained cordial during the year. The Company has 307 permanent employees as on 31st March, 2016.

For & On behalf of the Board

Ashish S. Dandekar
Managing Director

Dattatraya R. Puranik
Executive Director &
Chief Financial Officer

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, 2016.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

Composition

The Company has a Non-Executive Chairman and the number of Independent Directors is half of the total strength of the Board. The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Composition of the Board of Directors (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 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	5	10	Yes	Nil	Nil
Mr. Ashish S. Dandekar Managing Director	ED Promoter	5	13	Yes	Nil	Nil
Mr. Pramod M. Sapre	NED (I)	4	1	Yes	Nil	Nil
Mr. Sharad M. Kulkarni	NED (I)	5	9	Yes	4	3
Mr. Abeezar E. Faizullahoy	NED (I)	5	2	Yes	Nil	Nil
Mr. Bhargav A. Patel	NED (I)	5	7	Yes	Nil	1
Mr. Dattatraya R. Puranik	ED	5	4	Yes	Nil	Nil
Ms. Leena Dandekar	ED Promoter	3	-	Yes	Nil	Nil
Mr. Nirmal V. Momaya	NED	5	13	Yes	Nil	Nil
Mr. Atul R. Pradhan	NED (I)	5	4	Yes	Nil	Nil
Mr. Nicola A. Paglietti	NED (I)	4	-	Yes	Nil	Nil
Mr. Ajit S. Deshmukh	NED	5	5	Yes	Nil	Nil

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

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

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

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

Number of Board Meetings:-

During the financial year 2015-2016, five (5) Board Meetings were held on the following dates:

Sr. No.	Date	Board Strength	No. of Directors Present
1	12th May, 2015	12	12
2	5th August, 2015	12	12
3	25th September, 2015	12	10
4	6th November, 2015	12	11
5	12th February, 2016	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/IR.php>.

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

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

(A) Mr. Dattatraya R. Puranik

Mr. Dattatraya R. Puranik, aged 64 years, is B.Com (Hons), FICWA, ACMA (Australia) and MBA (Finance) and has over 30 years of experience in finance and accounting field in India and abroad. He is working with the Company as Chief Financial Officer since June, 2008 and as Executive Director and Chief Financial Officer since August, 2012.

He is director in the following body corporates:

Sr. No.	Name of the Company
1	Fine Renewable Energy Limited
2	Aliva Natural Sciences Pvt. Ltd
3	Vibha Agencies Pvt. Ltd.
4	CFS Europe S.p.A.

(B) Mr. Ajit S. Deshmukh

Mr. Ajit S. Deshmukh possesses over 20 years experience in management and leadership of IT and Investment Banking Industry.

Mr. Deshmukh aged 47 years is BE in Electronics and Post Graduate from NCST.

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

He is director in the following Companies/LLP:

Sr. No.	Names of the Companies
1	Wizarth Advisors Pvt. Ltd.
2	Aarav Fragrances And Flavors Pvt. Ltd.
3	Indian Magic Eye Pvt. Ltd.
4	Igreneenergi Services Pvt. Ltd.
5	Equirus Finance Pvt. Ltd.
6	Yashwant Developers LLP

(C) Mr. Nirmal V. Momaya

Mr. Nirmal V. Momaya possess over 27 years of professional experience in finance, taxation, audit and management consultancy.

Mr. Momaya aged 49 years, holds Bachelor's degree in Commerce and is a Chartered Accountant.

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

He is director in the following body corporates:

Sr. No.	Names of the Companies
1	Smokin Joes Pizza Pvt. Ltd.
2	Smokin Lees Restaurants Pvt. Ltd.
3	Ashar Locker (India) Pvt. Ltd.
4	Fine Lifestyle Brands Ltd.
5	Fine Lifestyle Solutions Ltd.
6	Abana Medisys Pvt. Ltd.
7	Fine Renewable Energy Ltd.
8	Scigen Biopharma Pvt. Ltd.
9	Payce Business Solutions Pvt. Ltd.
10	MJ Medical Devices Pvt. Ltd.
11	Capital Foods Pvt. Ltd.
12	Varuna D Jani Brand Holdings Pvt. Ltd.
13	CFS Europe S.p.A
14	HOD Innovation Labs Pvt. Ltd.

(D) Mr. Atul R. Pradhan

Mr. Atul R. Pradhan is a management consultant with more than 27 years of professional experience in consulting and industry. In 2010, he founded Transfolign Consulting LLP and has worked with several companies on business transformation engagements including family owned businesses. He has served as the Managing Partner of KPMG Consulting in India and as the founding Managing Director of Techsignia Solutions. Prior to relocating to India, he has worked for several years with Nolan, Norton & Co, the strategy arm of KPMG in the United Kingdom.

Mr. Pradhan aged 52 years, holds diploma in Electronics & Electrical Communication Engineering, BA and MBA.

He is director/designated partner in the following Companies/LLP:

Sr. No.	Names of the Companies/LLP
1	Transfolign Management Consulting Pvt. Ltd.
2	Lead Angels Association For Entrepreneurship Development
3	Kumar Sinew Developers Pvt. Ltd.
4	KUL Urban Development Pvt. Ltd.
5	Transfolign Consulting LLP.
6	Magnivirtus Consulting LLP.
7	Adit Landmark properties LLP.

(E) Mr. Nicola A. Paglietti

Mr. Nicola A. Paglietti is one of the founding partners of law firm Studio Internazionale, Rome consisting a team of forty professionals. He is specialized in corporate, banking laws and is expert in privatizations.

Mr. Paglietti aged 51 years, holding Masters in Law is a member of the Bar of New York and Rome. He possesses over 22 years of professional experience in Contracts and Corporate Laws.

He is independent director in the following Italian companies including our step down subsidiary CFS Europe S.p.A.:

Sr. No.	Names of the Companies
1	Mahindra Graphic Research Design S.r.l.
2	Shaner Italia S.r.l.
3	Shaner Management Italia S.r.l.
4	Shaner Ciocco S.r.l.
5	Elgi Compressors S.p.A.
6	CFS Europe S.p.A.
7	Mahindra Racing S.p.A.

3. COMMITTEES OF THE BOARD:

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

a) AUDIT COMMITTEE:

Composition, meetings and the attendance during the year:

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

During the financial year 2015-2016, five (5) meetings of the Audit Committee were held on the 12th May, 2015, 5th August, 2015, 25th September, 2015, 6th November, 2015 and 12th February, 2016.

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)	5
Mr. Pramod M. Sapre	Member	NED (I)	4
Mr. Abeezer E. Faizullabhoy	Member	NED (I)	5
Mr. Bhargav A Patel	Member	NED (I)	5

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

Terms of reference:

The terms of reference of the Committee, inter alia covers the matters specified under Regulation 18 of SEBI LODR 2015 as amended from time to time as well as specified in Section 177 of the Companies Act, 2013 read alongwith rules made thereunder. Besides, in additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power 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 2015-2016, One (1) meeting of the Committee was held on the 12th May, 2015.

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

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

Terms of reference:

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

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

Remuneration Policy and Performance evaluation criteria for Independent Directors

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

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

Remuneration to Directors:

(A) MANAGING DIRECTOR

Following is the Remuneration details of the Managing Director for the financial year ended 31st March, 2016.

(₹ In Lacs)

Name	Salary	Perquisites #	Commission	Contribution to P.F. and Other Funds	Total
Mr. Ashish S. Dandekar	87.48	37.00	50.00	15.97	190.45

#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, 2015 has been entered into with the Managing Director.

(B) EXECUTIVE DIRECTOR

Following is the Remuneration details of the Executive Director for the financial year ended 31st March, 2016.

(₹ In Lacs)

Name	Salary	Perquisites #	Contribution to P.F. and Other Funds	Total
Ms. Leena Dandekar	52.80	20.30	9.45	82.55

#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 July, 2014 has been entered into with the Executive Director.

(C) EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER

Following is the Remuneration details of the Executive Director & Chief Financial Officer for the financial year ended 31st March, 2016.

(₹ In Lacs)

Name	Salary	Commission	Perquisites #	Total
Mr. Dattatraya R. Puranik	21.48	10.00	34.77	66.25

#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 & commission on net profit etc.,

Agreement for a period of two (2) years w.e.f. 1st August, 2014 has been entered into with the Executive Director & Chief Financial Officer. Re-appointment of Mr. Puranik is proposed at the ensuing Annual General Meeting.

(D) NON-EXECUTIVE DIRECTORS / INDEPENDENT DIRECTORS

During the financial year 2015-2016, the Company has paid remuneration (excluding sitting fees) to Mr. Dilip D. Dandekar. The detail of payment is given below:

Name	Category	Amount Paid
Mr. Dilip D. Dandekar	NED	30.00

(₹ In Lacs)

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. The details of remuneration (including sitting fees, salaries, arrears, commission and perquisites) of the existing Non-Executive Directors during the year 2015-2016 are given below:

(₹ In Lacs)

Name	Category	Commission / Remuneration	Sitting Fees	Total
Mr. Dilip D. Dandekar	NED (Chairman)	30.00	6.35	36.35
Mr. Sharad M. Kulkarni	NED (I)	4.50	10.75	15.25
Mr. Pramod M. Sapre	NED (I)	4.50	9.95	14.45
Mr. Abeezer E. Faizullabhoy	NED (I)	4.50	11.45	15.95
Mr. Bhargav A. Patel	NED (I)	4.50	11.25	15.75
Mr. Nirmal V. Momaya	NED	4.50	5.00	9.50
Mr. Atul R. Pradhan	NED (I)	4.50	5.25	9.75
Mr. Nicola A. Paglietti	NED (I)	4.50	4.25	8.75
Mr. Ajit S. Deshmukh	NED	4.50	5.00	9.50

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

Details of stock options granted / vested during the year

The Company has introduced the ESOP Schemes viz. "CAMLIN FINE CHEMICALS EMPLOYEES' STOCK OPTION SCHEME, 2008" to its permanent Employees/Directors in the financial year 2008-09, "CAMLIN FINE SCIENCES EMPLOYEES' STOCK OPTION SCHEME, 2012" to its permanent Employees/Directors in the financial year 2012-13 and "CAMLIN FINE SCIENCES EMPLOYEES STOCK OPTION SCHEME 2014" to its permanent Employees in the financial year 2014-15. The details of ESOP's granted under the aforesaid schemes to its directors are enclosed to the Directors Report.

Details of Shareholding of Present Non-Executive Director/Independent Directors as on 31st March, 2016.

Present Directors Name	Shares held
Mr. Dilip D. Dandekar	14,27,120
Mr. Pramod M. Sapre	1,84,990
Mr. Sharad M. Kulkarni	1,61,400
Mr. Abeezer E. Faizullabhoy	1,58,000
Mr. Bhargav A. Patel	1,50,000
Mr. Atul R. Pradhan	Nil
Mr. Nicola Paglietti	Nil
Mr. Nirmal V. Momaya	36,01,520
Mr. Ajit S. Deshmukh	20

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 2015-2016 one (1) meeting was held on 12th February, 2016.

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

Name	Designation	Category	No. of Meetings attended
Mr. Abeezar E. 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, no complaints were received from the shareholders on the SEBI website www.scores.gov.in/Admin.

4. COMPENSATION COMMITTEE:

Composition, meeting and the attendance during the year

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

During the financial year 2015-2016 one (1) meeting was held on 12th February, 2016.

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

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

Terms of reference

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

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Composition, meeting and the attendance during the year

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

During the financial year 2015-2016 one (1) meeting was held on 12th February, 2016.

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

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

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

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

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 2015-2016 one (1) meeting was held on 12th February, 2016.

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

- a. Review the performance of Non-Independent Directors and the Board as a whole;
- b. Review the performance of the Chairperson of the Company, taking into account the views of Executive directors and Non-executive Directors;
- c. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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
2014-2015	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400020.	5th August, 2015 at 3.00 p.m.
2013-2014	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, 12, K. Dubhash Marg, Near Kala Ghoda, Fort, Mumbai - 400 001	4th August, 2014 at 3.00 p.m.
2012-2013	Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400020.	13th August, 2013 at 3.00 p.m.

Three (3) Special Resolutions were passed at the 20th Annual General Meeting for FY 2012-13, two (2) Special Resolutions were passed at the 21st Annual General meeting for FY 2013-14, two (2) Special Resolutions were passed at the 22nd Annual General Meeting FY 2014-15.

Postal Ballot

During the year under review, the Company sought approval of the Members for amending main objects and other objects clause of Memorandum of Association, issue of securities upto ₹ 150 crores, increase in authorized share capital and alteration of capital clause in Memorandum and Articles of Association of the Company. The results of the postal ballot were declared on 04th December, 2015. All the resolutions were passed with requisite majority. M/s. J H Ranade & Associates, Practicing Company Secretaries was appointed as Scrutinizer. The postal ballot was conducted as per the procedure laid down in Section 110 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014. Subject to the approval of the Board, the Company proposes to conduct the postal ballot exercise in the current year for inter alia considering the amendment to the Memorandum and Articles of Association of the Company and for considering the ESOP scheme.

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 to the financial statements in the Annual Report.

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

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

Compliance with Regulations

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

Vigil Mechanism / Whistle Blower Policy

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

CEO / CFO Certification

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

Compliance with Corporate Governance requirements

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

Mandatory and non-mandatory requirements

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

9. MEANS OF COMMUNICATION:

- The quarterly and half-yearly results are published in widely circulating national and local dailies such as Economic Times, and Maharashtra Times.
- Official news releases and presentations made to investors are disclosed to the Stock Exchange(s) and are also provided on the Company's web-site i.e. www.camlinfs.com within the time frame prescribed in this regard.
- As per requirements of the SEBI LODR 2015, all data relating to the quarterly financial results, shareholding pattern etc., is provided on the Company's web-site i.e. www.camlinfs.com within the time frame prescribed in this regard.

10. GENERAL SHAREHOLDER INFORMATION:

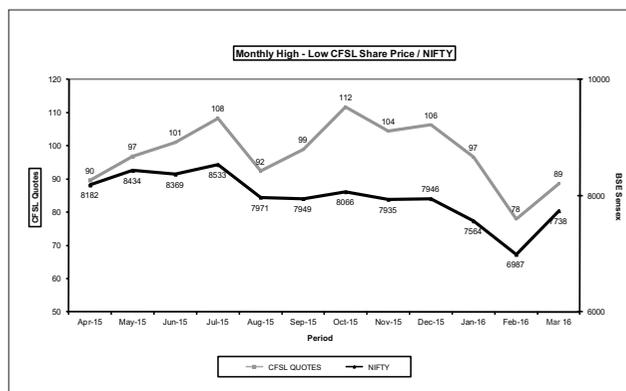
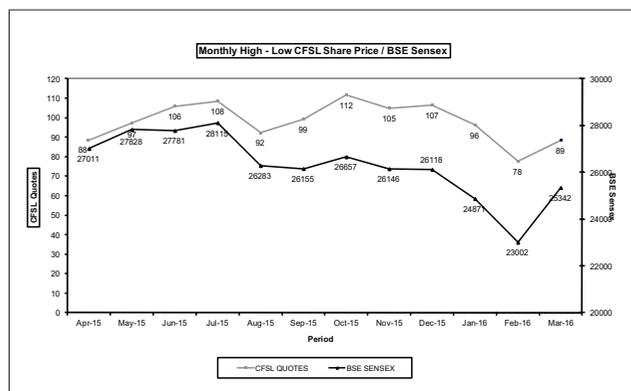
As indicated in the Notice to our Shareholders, the 23rd Annual General Meeting of the Company will be held on Wednesday, 10th August, 2016 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020.

i. Financial Calendar	: Financial Reporting by
Financial Year	: 1st April – 31st March
Unaudited Results for the quarter ending 30th June, 2016.	: Mid of August, 2016
Unaudited Results for the quarter ending 30th September, 2016.	: Mid of November, 2016
Unaudited Results for the quarter ending 31st December, 2016.	: Mid of February, 2016
Audited Results for the year ending 31st March, 2017.	: end of May, 2017
ii. Date of Book Closure	: From 1st August, 2016 to 10th August, 2016 (both days inclusive)
iii. Date of Dividend Payment	: on or before 8th September, 2016
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 exchanges(s)
v. Demat ISIN in CDSL/NSDL	: INE052I01032
vi. Share Price (High & Low) for the year 2015-2016 at BSE and NSE:-	

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2015	101.00	82.75	100.95	82.25
May, 2015	99.00	84.00	98.50	83.15
June, 2015	128.80	85.10	129.00	87.25
July, 2015	114.80	98.60	114.80	98.10
August, 2015	118.80	78.50	118.70	80.00
September, 2015	103.30	80.30	103.50	80.00
October, 2015	117.65	101.00	117.50	100.45
November, 2015	121.40	98.40	121.20	98.30
December, 2015	109.50	90.00	109.70	88.05
January, 2016	112.90	86.00	113.00	86.05
February, 2016	104.00	76.10	104.00	76.00
March, 2016	100.25	76.60	100.00	76.85

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. Sharepro Services India Pvt. Ltd., 13 AB, Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072, Tel: (022) 67720300/67720400 and Fax : (022) 28591568 were acting as Registrar & Transfer Agents(RTA) for handling the shares related matters both in Physical & Dematerialized mode.

As per SEBI order PR NO 66/2016 dated 22nd March, 2016, the Companies were advised to change their Registrar and Transfer Agents (RTA). The Board of Directors accordingly at its meeting held on 23rd May, 2016 appointed M/s. Link Intime India Pvt. Ltd. as their RTA w.e.f. 20th June, 2016, for handling the shares related matter in Physical & Dematerialised mode. Shareholders are advised to send all correspondence to the new RTA at the below mentioned address:

M/s. Link Intime India Private Limited, C -13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078 Tel.: 91-22-2594-6970 || Fax: 91-22-2594 6969 || 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 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, 2016.**

No. of Equity Shares Held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
Up to 500	19095	70.890	2999274	3.103
501 - 1000	3133	11.631	2721593	2.815
1001 - 2000	2373	8.810	4100255	4.242
2001 - 3000	675	2.506	1702387	1.761
3001 - 4000	482	1.789	1789135	1.851
4001 - 5000	375	1.392	1723691	1.783
5001 - 10000	397	1.474	2960580	3.063
10001 and above	406	1.507	78668915	81.382
TOTAL	26936	100.000	96665830	100.000

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, 2016, 97.31% of the totals shares of the Company have been dematerialised.

xi. **Outstanding: GDR/ADR/Warrants/Options**

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

The Company has issued 7,77,700 Equity Shares of ₹ 1/- each to its employees under the ESOP Schemes of 2008, 2012 and 2014 at a price of ₹ 6.20, ₹ 8 and ₹ 67 per Share respectively on 21st October, 2015, 24th October, 2015 and 23rd February, 2016.

xii. **Subsidiary Company**

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

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

xiv. **Address for correspondence:**

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

xv. **Secretarial Department:**

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

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.

Ashish S. Dandekar
Managing Director

For & On behalf of the Board
Dattatraya R. Puranik
*Executive Director &
Chief Financial Officer*

Place : Mumbai
Dated : 23rd May, 2016

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, 2016.

Ashish S. Dandekar
Managing Director

Place : Mumbai
Dated : 23rd May, 2016

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

The Members of Camlin Fine Sciences Limited

We have examined the compliance of conditions of Corporate Governance by Camlin Fine Sciences Ltd for the year ended on 31st March, 2016 as stipulated in **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** of the said Company with Stock Exchange(s).

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 stipulated in the abovementioned Listing Agreement.

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 J. H. Ranade & Associates
Company Secretaries

Place : Thane
Dated : 20th May, 2016

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

ANNEXURE A TO CORPORATE GOVERNANCE REPORT

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

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

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

OBJECTIVES

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

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

APPLICABILITY

The Policy is applicable to:

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

DEFINITIONS

- **"Act"** means the Companies Act, 2013 and Rules framed there under, including notifications, clarifications and guidelines issued by Ministry of Corporate Affairs from time to time.
- **"Board"** means Board of Directors of the Company.
- **"Company"** means Camlin Fine Sciences Limited.
- **"Directors"** mean Directors of the Company.
- **"Key Managerial Personnel"** means

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

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

GUIDING PRINCIPLES

The Policy ensures that:

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

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

A. ROLE OF THE COMMITTEE:

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

- a) To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance;
- b) To formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- c) To recommend to the Board the appointment and removal of Key Managerial Personnel and Senior Management;
- d) To recommend to the Board on (i) Remuneration for Directors and Key Managerial Personnel and (ii) Executive Directors remuneration and incentive;
- e) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director

at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

- f) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- g) To devise a policy on Board diversity;
- h) To develop a succession plan for the Board and to regularly review the plan.

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

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

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

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

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

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

COMMITTEE MEMBERS INTEREST AND VOTING

A. COMMITTEE MEMBERS 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. EVALUATION:

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

D. REMOVAL/VACANCY:

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

E. RETIREMENT:

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

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

1. REMUNERATION:

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

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

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

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

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

2. MINIMUM REMUNERATION:

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

3. PROVISIONS FOR REMUNERATION:

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

PROVISIONS RELATING TO REMUNERATION TO NON-EXECUTIVE/ INDEPENDENT DIRECTOR

1. REMUNERATION/ COMMISSION:

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

2. SITTING FEES:

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

3. STOCK OPTIONS:

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

4. PROVISIONS FOR REMUNERATION:

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

REVIEW, AMENDMENT AND DEVIATIONS FROM POLICY

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

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

DISSEMINATION OF POLICY

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

ANNEXURE B TO CORPORATE GOVERNANCE REPORT

EVALUATION CRITERIA OF INDEPENDENT DIRECTORS

Background

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

Evaluation Mechanism

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

Evaluation Process

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

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

ANNEXURE - I

Template for Performance Evaluation of the Independent Directors

Name and signature of the Director giving the feedback:

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

#Remark

Unsatisfactory Satisfactory Good

Managing Director and Chief Financial Officer Certificate

The Board of Directors
Camlin Fine Sciences Limited.
Mumbai

Dear Members of the Board,

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

Ashish S. Dandekar
Managing Director

Dattatraya R. Puranik
*Executive Director &
Chief Financial Officer*

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Camlin Fine Sciences Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Camlin Fine Sciences Limited ("the Company"), which comprise the balance sheet as at March 31, 2016, the statements of profit and loss and the cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its profit and cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note No. 12 of the financial statements in respect of the Company's investment of ₹ 56.01 Lacs in and loans of ₹ 160.33 Lacs given to its Subsidiary Company recoverability of which is based on successful implementation of management's future plans in respect of the subsidiary.

Our opinion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a

statement on the matters specified in the paragraphs 3 and 4 of the Order.

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

Companies (Audit and Auditors) Rules, 2014 (as amended) in our opinion and to our best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35, to the financial statements.
- ii. The Company did not have any long term contracts including derivative contracts on which provision for material foreseeable losses was required under the applicable law or accounting standards.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection Fund by the Company.

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

Chartered Accountants

Firm's Registration No. : 105102W

Himanshu Chapsey

Partner

Membership No. : 105731

Mumbai: May 23, 2016

ANNEXURE A TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 10 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF MEMBERS OF CAMLIN FINE SCIENCES LIMITED FOR THE YEAR ENDED MARCH 31, 2016

- 1) i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- ii. According to the information and explanations given to us the fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The fixed assets have not been physically verified by the Company during the year and hence it is not possible to determine whether there are any discrepancies with respect to the same.
- iii. The title deeds of immovable property of the Company are held in the name of the Company.
- 2) Inventories have been physically verified by management at reasonable intervals during the year. The discrepancies noticed on such verification were immaterial and have been properly dealt with in the books of account of the Company.
- 3) The Company has granted unsecured loans to 7 companies covered in the register maintained under Section 189 of the Act which aggregated ₹ 2,836.54 Lacs at March 31, 2016.
 - i. Except for one loan aggregating ₹ 377.68 Lacs at March 31, 2016 (the terms of which are not prima facie prejudicial to the Company), the aforesaid loans have been made to its wholly-owned subsidiaries. According to the information and explanations given to us, and having regard to management's representation that the loans are given to wholly-owned subsidiaries of the Company in the interest of the Company's business, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
 - ii. According to the information and explanations given to us, and to the best of our knowledge no schedule of repayment of principal and interest has been stipulated in respect of the loans aggregating ₹ 1,470.93 Lacs. In respect of the other loans, the same are repayable over a period of 2 years from the date on which these have been granted without any specific stipulation as to payment of interest and principal.
- iii. In respect of the loan of ₹ 377.68 Lacs (against which a provision of ₹ 160 Lacs has been made), the Company is in discussions with the borrower for the recovery of amount and has recovered some amount during the year. In respect of the other loans in view of no specific stipulation as to payment of interest and principal, we are unable to comment on the overdue amount, if any, on such loans.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act 2013, and the Rules framed thereunder in respect of loans to investments in guarantees and other security given by the Company.
- 5) As indicated in note 9 to the financial statements, the Company has, in respect of the deposits accepted by it, complied with the provisions of Sections 73-76 of the Act read with the Rules framed thereunder. According to the information and explanations given to us, the Company has not accepted deposits during the year ended March 31, 2016. According to the information and explanations given to us and to the best of our knowledge and belief, no order has been passed by the Company Law board or the Reserve Bank of India or any court or other tribunal which is to be complied with by the Company.
- 6) We have broadly reviewed the books of account maintained by the Company in respect of the products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) i. According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Excise Duty, Customs Duty, Sales Tax, Service Tax, Customs Duty, Value Added Tax, and other statutory dues applicable to it.
- ii. According to the information and explanations given to us, there are no undisputed amounts

payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Excise Duty, Service Tax, Customs Duty and Value Added Tax that were outstanding, at the year-end for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of Dues	₹ In Lacs	Period to which the amount relates	Forum
Maharashtra Value Added Tax Act, 2002	Value Added Tax	77.16	2010-2011	Deputy Commissioner Appeals
Central Sales Tax, 1956	Sales Tax	655.28	2010-2011	Deputy Commissioner Appeals

- 8) The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or repayment of dues to debenture holders.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which those are raised.
- 10) Based on the audit procedures performed and as per the information and explanations given to us by management, no fraud on or by the Company has been noticed or reported during the year.
- 11) Managerial remuneration paid is in accordance with the requisite approvals mandated by the provisions of

section 197 read with Schedule V to the Companies Act, 2013.

- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us all transactions with related parties during the year are in compliance with sections 177 and 188 of Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence provisions of para 3(xvi) of the Order are not applicable to the Company.

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

Chartered Accountants

Firm's Registration No. : 105102W

Himanshu Chapsey

Partner

Membership No. : 105731

Mumbai: May 23, 2016

Annexure B to the Independent Auditor's Report Of Even Date On The Standalone Financial Statements Of Camlin Fine Sciences Limited

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

We have audited the internal financial controls over financial reporting of Camlin Fine Sciences Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Chapsey
Partner
Membership No. 105731

Mumbai: May 23, 2016

BALANCE SHEET

as at 31 March, 2016

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

	Note	2016	2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	966.66	958.88
Reserves & Surplus	3	11,128.36	8,824.07
		12,095.02	9,782.95
Non-current liabilities			
Long term Borrowings	4	2,000.38	2,671.31
Deferred tax liability, net	5	324.51	374.34
Long-term provision	6	185.26	147.00
		2,510.15	3,192.65
Current liabilities			
Short-term Borrowings	7	12,575.93	9,760.15
Trade payables	8	8,024.23	9,363.31
Other current liabilities	9	2,488.35	1,927.38
Short-term provisions	10	549.00	544.35
		23,637.51	21,595.19
TOTAL		38,242.68	34,570.79
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	11	8,639.81	5,909.88
Intangible assets	11	284.47	388.86
Capital work-in-progress		114.88	21.38
		9,039.16	6,320.12
Non-current Investments	12	671.30	457.77
Long- term loans and advances	13	1,179.92	766.23
Current assets			
Inventories	14	11,805.56	9,009.30
Trade receivables	15	9,833.14	12,392.91
Cash and Bank Balances	16	1,328.71	1,222.01
Short-term loans and advances	17	1,633.74	1,104.58
Other current assets	18	2,751.15	3,297.86
		27,352.30	27,026.67
TOTAL		38,242.68	34,570.79
Significant Accounting Policies and Notes to Accounts	1		

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

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

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited
A.S.Dandekar
Managing Director

D.R.Puranik
Executive Director & Chief Financial Officer

Himanshu Chapsey
Partner
Membership No : 105731

R.D.Sawale
Company Secretary

Mumbai
Dated : 23 May 2016

Mumbai
Dated : 23 May 2016

STATEMENT OF PROFIT AND LOSS

for the period ended 31 March 2016

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

	Note	2016	2015
INCOME			
Revenue from operations (Gross)		42,266.38	44,300.16
Less: Excise Duty		(1,047.85)	(1,230.23)
Revenue from operations (Net)	19	41,218.53	43,069.93
Other Income	20	370.25	194.64
Total Revenue		41,588.78	43,264.57
EXPENDITURE			
Cost of materials consumed	21	25,640.12	26,361.74
Purchase of stock in trade	22	1,364.06	2,423.17
Changes in inventories of finished goods/WIP/stock in trade	23	(2,572.20)	(933.47)
Employee benefits expense	24	1,947.33	1,770.91
Finance cost	25	2,182.93	2,115.11
Depreciation and amortisation expense	11	1,014.86	996.30
Research and development expenses	26	210.08	247.89
Other expenses	27	7,875.77	7,105.89
		37,662.95	40,087.54
Profit before exceptional items and tax		3,925.83	3,177.03
Exceptional item	29	454.73	-
Profit before tax		3,471.10	3,177.03
Less : Tax expense			
- Current Tax		776.54	734.73
- Prior period Tax Adjustment		24.71	-
- MAT credit utilised/(entitlement)		144.49	(144.49)
- Deferred tax charge/(credit)		(49.83)	5.03
Profit for the year		2,575.19	2,581.76
Earnings per equity share of face value of ₹ 1/- each	30		
Basic (in ₹)		2.68	2.71
Diluted (in ₹)		2.67	2.70
Significant accounting policies	1		

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

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

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited
A.S.Dandekar
Managing Director

D.R.Puranik
Executive Director & Chief Financial Officer

Himanshu Chapsey
Partner
Membership No : 105731

R.D.Sawale
Company Secretary

Mumbai
Dated : 23 May 2016

Mumbai
Dated : 23 May 2016

CASH FLOW STATEMENT

for the year ended 31 March 2016

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

	2016	2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before taxation	3,471.10	3,177.03
Adjustments for:		
Depreciation on Fixed Assets	1,014.86	996.30
Deferred employee compensation expenses amortised	(8.52)	(11.82)
Foreign Exchange loss/(gain) (Unrealised)	112.89	(256.54)
(Profit)/Loss on Sale of Fixed Assets	29.48	(47.75)
Provision for Doubtful Advances	-	160.00
Provision for Doubtful Debts (Net)	94.75	75.10
Provision for leave encashment	37.08	53.77
Provision for diminution other than temporary in investments	-	30.60
Finance costs	2,182.93	2,115.11
Interest Received/Dividend Received	(151.90)	(141.81)
Operating Profit before Working Capital changes	6,782.67	6,149.99
Adjustments for:		
(Increase) / Decrease in inventories	(2,796.26)	(4,125.34)
(Increase) / Decrease in trade receivables	2,492.23	(3,134.69)
(Increase) / Decrease in long term loans and advances	35.45	(512.76)
(Increase) / Decrease in other receivables	546.71	1,690.23
Increase / (Decrease) in trade payable	(1,479.18)	3,425.98
Increase / (Decrease) in other payable	69.34	129.51
Cash generated in Operations	5,650.96	3,622.93
Direct taxes paid	(560.09)	(982.94)
Net cash generated from operating activities	5,090.87	2,639.99
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(3,691.34)	(2,388.23)
Sale of Fixed Assets	0.12	54.73
(Purchase)/Sale of Investments	(213.53)	(107.64)
Interest received	151.90	141.78
Dividend received	-	0.03
Net cash used in Investing Activities	(3,752.85)	(2,299.33)

CASH FLOW STATEMENT (Contd.)

for the year ended 31 March 2016 (contd.)

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

		2016	2015
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from borrowings (Net of repayments)	2,815.78	1,183.82
	Receipt of term loan	521.00	678.00
	Repayment of term loan	(964.40)	(1,496.17)
	Proceeds from issue of share capital	270.77	134.04
	Receipt/(Payment) of Loans and advances	(1194.94)	1,500.34
	Maturity of/(Investment in) Margin Fixed Deposit	(72.82)	78.01
	Interest Paid	(2,164.22)	(2,169.47)
	Dividend Paid	(432.69)	(335.97)
	Tax on Dividend	(88.10)	(56.65)
	Net cash used in Financing Activities	(1,309.63)	(484.05)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	28.40	(143.39)
	Opening Cash and Cash Equivalents	213.68	357.07
	Closing Cash and Cash Equivalents	242.08	213.68
	Significant Accounting Policies	1	

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

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

Chartered Accountants
Firm Registration No : 105102W

Himanshu Chapsey

Partner

Membership No : 105731

Mumbai

Dated : 23 May 2016

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

A.S.Dandekar
Managing Director

D.R.Puranik

Executive Director & Chief Financial Officer

R.D.Sawale

Company Secretary

Mumbai

Dated : 23 May 2016

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

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

1 SIGNIFICANT ACCOUNTING POLICIES

a Basis of Preparation

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

b Use of estimates

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

c Presentation and disclosure of financial statements

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

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

d Summary of significant accounting policies

i Fixed assets

Tangible fixed assets

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

a Intangible assets

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

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

b Research and development cost.

Research cost are expensed as incurred. Development expenditure incurred on an individual project is

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

recognised as an intangible assets when all of the following criteria are met:

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

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

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

ii Impairment of assets

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

iii Depreciation

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

Leasehold land is depreciated over its period of lease.

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

iv Investments

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

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

v Inventories

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

Raw materials and packing materials are valued at cost or net realizable value whichever is lower. Cost is determined on the basis of weighted average method. Finished goods produced and purchased for sale and work-in-progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory.

Stores and spares are carried at cost.

vi Foreign currency transactions

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

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

vii Research and Development

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

viii Employee stock options

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

ix Employee benefits

Short term employee benefits

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

Defined contribution plan

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

Defined Benefit Plan

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

Compensated Absences

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

x Revenue

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

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

xi Expenses

Expenses are accounted for on accrual basis.

xii Provisions, Contingent Liabilities and Contingent Assets.

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

A Contingent liability is a possible obligation that arises from past events or a present obligation that is not recognised because it is not possible that an outflow of resources will be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

Contingent liabilities are disclosed by way of notes to the financial statements, after evaluation by the management of the facts and legal aspects of each matter involved.

Contingent Assets are neither recognised nor disclosed in financial statements.

xiii Income-tax

Tax expense comprises current and deferred tax.

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

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

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

xiv Earnings per share

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

xv Borrowing costs

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

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

xvi Cash and cash equivalents

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

xvii Leases

Finance Leases, where substantially all the risks and benefits incidental to ownership of the leased item, are transferred to the Company, are accounted for as finance leases. Assets acquired under finance leases are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets.

Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to income. Lease management fees, legal charges and other initial direct costs are capitalised.

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

		2016	2015
2	SHARE CAPITAL		
	Authorised Share Capital		
	15,00,00,000 equity shares of ₹ 1/- each (Previous Year 13,50,00,000 equity shares of ₹ 1/- each)	1,500.00	1,350.00
	Issued, subscribed and fully paid up share capital		
	9,66,65,830 Equity Shares of ₹ 1/- each (Previous Year 9,58,88,130 equity shares of ₹ 1/-each)	966.66	958.88
	a. Terms/rights attached to equity shares		
	The Company has only one class of shares having par value of Re.1/- . Each holder of equity shares is entitled to one vote per share.		
	The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.		
	In the event of liquidation of the Company, the holders of equity shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding However, no such preferential amounts exist currently.		

b. Reconciliation of the number of shares

	2016		2015	
	No. of shares	Amount	No. of shares	Amount
Balance, beginning of the year	9,58,88,130	958.88	4,72,04,165	944.08
Add: Stock options exercised (shares of face value of ₹ 1/- each)	7,77,700	7.78	4,25,350	8.51
	9,66,65,830	966.66	4,76,29,515	952.59
Increase in number of shares due to stock split		-	4,76,29,515	-
Stock options exercised (shares of face value of ₹ 1/- each)		-	6,29,100	6.29
Balance, end of the year	9,66,65,830	966.66	9,58,88,130	958.88

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

Name of Shareholder	2016		2015	
	Number	%	Number	%
Ashish S. Dandekar	1,36,31,000	14.10	1,35,94,200	14.18
Leena A. Dandekar	-	-	75,56,144	7.88
Abha A. Dandekar	55,73,937	5.77	94,33,586	9.84
Vivek A. Dandekar	55,73,937	5.77	94,33,586	9.84
Camart Industries Ltd.	53,19,360	5.50	53,19,360	5.55
	3,00,98,234	31.14	4,53,36,876	47.29

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016	2015
3 Reserves & Surplus		
Capital Reserve		
Balance, beginning and end of the year	80.60	80.60
Securities Premium		
Balance, beginning of the year	803.10	683.85
Received on exercise of stock options	263.00	119.25
Balance, end of the year	1,066.10	803.10
Employee Stock Options Outstanding [See Note 24(i)]		
a) Employee Stock Option Outstanding- Balance, beginning of the year	12.36	47.62
Less: Amount transferred in respect of options lapsed- to statement of profit and loss	-	(2.37)
Transferred to security premium on account of exercise of option.	(12.36)	(32.89)
Balance, end of the year a	-	12.36
Less:		
b) Deferred employee compensation expense		
Balance, beginning of the year	3.84	27.28
Add: Fresh grant of options	-	
Less: Employee compensation/option lapsed net-to statement of profit and loss	(3.84)	(23.44)
Balance, end of the year b	-	3.84
(a - b)	-	8.52
General Reserve		
Balance, beginning of the year	2,402.04	2,272.04
Transfer from balance in Profit and Loss	130.00	130.00
Balance, end of the year	2,532.04	2,402.04
Balance in Statement of Profit and Loss		
Balance, beginning of the year	5,529.81	3,646.63
Profit for the year	2,575.19	2,581.76
Less:		
Depreciation adjustment [Net of tax (See Note 11)]		(48.73)
	8,105.00	6,179.66
Appropriations		
Proposed dividend	(436.35)	(431.50)
Tax on proposed dividend	(89.03)	(88.35)
Transfer to General Reserve	(130.00)	(130.00)
	(655.38)	(649.83)
Balance, end of the year	7,449.62	5,529.81
	11,128.36	8,824.07

Balance in General Reserves includes ₹ 16 Lacs as on 1 April 2011 transferred on account of amalgamation of Sangam Laboratories Limited in the year ended 31 March 2011 which is not available for distribution of dividend.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

		Non-current		Current	
		2016	2015	2016	2015
4	Long term borrowings				
	Secured				
	Term loan from banks				
	In foreign currency (See a below)	147.67	499.57	500.23	558.85
	In Rupees (See b below)	1,852.71	2,171.74	818.41	528.31
		2,000.38	2,671.31	1,318.64	1,087.16
	Unsecured				
	Deposits from public	-	-	-	9.30
		2,000.38	2,671.31	1,318.64	1,096.46

a Foreign currency term loans

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

- First pari passu mortgage and charge on mortgage and charge on the entire immoveable properties and moveable fixed assets of the Company, both present and future.
- Pledge of 100% of the equity shares of CFCL Mauritius Pvt. Ltd ("CFCL Mauritius").
- Pledge of 100% equity stake of the CFS EUROPE S.p.A .Italy held by the CFCL Mauritius. Collateral Security: 2nd pari passu charge on the entire current assets of the Company.

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

b Rupee term loans

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

Term loan from EXIM Bank is repayable in 28 & 21 equal quarterly installments commencing after a moratorium period of one year and two year for the date of first disbursement from 13 May, 2010 and 28 March 2014. The loan is secured by a first pari passu charge on all the fixed assets of the Company, both present and future. Collateral Securities: 2nd pari passu Charge on the entire Current assets of the Company. In addition to the above the loan disbursed on 28 March 2014 is also secured by way of 1)Pledge of 100% Shares of CFCL Mauritius Private Limited held by CFCL.(2) Pledge of 100% shares of CFS Europe S.P.A .Italy held by CFCL Mauritius Pvt. Ltd. The current interest rate on these ranges from 12.05 % to 13.35%.

Term loan from State Bank of Patiala is repayable in 26 equal quarterly installments commencing from 31 December 2013. The loan is secured by first pari passu charge on all the fixed assets of the Company, both present and future. Collateral Security: 2nd pari passu Charge on the entire Current assets of the Company. The current interest rate is 12.50%. Term loan from HDFC Bank is repayable in maximum tenure five to seven years. The loan is secured by hypothecation of vehicles. The current interest rate ranges from 11.50% to 12.50%. Term loan from ICICI Bank is repayable in maximum tenure five years. The loan is secured by hypothecation of vehicles. The current interest rate ranges from 11.50% to 12.50%.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016	2015
5 Deferred tax liability, net		
The components of the deferred tax liability are as follows		
Liability		
Depreciation	548.42	551.62
Gratuity (Prepaid)	15.78	10.52
	564.20	562.14
Asset		
Provision for doubtful debts and advances	157.86	122.84
Leave encashment	72.74	58.84
Other disallowances under the Income-Tax Act	9.09	6.12
	239.69	187.80
	324.51	374.34

6 Long term provision

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

7 Short term borrowings

The short term borrowings comprise entirely secured cash credit/packing credit from banks in foreign currency repayable on demand. The facilities are secured by primary charge over Company's inventory of raw material, packing material, semi finished goods and book debts and further by way of collateral security in the form of equitable mortgage of factory land and building at Tarapur MIDC, Boisar as second charge). Second pari passu charge on all movable and immovable fixed assets of the Company.

8 Trade Payables

Trade payables comprise entirely amounts payable to creditors. Based on the information available with the Company, no creditors have been identified as 'supplier' within the meaning of Micro, Small & Medium Enterprises Development Act, 2006 as on 31 March 2016.

	2016	2015
9 Other current liabilities		
Current maturities of foreign currency debt	500.23	558.85
Current maturities of long-term debt	818.41	528.31
Current maturities of public deposits	-	9.30
Interest accrued but not due on borrowings	48.43	29.52
Unpaid dividends (See Note below a)	22.90	18.61
Unclaimed Interest on public deposit	2.68	2.89
Unclaimed public deposit (See Note below b)	5.35	-
Provision for taxation	454.55	213.44
Share Application money received for allotment of securities and due for refund	0.38	0.38
Deposits	7.88	10.18
TDS Payable	77.71	94.03
Other statutory dues	33.21	8.28
Commission to Director	92.40	110.20
Commission on Sales	120.52	145.14
Other outstanding liabilities	303.70	198.25
	2,488.35	1,927.38

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

9. Other current liabilities (Contd.)

- a Does not include any amount due and outstanding to be credited to Investor Education and Protection Fund
- b The unclaimed fixed deposits of ₹ 5.35 outstanding at March 31, 2016 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.

	2016	2015
10 Short-term provisions		
Provisions for		
Employee benefits - leave encashment	24.94	26.11
Proposed dividend	435.00	430.14
Tax on proposed dividend	89.06	88.10
	549.00	544.35

11 FIXED ASSETS FOR THE YEAR ENDED 31 MARCH, 2016

PARTICULARS	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2015	Additions during the year	Deletions during the year	As at March 31, 2016	As at April 1, 2015	Depreciation charge for the year	Depreciation on Deletions during the year	Adjusted to reserves	As at March 31, 2016	As at March 31, 2016
Tangible Assets										
Freehold Land	207.19	-	-	207.19	-	-	-	-	-	207.19
Leasehold Land	35.14	911.88	-	947.02	1.39	25.98	-	-	27.37	919.65
Factory & Other Building	992.24	48.30	33.62	1,006.92	405.23	25.46	4.06	-	426.63	580.29
Site Development	37.55	-	-	37.55	8.40	1.54	-	-	9.94	27.61
Plant, Equipment & Machinery	7,799.93	2,463.72	-	10,263.65	4,155.52	527.83	-	-	4,683.35	5,580.35
Furniture & Fixtures	431.62	3.60	-	435.22	226.13	66.21	-	-	292.34	142.88
Vehicles	262.61	-	-	262.61	76.39	32.12	-	-	108.51	154.10
ERP Hardware Cost	144.92	39.54	3.85	180.61	115.24	22.05	3.82	-	133.47	47.14
R&D Assets										
Equipments & Furniture	818.25	90.00	-	908.25	57.60	82.60	-	-	140.20	768.05
Building	229.03	-	-	229.03	2.70	13.73	-	-	16.43	212.60
Total	10,958.48	3,557.04	37.47	14,478.11	5,048.60	797.52	7.88	-	5,838.24	8,639.81
Intangible Assets										
ERP Software Cost	137.22	25.42	-	162.64	112.57	16.37	-	-	128.94	33.70
Technical Know-How	1,275.41	-	-	1,275.41	911.20	193.64	-	-	1,104.84	170.57
R & D Process Development	-	87.53	-	87.53	-	7.33	-	-	7.33	80.20
Total	1,412.63	112.95	-	1,525.58	1,023.77	217.34	-	-	1,241.11	284.47
Current Years Total	12,371.11	36,69.99	37.47	16,003.63	6,072.37	1,014.86	7.88	-	7,079.35	8,924.28

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

FIXED ASSETS FOR THE YEAR ENDED 31 MARCH, 2015

PARTICULARS	Gross Block				Accumulated Depreciation					Net Block	
	As at April 1, 2015	Additions during the year	Deletions during the year	As at March 31, 2015	As at April 1, 2014	Depreciation charge for the year	Depreciation on Deletions during the year	Adjusted to reserves	As at March 31, 2016	As at March 31, 2016	
Tangible Assets											
Freehold Land	212.46	-	5.27	207.19	-	-	-	-	-	207.19	
Leasehold Land	35.14	-	-	35.14	1.06	0.33	-	-	1.39	33.75	
Factory & Other Building	914.33	77.91	-	992.24	360.62	44.61	-	-	405.23	587.01	
Site Development	37.55	-	-	37.55	6.86	1.54	-	-	8.40	29.15	
Plant, Equipment & Machinery	6,348.61	1,484.82	33.50	7,799.93	3,594.02	536.02	31.79	57.27	4,155.52	3,644.41	
Furniture & Fixtures											
Owned	226.84	10.69	-	237.53	81.18	22.11	-	3.82	107.11	130.42	
Leased (See Note 33)	194.09	-	-	194.09	58.33	60.69	-	-	119.02	75.07	
Vehicles	230.81	31.80	-	262.61	45.07	31.32	-	-	76.39	186.22	
ERP Hardware Cost	128.93	15.99	-	144.92	79.38	24.25	-	11.61	115.24	29.68	
R&D Assets											
Equipments & Furniture	98.34	719.91	-	818.25	28.29	28.19	-	1.12	57.60	760.65	
Building		229.03	-	229.03		2.70	-	-	2.70	226.33	
Total	8,427.10	2,570.15	38.77	10,958.48	4,254.81	751.76	31.79	73.82	5,048.60	5,909.88	
Intangible Assets											
ERP Software Cost	121.54	15.68	-	137.22	100.76	11.81	-	-	112.57	24.65	
Technical Know-How	1,275.41	-	-	1,275.41	678.47	232.73	-	-	911.20	364.21	
Total	1,396.95	15.68	-	1,412.63	779.23	244.54	-	-	1,023.77	388.86	
Previous Years Total	9,824.05	2,585.83	38.77	12,371.11	5,034.04	996.30	31.79	73.82	6,072.37	6,298.74	

The Company has revised depreciation rates on fixed assets effective 1 April 2014 in accordance with requirements of Schedule II of the Act.

The remaining useful life has been revised by adopting standard useful life as per the Act. The carrying amount as on 1 April, 2014 is depreciated over the revised remaining useful life. As a result of these changes

- the depreciation charge for year ended 31st March, 2015 is higher by ₹ 108.45 Lacs respectively.
- there is a debit to retained earning of ₹ 48.73 Lacs net (net of deferred tax) for the assets whose remaining life on 1 April, 2014 is reduced to NIL in accordance with revised life as considered by management.

12	Non current investments	2016		2015	
		Number	Amount	Number	Amount
	Trade, valued at cost unless otherwise stated In equity instruments (unquoted)				
	Of subsidiary companies				
	CFCL Mauritius Limited (of US \$ 1 fully paid)	1,32,000	59.73	1,32,000	59.73
	CFS DO BRASIL IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA. (CFS DO BRASIL)(of Real \$ 1 fully paid)	12,50,000	331.58	12,50,000	331.58
	Solentus North America Inc. (of CAD \$ 1 fully paid)	98,600	56.01	98,600	56.01
	CFS North Americal LLC (of USD \$ 1 fully paid)	3,15,000	211.62	-	-
	CFS Antioxidantes De Mexico S.A. De C.V. (of Mexican Pesos 1 fully paid)	50	1.91	-	-
			660.85		447.32

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016		2015	
	Number	Amount	Number	Amount
Of Associates				
Fine Lifestyle Brand Limited (of ₹ 10 fully paid)	2,55,000	25.50	2,55,000	25.50
Others				
Fine Renewable Energy Limited (of ₹ 10 fully paid)	51,000	5.10	51,000	5.10
Chemolutions Chemicals Limited (of ₹ 10 fully paid)	99,500	9.95	99,500	9.95
		15.05		15.05
Trade Investments Total		701.40		487.87
Non-trade				
In equity shares of Saraswat Co-Opeartive Bank Limited (of ₹ 10 fully paid)	5,000	0.50	5,000	0.50
		0.50		0.50
Provision for diminution in value of investments		(30.60)		(30.60)
		671.30		457.77
Aggregate market value of unquoted investments		671.30		457.77

- The Company has invested ₹ 56.01 Lacs (previous year ₹ 56.01 Lacs) in the share capital of M/s. Solentus North America Inc., its wholly owned subsidiary Company ("the subsidiary") and given a loan of ₹ 160.33 Lacs (previous year ₹ 122.89 Lacs) to it (included in loans and advances) (See Note 17) upto 31 March 2016. The subsidiary has negative net worth as at 31 March 2016 and is dependent upon the Company to enable it to meet its obligations as they become due. Based on the proposed plans for the subsidiary, management believes the loan to be fully recoverable and further believes that there is no diminution other than temporary in its investment in the share capital of the subsidiary.
- The provision for diminution in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited and Fine Lifestyle Brand Limited.
- On May 4, 2016, CFS Antioxidantes De Mexico S.A. de C. V., the Company's wholly owned subsidiary in Mexico has acquired a 65% stake for USD 7.80 million in Dresen Quimica S.A.P.I.de C.V., Mexico along with its five wholly owned subsidiaries in Mexico, Peru, Guatemala, Columbia and Dominican Republic.
- On 15th April, 2016, Company has incorporated a subsidiary in the free trade zone of China, namely, CFS International Trading (Shanghai) Ltd. for trading in specialty chemicals.

	2016	2015
13 Long term loans and advances (unsecured, considered good)		
Loans and advances to related parties (See Note no 17)	1044.74	378.94
Capital advances	-	72.17
Security deposits	135.18	144.63
Other loans and advances		
Advance to vendor	-	26.00
MAT credit entitlement	-	144.49
	1,179.92	766.23

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016	2015
14 Inventories		
Raw material and components (including packing materials) [includes goods in-transit ₹ 1,759.06 Lacs, (previous year ₹ 1,954.14 Lacs)]	5,572.17	5,376.63
Work-in-progress	1,891.10	1,406.04
Finished goods	4,168.78	1,716.59
Stock in trade	64.28	429.33
Stores and spares	109.23	80.71
	11,805.56	9,009.30
15 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	217.65	145.31
Doubtful	265.53	170.78
	483.18	316.09
Less: Provision for doubtful debts	(265.53)	(170.78)
	217.65	145.31
Other debts		
Unsecured, considered good [Net of Bills Discounted ₹ 5,109.82 Lacs (Previous year ₹ 4,563.25 Lacs)]	9,615.49	12,247.60
	9,833.14	12,392.91
16 Cash and cash equivalents		
Balances with banks		
In current account	233.40	207.40
Unpaid dividend/interest account	27.35	21.87
Cash on hand	8.68	6.28
	269.43	235.55
Other bank balances		
Margin money	1,059.28	986.46
	1,328.71	1,222.01
17 Short term loans and advances		
Loans and advances to related parties (Unsecured, considered good) (See a below)	1,413.86	874.18
Loans to others		
Unsecured, considered good	219.88	230.40
Considered doubtful	160.00	160.00
	379.88	390.40
Less: Provision for doubtful advances	(160.00)	(160.00)
	219.88	230.40
	1,633.74	1,104.58

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016		2015	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
Loans and advances to related parties include loans to subsidiaries and associates as follows				
Subsidiaries				
CFCL Mauritius Private Limited (Purpose : General corporate purposes)	1093.25	1093.25	990.97	2511.87
CFS Europe S. p. A (Purpose : General corporate purposes)	-	53.67	37.49	40.14
CFS do Brasil (Purpose : General corporate purposes)	774.38	779.71	101.77	114.77
Solentus North America Inc (Purpose : General corporate purposes)	160.33	160.33	122.89	122.89
CFS North America LLC (Purpose : General corporate purposes)	430.64	437.14	-	-
Associate				
Fine Lifestyle Brands Limited (Purpose : General corporate purposes)	0.26	0.26	-	36.86
	2458.86	2524.36	1253.12	2826.53

a.	2016	2015
Disclosed as		
Short Term	1,413.86	874.18
Long Term	1,044.74	378.94
	2,458.60	1,253.12

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

	2016		2015	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
Chemolution Chemicals Ltd.	377.68	411.59	388.47	390.40
Fine Renewable Energy Ltd. (Purpose : General corporate purposes)	-	-	-	28.55
	377.68	411.59	388.47	418.95

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016	2015
18 Other current assets		
Claim receivable	-	859.92
Prepaid expenses	309.32	369.70
Advance to Material Suppliers [Refer note no.32 (c) (v)]	738.90	1,194.46
Loans to employees	1.51	10.40
Gratuity [See Note 24(ii)]	45.58	30.95
Balance with statutory/government authorities	932.70	650.50
Deposits	19.50	8.06
Others	703.64	173.89
	2,751.15	3,297.86
19 Revenue from operations		
Sale of products		
Finished goods	40,123.13	41,459.42
Traded goods	1,528.75	2,564.67
Sale of services	-	0.10
Other operating revenues		
- Export benefits	592.75	238.75
- Scrap sales	21.75	37.22
Revenue from operations (gross)	42,266.38	44,300.16
Less: Excise duty	(1,047.85)	(1,230.23)
	41,218.53	43,069.93
Sales of product comprise		
Shelf Life solutions	27,775.45	31,715.95
Performance Chemicals (including traded)	12,543.59	11,077.92
Others	306.75	37.22
	40,625.79	42,831.09
20 Other income		
Interest income	151.90	141.78
Dividend income	-	0.03
Profit on sale of fixed assets (Net)	-	47.75
Gain on Foreign Exchange Fluctuations	200.52	-
Miscellaneous receipts	17.83	5.08
	370.25	194.64
21 Cost of materials consumed		
Opening Stock of Raw Material	5,457.34	2,265.47
Add: Purchases of Raw Material	25,864.18	29,553.59
Less: Closing Stock of Raw Material	(5,681.40)	(5,457.34)
	25,640.12	26,361.74
22 Purchase of stock in trade		
Purchases of stock in trade	1,364.06	2,423.17

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016	2015
23 Changes in inventory of finished goods and work in progress		
Opening Inventory		
Finished Goods	2,145.92	1,832.37
Work-In-Progress	1,406.04	786.12
	3,551.96	2,618.49
Closing Inventory		
Finished Goods	4,233.06	2,145.92
Work-In-Progress	1,891.10	1,406.04
	6,124.16	3,551.96
	(2,572.20)	(933.47)
Consumption of raw materials, packing materials and traded goods		
Hydroquinone	11,922.43	12,994.72
Tertiary Butyl Alcohol	2,149.36	2,855.25
Catechol	5,960.79	6,901.24
Toluene	786.63	1,053.67
Others	6,184.97	4,980.03
	27,004.18	28,784.91

	2016		2015	
	%	Amount	%	Amount
Imported	83.59	22,574.07	79.75	22,954.99
Indigenous	16.41	4,430.11	20.25	5,829.92
	100.00	27,004.18	100.00	28,784.91

	2016	2015
24 Employee benefit expenses		
Salaries and Wages	1,720.87	1,526.66
Contributions to -		
Provident fund	107.85	94.96
Gratuity fund	21.36	35.72
Expense on Employee Stock Option Scheme (ESOP)	3.69	21.07
Staff welfare expenses	93.56	92.50
	1,947.33	1,770.91

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

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

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

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

Particulars	ESOS 2008		ESOS 2012		ESOS 2014	
	Number	Wt avg exercise price	Number	Wt avg exercise price	Number	Wt avg exercise price
Options outstanding at the beginning of the year	91,800	6.16	3,57,750	8	16,21,000	67
Granted during the year	-	N.A.	-	N.A.	-	N.A.
Expired/Forfeited during the year	3,600	6.20	3,750	N.A.	-	N.A.
Exercised during the year	88,200	6.20	3,54,000	8	3,35,500	67
Outstanding at the end of the year	-	N.A.	-	N.A.	12,85,500	67
Exercisable at the end of the year	-	N.A.	-	8	5,00,000	67
Weighted average Range of exercise price of Options outstanding at the end of the year	N.A.		₹ 8/-		₹ 67/-	
Weighted average remaining contractual life of the option outstanding at the end of the year	N.A.		0.20 years		2.25 years	
Weighted average fair value of the options granted during the year	4.43		4.68		17.70	
Option pricing model used	Black Scholes option pricing model					
Assumptions used in arriving at fair value of option granted during the year						
Risk free interest rate	N.A.		N.A.		8.29%	
Expected life					1 to 3 yrs	
Expected volatility					69.72%	
Expected dividend yield					10.81%	
Price of share at the time of grant					67	

The total expense charged to the statement of profit and loss in respect of the options granted aggregated ₹ 3.69 Lacs (previous year ₹ 21.07 Lacs).

Had the fair value method of accounting for options been followed the net profit for the year would have been lower by ₹ 233.91 Lacs (previous year ₹ 45.78 Lacs) .

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

ii Gratuity

The following tables summarise 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

	2016	2015
a Expense recognised in the statement of profit and loss		
Current Service Cost	17.33	12.69
Interest	(2.47)	(4.71)
Expected Return on plan assets	-	-
Actuarial (Gain)/Loss	6.50	27.74
Total expense	21.36	35.72
Actual return on plan assets	38.16	26.97
b Net asset recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation at end of the year	273.40	225.75
Fair Value of plan assets at the end of the year	318.98	256.70
Funded status [Surplus/(Deficit)]	45.58	30.95
Net Asset/(Liability) at the end of the year.	45.58	30.95
c Change in obligation during the year		
Present Value of Defined Benefit Obligation at the beginning of the year	225.75	163.06
Current Service Cost	17.33	12.69
Interest Cost	18.06	15.18
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(1.20)	22.10
Actuarial (Gains)/Losses on Obligations - Due to Experience	25.32	12.72
Benefit payments	(11.86)	-
Present Value of Defined Benefit Obligation at the end of the year	273.40	225.75
d Change in Fair Value of Assets during the year ended.		
Fair Value of plan assets at the beginning of the year	256.70	228.63
Expected return on plan assets	20.53	19.89
Contributions by employer	35.99	1.10
Actual benefits paid	(11.86)	-
Actuarial Gain/(Loss) on Plan Assets - Due to Experience	17.62	7.08
Fair Value of plan assets at the end of the year.	318.98	256.70

The Company expects to contribute ₹ 35 Lacs to gratuity in the next year (Previous year ₹ 1.10 Lacs).

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016	2015	2014	2013	2012
Defined Benefit Obligation	273.40	225.75	163.06	148.20	118.06
Plan assets	318.98	256.70	228.63	161.56	142.15
Deficit/(Surplus)	(45.58)	(30.95)	(65.57)	(13.36)	(24.09)
Experience adjustments					
On plan assets	17.62	7.08	1.33	1.29	(9.44)
On plan liabilities	(11.86)	12.72	(11.68)	(12.18)	(9.09)

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

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

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

	2016	2015
Discount rate	8.06%	8.00%
Expected rate of return on plan assets	8.06%	8.00%
Expected rate of salary increase	5.00%	5.00%
Attrition rate	2.00%	2.00%

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

iii Leave Encashment

The accumulated balance of leave encashment (unfunded) provided in the books as at 31 March 2016 ₹ 210.20 Lacs (previous year ₹ 173.11 Lacs), determined on actuarial basis using projected unit credit method.

	2016	2015
25 Finance cost		
Interest	1,776.04	1,741.20
Bank Charges	406.89	373.91
	2,182.93	2,115.11
26 Research & development expenses		
Salaries and incentives	152.32	79.25
Travelling & Conveyance	16.18	19.74
Professional fees	24.92	67.48
Laboratory Expenses	52.00	48.93
Other Expenses	52.19	32.49
	297.61	247.89
Less: Product Process Development Capitalised	(87.53)	-
	210.08	247.89

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

				2016	2015
27	Other expenses				
	Consumption of stores and spares			198.34	58.52
	Power and Fuel			1,308.53	1,205.97
	Rent (See Note 33 (b))			299.68	264.22
	Rates and Taxes			0.23	5.59
	Insurance			317.34	256.70
	Repairs				
	- Building			1.28	22.22
	- Machinery			76.20	70.47
	- Others			306.81	376.01
	Sub Contracting Charges			1,085.61	860.30
	Labour Charges			517.77	424.54
	Advertisement and Sales Promotion			802.60	586.13
	Transport & Forwarding Charges			487.78	483.83
	Commission/Discount/Service Charges on Sales			532.28	390.31
	Travelling & Conveyance			658.19	461.61
	Directors' Meeting Fees			69.55	21.89
	Auditors' Remuneration			40.71	30.36
	Corporate Social Responsibility Contribution			63.57	51.76
	Legal & Professional fees			381.63	303.21
	Bad Debt Written Off	2.45	78.11		
	Bad Advances Written Off	-	65.41		
	Provision for Doubtful Debts	94.75	75.10		
	Provision for Doubtful Advances	-	160.00	-	
	Provision for diminution in investments	-	30.60		
		97.20	409.22	97.20	409.22
	Loss on Sale/Discarding of Assets			29.48	-
	Exchange fluctuation			-	130.30
	Miscellaneous Expenses			600.99	692.73
				7,875.77	7,105.89
	Auditor remuneration				
	As Auditors				
	Audit Fees Standalone Financials			12.50	12.50
	Tax Audit Fees			3.14	3.12
	In Other Capacity				
	Taxation Matters			2.94	3.00
	Certification			0.98	0.95
	Other Services			20.52	10.21
	Reimbursement of Expenses			0.63	0.58
				40.71	30.36

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

28 Commission to Directors

The members at their 20th Annual General Meeting have approved the payment of remuneration by way of commission to its Non-Executive Directors, of an amount not exceeding 1% of the Net Profits, for a period of 5 years from the FY 2012-13. During the FY 2015-16, the Company has made a provision of ₹ 36.00 Lacs towards commission payable to Non-executive Directors.

29 Exceptional Item

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

30 Earnings per share

	2016	2015
Profit as per Statement of Profit and Loss available for equity shareholders	2,575.19	2,581.76
Weighted average number of equity shares used in computing basic earnings per share	9,61,32,995	9,53,16,423
Dilutive effect of stock options	4,06,051	4,00,278
Weighted average number of equity shares used in computing diluted earnings per share	9,65,39,046	9,57,16,701
Basic earnings per share (₹) of face value of ₹ 1/- each	2.68	2.71
Diluted earnings per share (₹) of face value of ₹ 1/- each	2.67	2.70

31 Foreign currency transactions

The unhedged exposure of foreign currency transactions as on 31 March 2016 is as follows:

	Currency	2016	2015
Trade Receivable	US \$	103.15	117.30
	Euro	14.56	19.06
Trade Payable	US \$	23.47	56.99
	Euro	50.06	49.12
Term Loan	US \$	9.77	16.91
Advance Receivable	Euro	12.13	12.68
	US \$	23.33	6.34
Total unhedged exposure of foreign currency transactions			
Currency	US \$	159.72	197.54
Currency	Euro	76.75	80.86

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

32 Related party transactions

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

Name of the related party	Nature of relationship
CFCL Mauritius Pvt. Ltd.	Subsidiary
CFS DO BRASIL INDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA.	Subsidiary
Solentus North America Inc.	Subsidiary
CFS Europe S.p.A	Subsidiary
CFS North America LLC	Subsidiary
CFS Antioxidantes De Mexico S.A.DE C.V.	Subsidiary
Fine Lifestyle Brands Ltd.	Associate
Fine Lifestyle Solutions Ltd.	Significant influence by Managing Director
Fine Renewable Energy Ltd.	Significant influence by Managing Director
Focussed Event Management Pvt. Ltd	Significant influence by Managing Director
Vibha Agencies Pvt. Ltd.	Owned by Managing Director
Name of the related party	Nature of relationship
Key managerial personnel and their relatives	
Mr. D. D. Dandekar	Chairman
Mr. A. S. Dandekar	Managing Director
Mr. D. R. Puranik	Executive Director & CFO
Ms. L. Dandekar	Executive Director
Mr. S. D. Dandekar	Management Consultant/Relative of Managing Director
Mrs. R. S. Dandekar	Management Consultant/Relative of Managing Director
Mr. R. D. Sawale	Company Secretary

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

		Subsidiaries	Associate	Key managerial personnel and their relatives
i	Purchases/Expenses			
	Goods	12,542.79	Nil	Nil
		(15,288.14)	(Nil)	(Nil)
	Services	Nil	Nil	11.40
		(Nil)	(Nil)	(11.40)
ii	Sales			
	Goods	4,528.60	Nil	Nil
		(2,817.19)	(Nil)	(Nil)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

		Subsidiaries	Associate	Key managerial personnel and their relatives
iii	Finance			
	Inter Corporate Loans Given	862.32	0.26	Nil
		(378.94)	(Nil)	(Nil)
	Advance Given	434.99	Nil	Nil
		(855.65)	(Nil)	(Nil)
	Interest Received	28.68	Nil	Nil
		(10.07)	(Nil)	(Nil)
iv	Other Transactions			
	Reimbursement given to parties	129.62	Nil	Nil
		(132.01)	(Nil)	(Nil)
v	Outstanding			
	Payable	2,465.83	Nil	Nil
		(2,549.59)	(Nil)	(Nil)
	Receivable	3,417.07	0.26	Nil
		(1,859.34)	(Nil)	(Nil)
	Inter Corporate Loans Given	2,458.60	Nil	Nil
		(1,205.08)	(Nil)	(Nil)
	Advances	434.99	Nil	Nil
		(855.65)	(Nil)	(Nil)
vi	Managerial Remuneration			378.71
		(Nil)	(Nil)	(341.01)

c Significant transactions with related parties

		Subsidiaries	
		2016	2015
i	Purchases/Expenses		
	Goods		
	CFS Europe S.p.A	12,542.79	15,288.14
ii	Sales		
	Goods		
	CFS Europe S.p.A	2,339.01	1,335.71
	CFS do Brasil	1,547.48	1,456.13
	Solentus North America Inc.	-	25.35
	CFS North America LLC	641.97	-
	Kokuyo Camlin Ltd.	0.14	-
iii	Finance		
	Inter Corporate Loans Given		
	CFCL Mauritius Pvt. Ltd.	-	172.12
	CFS do Brasil	537.30	94.47

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

		Subsidiaries	
		2016	2015
	Solentus North America Inc.	13.26	112.35
	CFS North America LLC	311.76	-
iv	Interest Received		
	CFS do Brasil	15.66	5.82
	Solentus North America Inc.	10.45	4.25
	CFS North America LLC	2.57	-
v	Advance Given		
	CFS Europe S.p.A	434.99	855.65
vi	Other Transactions		
	Commission		
	CFS do Brasil	129.62	132.01
vii	Outstanding:		
	Loan & Advances		
	CFCL Mauritius Pvt. Ltd.	1,093.23	990.96
	CFS Europe S.p.A	434.99	855.65
	CFS do Brasil	774.38	101.77
	Solentus North America Inc.	160.33	122.89
	CFS North America LLC	430.64	-
viii	Trade Payable		
	CFS Europe S.p.A	2,403.84	2,501.09
	CFS do Brasil	61.99	48.50
ix	Receivable		
	CFS Europe S.p.A	1,486.61	754.95
	CFS do Brasil	1,300.18	1,093.85
	CFS North America LLC	630.28	-
		Associate Companies	
x	Outstanding:		
	Fine Lifestyle Brands Ltd.	0.26	-
xi	Managerial Remuneration		
	Mr. A. S. Dandekar	190.45	176.88
	Mr. D. D. Dandekar	30.00	33.00
	Ms. L. Dandekar	82.55	62.85
	Mr. D. R. Puranik	66.25	61.28
	Mr. R. D. Sawale	9.46	7.00

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

33 Leases

a General description of finance lease arrangement

	2016	2015
Total Minimum Lease Payments at the year end	-	32.24
Less: - Amount representing finance charges	-	1.7
Present Value of Minimum Lease payments (Rate of Interest 12.00% p.a.)	-	30.54
Minimum Lease Payments		
Not later than one year for finance lease : Present value ₹ Nil Lacs as on 31.03.2015 (₹ 30.54 Lacs as on 31.03.2014)]	-	Nil
Later than one year but not later than five years [for finance lease : Present value ₹ Nil Lacs as on 31.03.2015 (₹ Nil as on 31.03.2014)]	-	-
Later than five years [for finance lease : Present value ₹ Nil as on 31.03.2015 (₹ Nil as on 31.03.2014)	-	-
b General description of operating lease		
For the period up to one year	187.47	181.33
For the period one year to five years	415.60	620.01
Five years and above	-	-
	603.07	801.34

34 Segment information

The Company operates primarily in the segment of Fine Chemicals and hence has only one reportable segment Geographical segment disclosure For year ended March 2016 Domestic sale is ₹ 8,437.09 Lacs (previous year ₹ 10,013.29 Lacs) and Export sale is ₹ 33,214.79 Lacs (previous year ₹ 34,010.80 Lacs)

	2016	2015
35 Contingencies and commitments		
Contingent liabilities		
a) In respect of bills of exchange / cheque discounted with the bankers	5,109.82	4,563.25
b) In respect of bank guarantees issued to VAT, Excise and Custom Authorities	374.30	435.68
c) In respect of VAT/CST Matter	732.44	732.44
d) In respect of corporate guarantees issued against the borrowings of:		
i) CFS Europe S.p.A. - Subsidiary Company	5,076.54	4,755.67
Loan balance outstanding in respect of the above guarantee is ₹ 2,895.02 Lacs (Previous Year ₹ 2,794.50 Lacs)		
e) In respect of corporate guarantees issued against the contractor's payment obligations and supply of material		
i) CFS Europe S.p.A. - Subsidiary Company Contractors payment obligations outstanding in respect of the above guarantee is ₹ 1,132.85 Lacs (Previous Year ₹ 1,083.38 Lacs)	3,157.01	2,838.12

Commitments

Value of contracts (net of advance) remaining to be executed on capital account not provided for ₹ 5.48 Lacs. (Previous year ₹ 122.87 Lacs)

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016	2015
36 Value of imports on CIF basis		
Raw Material	19,801.24	22,195.97
Purchase of Traded Goods	1,364.06	2,423.17
	21,165.30	24,619.14
37 Expenditure in foreign currency		
Professional & Legal Fees	110.07	140.12
Commission and Sales Promotion	747.60	772.32
Others	291.68	80.66
	1,149.35	993.10
38 Earnings in foreign exchange		
Exports at F.O.B. Value (Including Trading)	32,646.27	33,060.68
39 Prior year comparatives		
Prior year figures have been reclassified, where necessary to confirm to current year's classification.		

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

Himanshu Chapsey
Partner
Membership No : 105731
Mumbai
Dated : 23 May 2016

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

A.S.Dandekar
Managing Director

Mumbai
Dated : 23 May 2016

D.R.Puranik
Executive Director & Chief Financial Officer

R.D.Sawale
Company Secretary

FORM AOC-I

(PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

PART "A": SUBSIDIARIES

Statement containing salient features of the Financial Statement of Subsidiaries/Associate

(₹ in Lacs)

Sr. No.	Name of the subsidiary	CFCL Mauritius Limited	CFS Europe S.p.A	CFS DO BRASIL IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA.	CFS North America LLC	CFS Antioxi-dantes De Mexico S.A.de C.V.	Solentus North America Inc
1	Reporting period	31/03/16	31/03/16	31/03/16	31/03/16	31/03/16	31/03/16
2	Share capital	59.73	1,350.21	331.58	211.62	1.91	56.01
3	Reserves & surplus	(124.65)	6,688.39	(510.58)	(372.75)	-	(225.52)
4	Total assets	168.35	18,229.85	2,048.68	942.11	1.91	10.61
5	Total Liabilities	1,065.24	10,289.85	2,227.68	1,103.24	-	180.12
6	Investments	831.97	98.60	-	-	-	-
7	Turnover	-	22,576.57	2,662.54	123.54	-	-
8	Profit / (loss) before tax	(11.44)	2,513.56	(371.26)	(365.22)	-	-
9	Provision for taxation	-	726.67	(202.72)	-	-	-
10	Profit / (loss) after taxation	(11.44)	1,786.89	(168.54)	(365.22)	-	-
11	Proposed Dividend	-	-	-	-	-	-
12	% of shareholding	100%	100%	100%	100%	100%	100%

As on 31 March 2016: 1 Euro = ₹ 75.09, 1 Canadian \$ = 51.02, 1 Brazilian Real = 18.41.

Part "B": Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Fine Lifestyle Brands Limited
1. Latest audited Balance Sheet Date	31/03/16
2. Shares of Associate/Joint Ventures held by the Company on the year end No.	2,55,000
Amount of Investment in Associate/Joint Venture	25,50,000
Extend of Holding %	49.04%
3. Description of how there is significant influence	49.04% Stake in total Equity Capital
4. Reason why the associate/joint venture is not consolidated	N.A
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	(19.41)
5. Profit/(Loss) for the year	
i. Considered in Consolidation	0.37
ii. Not Considered in Consolidation	-
1. Names of associates or joint ventures which are yet to commence operations- Nil	

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

A.S.Dandekar
Managing Director

D.R.Puranik
Executive Director & Chief Financial Officer

R.D.Sawale
Company Secretary

Mumbai
Dated : 23 May 2016

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Camlin Fine Sciences Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Camlin Fine Sciences Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries are hereinafter referred to as "the Group") and associates, comprising the consolidated balance sheet as at March 31, 2016, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

8. a) We did not audit the financial statements of 4 subsidiaries whose financial statements (before consolidation adjustments) reflect total assets of ₹ 20374.58 Lacs as at 31st March, 2016, total revenues of ₹ 24868.90 Lacs and net cash flows amounting to ₹ 396.61 Lacs for the year then ended. The consolidated financial statements also include the Group's share of net profit of ₹ 0.37 Lacs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements has not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.
- (b) We did not audit the financial statement of 1 subsidiary whose financial statement (before consolidation adjustments) reflect total assets of ₹ 1.91 Lacs as at 31st March, 2016, and which has earned no revenue and net cash flows amounting to ₹ 1.91 Lacs for the year then ended. These financial statement are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statement.
- (c) 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.
- financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c. the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the aforesaid companies is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to our best of our information and according to the explanations given to us:
- i. The Group and its associates have disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 36, to the financial statements.
- ii. The Group and its associates did not have any long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection Fund by the Holding Company and its Indian associates.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated financial statements;
- b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

Himanshu Chapsey
Partner
Membership Number: 105731

Mumbai: May 23, 2016

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

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

In conjunction with our audit of the consolidated financial statements of the Camlin Fine Sciences Limited as of March 31, 2016 and for the year then ended. We have audited the internal financial controls over financial reporting of Camlin Fine Sciences Limited (hereinafter referred to as “the Holding Company”) and its two Associate Company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting based on our audit for the Group Companies. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (“ICAI”) and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its associate companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the aforesaid companies considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Other Matters

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

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

Himanshu Chapsey
Partner
Membership No. 105731

Mumbai: May 23, 2016

CONSOLIDATED BALANCE SHEET

as at 31 March, 2016

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

	Note	2016	2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	966.66	958.88
Reserves & Surplus	3	16,654.90	12,527.63
		17,621.56	13,486.51
Non-current liabilities			
Long term Borrowings	4	2,144.80	2,806.33
Deferred tax liability, net	5	324.51	374.34
Long-term provision	6	185.26	147.00
		2,654.57	3,327.67
Current liabilities			
Short-term Borrowings	7	14,570.49	12,095.37
Trade payables	8	9,531.43	10,655.48
Other current liabilities	9	2,739.52	2,344.50
Short-term provisions	10	1,152.90	1,058.06
		27,994.34	26,153.41
TOTAL		48,270.47	42,967.59
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	11	12,788.89	9,321.87
Intangible assets	11	1,238.49	1,320.65
Capital work-in-progress		2,506.46	282.07
		16,533.84	10,924.59
Non-current Investments	12	109.42	109.05
Deferred tax Assets	13	1,485.23	1,643.71
Long- term loans and advances	14	169.61	420.76
Current assets			
Inventories	15	17,331.54	13,638.07
Trade receivables	16	7,548.06	11,341.90
Cash and Bank Balances	17	1,889.64	1,926.34
Short-term loans and advances	18	219.88	230.61
Other current assets	19	2,983.25	2,732.56
		29,972.37	29,869.48
TOTAL		48,270.47	42,967.59
Significant Accounting Policies and Notes to Accounts	1		

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

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

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited
A.S.Dandekar
Managing Director

D.R.Puranik
Executive Director & Chief Financial Officer

Himanshu Chapsey
Partner
Membership No : 105731

R.D.Sawale
Company Secretary

Mumbai
Dated : 23 May 2016

Mumbai
Dated : 23 May 2016

CONSOLIDATED STATEMENT PROFIT AND LOSS

for the year ended March 31, 2016

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

	Note	2016	2015
INCOME			
Revenue from operations (Gross)		50,422.83	57,057.68
Less: Excise Duty		(1,488.61)	(1,230.23)
Revenue from operations (Net)	20	48,934.22	55,827.45
Other Income	21	426.89	837.63
Total Revenue		49,361.11	56,665.08
EXPENDITURE			
Cost of materials consumed	22	24,275.40	26,037.68
Purchase of stock in trade	23	750.76	190.79
Changes in inventories of finished goods/WIP/stock in trade	24	(4,716.09)	821.17
Employee benefits expense	25	4,005.21	4,058.29
Finance cost	26	2,444.25	2,382.46
Depreciation and amortisation expense	11	1,705.52	1,624.62
Research and development expenses	27	210.08	247.89
Other expenses	28	15,229.41	16,054.35
		43,904.54	51,417.25
Profit before exceptional items and tax		5,456.57	5,247.83
Exceptional item	30	(454.73)	35.52
Profit before tax		5,001.84	5,283.35
Less : Tax expense			
- Current Tax		987.95	1,053.51
- Prior period Tax Adjustment		24.71	
- MAT credit entitlement		144.49	(144.49)
- Deferred tax charge/(credit)		262.69	(1,129.81)
Profit for the year		3,582.00	5,504.14
Add: Share of profit/(loss) of associate for the year		0.37	(1.41)
Profit for the year		3,582.37	5,502.73
Earnings per equity share of face value of ₹ 1/- each	31		
Basic (in ₹)		3.73	5.77
Diluted (in ₹)		3.71	5.75
Significant accounting policies	1		

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

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

For and on behalf of the Board of Directors of
Camlin Fine Sciences Limited
A.S.Dandekar
Managing Director

D.R.Puranik
Executive Director & Chief Financial Officer

Himanshu Chapsey
Partner
Membership No : 105731

R.D.Sawale
Company Secretary

Mumbai
Dated : 23 May 2016

Mumbai
Dated : 23 May 2016

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2016

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

	2016	2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before exceptional and taxation	5,456.57	5,247.83
Adjustments for:		
Depreciation on Fixed Assets	1,705.52	1,624.62
Deferred employee compensation expenses amortised	(8.52)	(11.82)
Foreign Exchange loss/(gain) (Unrealised)	169.30	(263.16)
(Profit)/Loss on Sale of Fixed Assets	30.11	(47.62)
Provision for Doubtful Advances	-	160.00
Provision for Doubtful Debts (Net)	94.75	876.93
Provision for Doubtful Investment	-	10.51
Provision for leave encashment	127.28	137.24
Finance costs	2,444.25	2,382.46
Interest Received/Dividend Received	(128.12)	(142.89)
Operating Profit before Working Capital changes	9,891.14	9,974.09
Adjustments for:		
(Increase) / Decrease in inventories	(3,693.47)	(2,717.67)
(Increase) / Decrease in trade receivables	3,673.30	(1,902.29)
(Increase) / Decrease in long term loans and advances	34.49	(130.05)
(Increase) / Decrease in other receivables	(343.54)	(107.97)
Increase / (Decrease) in trade payable	(1,267.56)	733.75
Increase / (Decrease) in other payable	82.73	(136.11)
Cash generated in Operations	8,377.09	5,713.75
Direct taxes paid	(1,219.85)	(1,088.24)
Net cash generated from operating activities	7,157.24	4,625.51
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(6,708.12)	(2,824.86)
Sale of Fixed Assets	2.13	54.73
Interest received	128.12	141.78
Dividend received	-	0.03
Net cash used in Investing Activities	(6,577.87)	(2,628.32)

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

for the year ended 31 March 2016 (contd.)

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

		2016	2015
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from borrowings (Net of repayments)	2,475.12	1,693.90
	Receipt of term loan	521.00	678.00
	Repayment of term loan	(955.00)	(1,361.15)
	Proceeds from issue of share capital	270.77	134.04
	Receipt/(Payment) of Loans and advances	10.73	26.73
	Maturity of/(Investment in) Margin Fixed Deposit	(54.38)	110.21
	Interest Paid	(2,423.37)	(2,436.82)
	Dividend Paid	(432.69)	(335.97)
	Tax on Dividend	(88.10)	(56.65)
	Net cash used in Financing Activities	(675.92)	(1,547.70)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(96.55)	449.49
	Opening Cash and Cash Equivalents	899.45	449.97
	Closing Cash and Cash Equivalents	802.90	899.45
	Significant Accounting Policies	1	

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

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

Himanshu Chapsey
Partner
Membership No : 105731
Mumbai
Dated : 23 May 2016

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

A.S.Dandekar
Managing Director

Mumbai
Dated : 23 May 2016

D.R.Puranik
Executive Director & Chief Financial Officer

R.D.Sawale
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

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

1 SIGNIFICANT ACCOUNTING POLICIES

a Basis of Preparation

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

b Principles of consolidation

The Consolidated Financial Statements (CFS) comprises the Financial Statements of Camlin Fine Sciences Limited (“the Company”) and its subsidiaries (the Company and its subsidiaries are hereinafter collectively referred to as “the Group”.) and its investment in its associate as at 31 March 2016. The Consolidated Financial Statements have been prepared in accordance and AS 23 with Accounting Standard (“AS”) 21 “Consolidated Financial Statements” “Accounting for Investments in Associates in Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.

i The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits / losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company’s separate financial statements. The cash flow statement has been prepared using uniform policies for the transactions. The financial statements of all entities used for consolidation are drawn up to the same reporting date as that of the Company i.e. 31 March 2016.

The excess of the Company’s investment in a subsidiary over the subsidiary’s net assets is recognized in the financial statements as goodwill. The excess of the subsidiary’s net assets over its investment is recognized in the financial statement as capital reserve.

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

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

The excess of the Group’s cost of investment over its share of net assets in the associate on the date of acquisition of investment is disclosed as goodwill. The excess of the Group’s share of net assets in the associate over the cost of its investment is disclosed as capital reserve. Goodwill / Capital Reserve is included/adjusted in the carrying amount of the investment.

iii The entities included in these consolidated financial statements are summarized below in the presentation of these consolidated financial statements are:

Name of the Entities	Country of Incorporation	2016 %	2015 %
Subsidiaries			
CFCL Mauritius Pvt. Ltd.	Mauritius	100%	100%
CFS DO BRASIL INDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA.	Brazil	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

Name of the Entities	Country of Incorporation	2016 %	2015 %
Solentus North America Inc.	Canada	100%	100%
CFS Europe S.p.A.	Italy	100% held by CFCL Mauritius	100% held by CFCL Mauritius
CFS North America LLC (Since 13 October 2015)	USA	100%	N.A
CFS Antioxidantes De Mexico S.A. De C.V. (Since 22 January 2016)	Mexico	100%	N.A
Associate		Pvt. Ltd.	Pvt. Ltd.
Fine Lifestyle Brands Limited (FLBL)	India	49.04%	49.04%
Fine Lifestyle Solutions Limited (FLSL)	India	75% held by FLBL	75% held by FLBL

The Company accounts for minority Interest in the net assets of the consolidated subsidiaries at the aggregate of

1. Amount of equity attributable at the date on which investment in subsidiaries is made, and
 2. The minorities share of movements in the equity since the date the parent- subsidiary relationship comes into existence.
- iv The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of date of disposal is recognised in the statement of profit and loss as profit or loss on disposal of investment in subsidiary. Similarly deemed divestiture gain or loss on de-subsidiarisation of subsidiaries is also recognized in the statement of profit and loss.
- c Use of estimates
- The preparation of financial statements in accordance with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements, which in management's opinion are prudent and reasonable. Actual results may differ from these estimates. Any revision to accounting is recognized prospectively in current and future periods.
- d Presentation and disclosure of financial statements
- The financial statements are prepared and presented in the form set out in Schedule III of the Act, so far as they are applicable thereto. All assets and liabilities have been classified as current/noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.
- The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.
- e Summary of significant accounting policies
- i Fixed assets
 - Tangible fixed assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

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

Intangible assets

a Intangible assets

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

ERP software cost

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

b Research and development cost.

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

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

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use and it is amortised on straight line basis over the estimated useful life. During the period of development the asset is tested for impairment annually.

ii Impairment of assets

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

iii Depreciation

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

Leasehold land is depreciated over its period of lease.

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

iv Investments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

value of investments.

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

v Inventories

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

Raw materials and packing materials are valued at cost or net realizable value whichever is lower. Cost is determined on the basis of weighted average method. Finished goods produced and purchased for sale and work-in-progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory.

Stores and spares are carried at cost.

vi Foreign currency transactions

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

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

The Company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations." The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at exchange rates prevailing at the dates of transaction or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss. When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

vii Research and Development

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

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

viii Employee stock options

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

ix Employee benefits

Short term employee benefits

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

Defined contribution plan

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

Defined Benefit Plan

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

Compensated Absences

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

x Revenue

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

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

xi Expenses

Expenses are accounted for on accrual basis.

xii Provisions, Contingent Liabilities and Contingent Assets.

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

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

Contingent Assets are neither recognised nor disclosed in financial statements.

xiii Income-tax

Tax expense comprises current and deferred tax.

Current tax is measured at the amount computed under the Income Tax Act, 1961. MAT credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Company will pay normal income tax during the specified period and the said is created by way of credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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

xiv Earnings per share

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

xv Borrowing costs

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

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

xvi Cash and cash equivalents

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

xvii Leases

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

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

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

		2016	2015
2	SHARE CAPITAL		
	Authorised Share Capital		
	15,00,00,000 equity shares of ₹ 1/- each (Previous Year 13,50,00,000 equity shares of ₹ 1/- each)	1,500.00	1,350.00
	Issued, subscribed and fully paid up share capital		
	9,66,65,830 Equity Shares of ₹ 1/- each (Previous Year 9,58,88,130 equity shares of ₹ 1/-each)	966.66	958.88
	a. Terms/rights attached to equity shares		
	The Company has only one class of shares having par value of ₹ 1/-. Each holder of equity shares is entitled to one vote per share.		
	The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.		
	In the event of liquidation of the Company, the holders of equity shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding However, no such preferential amounts exist currently.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

2 SHARE CAPITAL (Contd.)

b. Reconciliation of the number of shares

	2016		2015	
	No. of shares	Amount	No. of shares	Amount
Balance, beginning of the year	9,58,88,130	958.88	4,72,04,165	944.08
Add:				
Stock options exercised (shares of face value of ₹ 2/- each)	7,77,700	7.78	4,25,350	8.51
	9,66,65,830	966.66	4,76,29,515	952.59
Increase in number of shares due to stock split		-	4,76,29,515	-
Stock options exercised (shares of face value of ₹ 1/- each)		-	6,29,100	6.29
Balance, end of the year	9,66,65,830	966.66	9,58,88,130	958.88

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

Name of Shareholder	Number	%	Number	%
Ashish S. Dandekar	1,36,31,000	14.10	1,35,94,200	14.18
Leena Dandekar	-	-	75,56,144	7.88
Abha A. Dandekar	55,73,937	5.77	94,33,586	9.84
Vivek A. Dandekar	55,73,937	5.77	94,33,586	9.84
Camart Industries Ltd.	53,19,360	5.50	53,19,360	5.55
	3,00,98,234	31.14	4,53,36,876	47.29

	2016	2015
3 Reserves & Surplus		
Capital Reserve		
Balance, beginning and end of the year	134.52	134.52
Capital Reserve on Consolidation	1,080.63	1080.63
Balance, beginning and end of the year		
Foreign Currency Translation Reserve Balance, beginning of the year	(702.37)	422.69
Add: on currency translation during the year (net)	815.82	(900.31)
Less: Adjustment for currency fluctuation transfer to profit and loss	-	224.75
Balance, end of the year	113.45	(702.37)
Securities Premium		
Balance, beginning of the year	803.10	683.85
Received on exercise of stock options	263.00	119.25
Balance, end of the year	1,066.10	803.10
Employee Stock Options Outstanding (See Note 25)		
a) Employee Stock Option Outstanding-		
Balance, beginning of the year	12.36	47.62
Add: Fresh grant of options		
Less		
Amount transferred in respect of options lapsed- to statement of profit and loss	-	(2.37)
Transferred to security premium on account of exercise of option.	(12.36)	(32.89)
Balance, end of the year	a	12.36
Less:		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016	2015
3 Reserves & Surplus (Contd.)		
b) Deferred employee compensation expense Balance, beginning of the year	3.84	27.28
Add: Fresh grant of options	-	-
Less: Employee compensation/option lapsed net-to statement of profit and loss	(3.84)	(23.44)
Balance, end of the year	-	3.84
	(a+b)	8.52
General Reserve		
Balance, beginning of the year	2,404.88	2,274.88
Transfer from balance in Profit and Loss	130.00	130.00
Balance, end of the year	2,534.88	2,404.88
Balance in Statement of Profit and Loss		
Balance, beginning of the year	8,798.35	3,769.45
Profit for the year	3,582.37	5,502.73
Add: Adjustment for currency fluctuation transfer from foreign currency translation reserve	-	224.75
Less: Depreciation adjustment [Net of tax (See Note 11 (1))]	-	(48.73)
	12,380.72	9,448.20
Appropriations		
Proposed dividend	(436.36)	(431.50)
Tax on proposed dividend	(89.04)	(88.35)
Transfer to General Reserve	(130.00)	(130.00)
	(655.40)	(649.85)
Balance, end of the year	11,725.32	8,798.35
	16,654.90	12,527.63

Balance in General Reserves includes ₹ 16 Lacs as on 1 April 2011 transferred on account of amalgamation of Sangam Laboratories Limited in the year ended 31 March 2011 which is not available for distribution of dividend.

4 Long term borrowings

	Non-current		Current	
	2016	2015	2016	2015
Secured				
Term loan from banks				
In foreign currency (See a below)	292.10	499.57	500.23	558.85
In Rupees (See b below)	1,852.70	2,306.76	818.41	528.31
	2,144.80	2,806.33	1,318.64	1,087.16
Unsecured				
Deposits from public	-	-	-	9.30
	2,144.80	2,806.33	1,318.64	1,096.46

a Foreign currency term loans

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

4 Long term borrowings (Contd.)

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

Collateral Security: 2nd *pari passu* charge on the entire current assets of the Company. These loans carry an interest rate 4.50% and 4.50% above LIBOR, respectively. The current interest rate on these ranges from 4.89% to 4.95%.

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

- i) First *pari passu* mortgage and charge on the entire immoveable properties and moveable fixed assets of the Company, both present and future.
- ii) Unconditional and Irrevocable Corporate Guarantee of the Company guaranteeing the obligation of CFSE to Exim Bank.'
- iii) Exclusive charge over immovable property of the Company viz.,N-165,MIDC. Boisar,Tarapur.
- iv) Pledge of shares of CFCL Mauritius held by the Company.
- v) Pledge of Shares of CFSE held by CFCL Mauritius.

b Rupee term loans

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

Term loan from EXIM Bank is repayable in 28 & 21 equal quarterly installments commencing after a moratorium period of one year and two year for the date of first disbursement from 13 May, 2010 and 28 March 2014. The loan is secured by a first *pari passu* charge on all the fixed assets of the Company, both present and future. Collateral Securities: 2nd *pari passu* Charge on the entire Current assets of the Company. In addition to the above the loan disbursed on 28 March 2014 is also secured by way of 1)Pledge of 100% Shares of CFCL Mauritius held by the Company. (2) Pledge of 100% shares of CFSE held by CFCL Mauritius. The current interest rate on these ranges from 12.05 % to 13.35%.

Term loan from State Bank of Patiala is repayable in 26 equal quarterly installments commencing from 31 December 2013. The loan is secured by first *pari passu* charge on all the fixed assets of the Company, both present and future. Collateral Security: 2nd *pari passu* Charge on the entire Current assets of the Company. The current interest rate is 12.50%.

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

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

5 Deferred tax liability, net

The components of the deferred tax liability are as follows:

	2016	2015
Liability		
Depreciation	548.42	551.62
Gratuity (Prepaid)	15.78	10.52
	564.20	562.14
Asset		
Provision for doubtful debts and advances	157.86	122.84
Leave encashment	72.74	58.84
Other disallowances under the Income-Tax Act	9.09	6.12
	239.69	187.80
	324.51	374.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

6 Long term provision

The long term provision comprises entirely provision for leave encashment.

7 Short term borrowings

- a The short term borrowings comprise entirely secured cash credit/packing credit from banks in foreign currency repayable on demand. The facilities are secured by primary charge over Company's inventory of raw material, packing material, semi finished goods and book debts and further by way of collateral security in the form of equitable mortgage of factory land and building at Tarapur MIDC, Boisar as second charge). Second *pari passu* charge on all movable and immovable fixed assets of the Company.
- b The short term borrowing from bank at CFS DO BRASIL IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA. is secured against hypothecation of book debts of that subsidiary.

8. Trade payables

Trade payables comprise entirely amounts payable to creditors. Based on the information available with the Company, no creditors have been identified as 'supplier' within the meaning of Micro, Small & Medium Enterprises Development Act, 2006 as on 31 March 2016.

	2016	2015
9 Other current liabilities		
Current maturities of foreign currency debt	500.23	558.85
Current maturities of long-term debt	818.41	528.31
Current maturities of public deposits	-	9.30
Interest accrued but not due on borrowings	50.62	29.52
Unpaid dividends (See Note below a)	22.90	18.61
Unclaimed Interest on public deposit	2.68	2.89
Unclaimed public deposit (See Note below b)	5.35	-
Provision for taxation	454.55	394.96
Share Application money received for allotment of securities and due for refund	0.38	0.38
Deposits	7.88	10.18
TDS Payable	120.71	129.61
Other statutory dues	35.04	8.28
Commission to Director	92.40	110.20
Commission on Sales	120.52	145.14
Other outstanding liabilities	507.85	398.27
	2,739.52	2,344.50

- a Does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.
- b The unclaimed fixed deposits of ₹ 5.35 outstanding at March 31, 2016 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.

	2016	2015
10 Short-term provisions		
Provisions for		
Employee benefits - leave encashment	628.84	539.82
Proposed dividend	435.00	430.14
Tax on proposed dividend	89.06	88.10
	1,152.90	1,058.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

11 FIXED ASSETS

PARTICULARS	Gross Block					Accumulated Depreciation					Net Block	
	As at April 1, 2015	Additions during the year	Other Adjustments **	Disposal/Adjustment	As at March 31, 2016	As at April 1, 2015	Depreciation charge for the year	Adjusted to reserves #	Adjustments On disposals	Other Adjustments**	As at March 31, 2016	As at March 31, 2016
Tangible Assets												
Freehold Land	207.19	-	-	-	207.19	-	-	-	-	-	-	207.19
Leasehold Land	35.14	911.88	-	-	947.02	1.41	25.98	-	4.05	-	23.34	923.68
Lease Hold Improvement	45.93	5.04	(2.49)	-	48.48	17.11	24.70	-	-	(4.47)	37.34	11.14
Factory & Other Building	1,755.22	71.43	85.81	33.62	1,878.84	933.16	50.99	-	-	55.66	1,039.81	839.03
Site Development	37.55	-	-	-	37.55	8.39	1.54	-	-	-	9.93	27.62
Plant, Equipment & Machinery	22,981.21	3,195.01	1,669.59	0.55	27,845.26	16,200.43	944.55	-	-	1,306.69	18,451.67	9,393.59
Furniture & Fixtures												
Owned	214.39	20.06	1.27	0.18	235.54	104.90	68.75	-	-	1.22	174.87	60.67
Leased	198.62	-	-	-	198.62	119.78	-	-	-	-	119.78	78.84
Vehicles	273.90	33.83	1.26	3.76	305.23	80.85	38.42	-	6.17	1.40	114.50	190.73
ERP Hardware Cost	155.20	52.62	(0.41)	4.35	203.06	118.08	24.13	-	-	(0.26)	141.95	61.11
R&D Assets												
R&D Assets	835.18	90.00	-	-	925.18	59.89	82.60	-	-	-	142.49	782.69
Building	229.03	-	-	-	229.03	2.70	13.73	-	-	-	16.43	212.60
Total	26,968.56	4,379.87	1,755.03	42.46	33,061.00	17,646.70	1,275.39	-	10.22	1,360.24	20,272.11	12,788.89
Intangible Assets												
ERP Software Cost	137.57	25.42	(0.02)	-	162.97	112.27	16.80	-	-	-	129.07	33.90
Technical Know-How	562.37	-	-	-	562.37	429.24	29.66	-	-	-	458.90	103.47
Development expenditure	1,842.91	63.09	185.65	-	2,091.65	680.70	376.34	-	-	13.69	1,070.73	1,020.92
R & D Processing fees	-	87.53	-	-	87.53	-	7.33	-	-	-	7.33	80.20
Total	2,542.85	176.04	185.63	-	2,904.52	1,222.21	430.13	-	-	13.69	1,666.03	1,238.49
Current Years Total	29,511.41	4,555.91	1,940.66	42.46	35,965.52	18,868.91	1,705.52	-	10.22	1,373.93	21,938.14	14,027.38

PARTICULARS	Gross Block					Accumulated Depreciation					Net Block	
	As at April 1, 2014	Additions during the year	Other Adjustments **	Disposal/Adjustment	As at March 31, 2015	As at April 1, 2014	Depreciation charge for the year	Adjusted to reserves #	Adjustments On disposals	Other Adjustments**	As at March 31, 2015	As at March 31, 2015
Tangible Assets												
Freehold Land	212.46	-	-	5.27	207.19	-	-	-	-	-	-	207.19
Leasehold Land	35.14	-	-	-	35.14	1.08	0.33	-	-	-	1.41	33.73
Lease Hold Improvement	-	45.93	-	-	45.93	-	17.11	-	-	-	17.11	28.82
Factory & Other Building	1,652.95	237.17	(134.90)	-	1,755.22	974.52	70.26	-	-	(111.62)	933.17	822.05
Site Development	37.55	-	-	-	37.55	6.85	1.54	-	-	-	8.39	29.16
Plant, Equipment & Machinery	24,299.46	1,982.62	(3,267.37)	33.50	22,981.20	17,913.26	883.22	57.27	37.19	(2,616.14)	16,200.41	6,780.79
Furniture & Fixtures												
Owned	186.13	32.96	(4.70)	-	214.40	79.43	24.98	3.82	-	(3.33)	104.91	109.49
Leased	198.62	-	-	-	198.62	59.09	60.69	-	-	-	119.78	78.84
Vehicles	254.75	31.80	(4.36)	8.29	273.90	58.22	34.42	-	9.39	(2.40)	80.84	193.06
ERP Hardware Cost	132.60	22.66	(0.06)	-	155.20	81.32	25.29	11.61	-	(0.14)	118.08	37.12
R&D Assets												
R&D Assets	115.27	719.91	-	-	835.18	30.58	28.19	1.12	-	-	59.89	775.29
Building	-	229.03	-	-	229.03	-	2.70	-	-	-	2.70	226.33
Total	27,124.92	3,302.08	(3,411.39)	47.06	26,968.56	19,204.35	1,148.74	73.82	46.58	(2,733.63)	17,646.70	9,321.87
Intangible Assets												
ERP Software Cost	121.44	16.13	-	-	137.57	100.46	11.81	-	-	-	112.27	25.30
Technical Know-How	562.37	-	-	-	562.37	361.39	67.85	-	-	-	429.24	133.13
Development expenditure	505.87	1,405.75	(68.71)	-	1,842.91	333.29	396.23	-	-	(48.83)	680.70	1,162.22
Total	1,189.68	1,421.88	(68.71)	-	2,542.85	795.14	475.89	-	-	(48.83)	1,222.21	1,320.65
Previous Years Total	28,314.61	4,723.96	(3,480.10)	47.06	29,511.41	19,999.49	1,624.62	73.82	46.58	(2,782.46)	18,868.91	10,642.52

** Other adjustments during the year include translation differences of opening balance.

- The Company has revised depreciation rates on fixed assets effective 1st April 2014 in accordance with requirements of Schedule II of the Act. The remaining useful life has been revised by adopting standard useful life as per the Act except for certain plant and machineries, where management estimates for remaining useful life. has been taken. The carrying amount as on April 1, 2014 is depreciated over the revised remaining useful life. As a result of these changes
 - the depreciation charge for year ended 31st March, 2015 is higher by ₹ 108.45 Lacs respectively.
 - there is a debit to retained earning of ₹ 48.73 Lacs net (net of deferred tax) for the assets whose remaining life on April 1, 2014 is reduced to NIL in accordance with revised life as considered by management.
- CFS Europe S.p.A, step down subsidiary of the Company, has revised depreciation rates on plant and machinery effective 1st April 2014. As a result of such change, consolidated profit before tax and profit after tax for the year ended 31st March 2015 is higher by ₹ 278.61 Lacs and ₹ 252.42 Lacs respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016		2015	
	Number	Amount	Number	Amount
12 Non current investments				
Trade, valued at cost unless otherwise stated In equity instruments (unquoted)				
Of Associates				
Fine Lifestyle Brand Limited (of ₹ 10 fully paid)	2,55,000	5.78	2,55,000	5.41
Others				
Fine Renewable Energy Limited (of ₹ 10 fully paid)	51,000	5.10	51,000	5.10
Chemolutions Chemicals Limited (of ₹ 10 fully paid)	99,500	9.95	99,500	9.95
Ravenna Servizi Industriali Consortium (of Euro 1 fully paid)	1,41,783	98.60	1,41,783	98.60
		113.65		113.65
Trade Investments Total		119.43		119.06
Non-trade				
In equity shares of Saraswat Co-Operative Bank Limited (of ₹ 10 fully paid)	5,000	0.50	5,000	0.50
		0.50		0.50
Provision for diminution in value of investments		(10.51)		(10.51)
		109.42		109.05
Aggregate market value of unquoted investments		109.42		109.05

- The provision for diminution in the value of investments represents the provision in respect of investments in Fine Renewable Energy Limited and Fine Lifestyle Brand Limited.
- On May 4, 2016, CFS Antioxidantes De Mexico S.A. De C. V., the Company's wholly owned subsidiary in Mexico has acquired a 65% stake for USD 7.80 million in Dresen Quimica S.A.P.I. De C.V., Mexico along with its five wholly owned subsidiaries in Mexico, Peru, Guatemala, Columbia and Dominican Republic.
- On 15th April, 2016, Company has incorporated a subsidiary in the free trade zone of China, namely, CFS International Trading (Shanghai) Ltd. for trading in specialty chemicals.

	2016	2015
13 Deferred tax asset, net		
The components of the deferred tax asset are as follows		
Asset		
Depreciation	0.54	0.55
Tax Losses	1,071.91	1,645.21
Receivable Write-down	194.36	
Unrealised foreign exchange Lossess	22.55	7.83
Deductible costs for cash	205.21	2.50
	1,494.57	1,656.10
Liability		
Unrealised foreign exchange gains	9.34	12.38
	9.34	12.38
	1,485.23	1,643.71

Deferred tax assets on carry forward tax loss has been recognised on the basis of a binding confirmed profitable sales order.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016	2015
14 Long term loans and advances (unsecured, considered good)		
Capital advances	-	72.17
Security deposits	169.61	155.20
Balance With Statutory/Government Authorities	-	22.90
Other loans and advances		
Advance to vendor	-	26.00
MAT credit entitlement	-	144.49
	169.61	420.76
15 Inventories		
Raw material and components (including packing materials)	5,552.25	6,723.77
Work-in-progress	4,572.80	3,406.36
Finished goods	5,514.64	2,630.08
Stock in trade	1,094.43	429.33
Stores and spares	597.42	448.53
	17,331.54	13,638.07
16 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	217.65	145.31
Doubtful	1,160.27	1,065.52
	1,377.92	1,210.83
Less: Provision for doubtful debts	(1,160.27)	(1,065.52)
	217.65	145.31
Other debts		
Unsecured, considered good [Net of Bills Discounted ₹ 5,592.27 Lacs (Previous year ₹ 7,222.21 Lacs)]	7,330.41	11,196.59
	7,548.06	11,341.90
17 Cash and cash equivalents		
Balances with banks		
In current account	793.40	892.82
Unpaid dividend/interest account	27.46	21.98
Cash on hand	9.50	6.64
	830.36	921.44
Other bank balances		
Margin money	1,059.28	1,004.90
	1,889.64	1,926.34
18 Short term loans and advances		
Loans and advances to related parties (Unsecured, considered good) (See a below)	-	0.21
Loans to others		
Unsecured, considered good	219.88	230.40
Considered doubtful	160.00	160.00
	379.88	390.40
Less: Provision for doubtful debts	(160.00)	(160.00)
	219.88	230.40
	219.88	230.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016		2015	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
Loans and advances to related parties include loans to associates as follows				
Associate				
Fine Lifestyle Brands Limited (Purpose : General corporate purposes)				36.86
	-	-	-	36.86
a. In addition to the above, the Company has given the following loans to companies in which the directors are interested				
Chemolution Chemicals Ltd. (Purpose : General corporate purposes)	377.68	411.59	388.47	390.40
Fine Renewable Energy Ltd. (Purpose : General corporate purposes)	-	-	-	28.55
Byrde International Inc. (Purpose : General corporate purposes)	-	0.21	0.21	0.21
	377.68	411.80	388.68	419.16

	2016	2015
19 Other current assets		
Claim receivable	-	859.92
Other loans and advances (unsecured, considered good)		
Prepaid expenses	390.84	411.73
Advance to Material Suppliers	454.71	400.55
Loans to employees	1.51	10.40
Gratuity	45.58	30.95
Balance with statutory/government authorities	915.77	650.50
Balances with Tax Authorities	404.68	184.60
Deposits	19.50	10.03
Others	750.66	173.88
	2,983.25	1,872.64
	2,983.25	2,732.56
20 Revenue from operations		
Sale of products		
Finished goods	45,849.92	56,508.09
Traded goods	3,958.40	264.60
Sale of services	-	0.10
Other operating revenues		
- Export benefits	592.76	247.67
- Scrap sales	21.75	37.22
Revenue from operations (gross)	50,422.83	57,057.68
Less: Excise duty	(1,488.61)	(1,230.23)
	48,934.22	55,827.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

	2016	2015
21 Other income		
Interest income	128.12	142.89
Dividend income	-	0.03
Profit on sale of fixed assets (Net)	-	47.75
Gain on Foreign Exchange Fluctuations	212.73	141.99
Miscellaneous receipts	86.04	504.97
	426.89	837.63
22 Cost of materials consumed		
Opening Stock of Raw Material	7,172.30	3,633.44
Add: Purchases of Raw Material	23,252.78	29,576.54
Less: Closing Stock of Raw Material	(6,149.68)	(7,172.30)
	24,275.40	26,037.68
23 Purchase of stock in trade		
Purchases of stock in trade	750.76	190.79
24 Changes in inventory of finished goods and work in progress		
Opening Inventory		
Finished Goods	3,059.41	5,372.18
Work-In-Progress	3,406.36	1,914.76
	6,465.77	7,286.94
Closing Inventory		
Finished Goods	6,609.07	3,059.41
Work-In-Progress	4,572.79	3,406.36
	11,181.86	6,465.77
	(4,716.09)	821.17
Consumption of raw materials, packing materials and traded goods		
Tertiary Butyl Alcohol	2,149.36	2,855.25
Phenol	6,202.69	9,757.37
Hydrogen peroxide	1,786.47	2,160.07
Toluene	786.63	1,053.67
Others	14,101.01	10,402.11
	25,026.16	26,228.47

	2016		2015	
	%	Amount	%	Amount
Imported	45.05	11,275.07	35.65	9,350.25
Indigenous	54.95	13,751.09	64.35	16,878.22
	100.00	25,026.16	100.00	26,228.47

	2016	2015
25 Employee benefit expenses		
Salaries and wages	3,769.29	3,784.15
Contributions to -		
Provident fund	107.85	122.00
Gratuity fund	21.36	35.72
Expense on Employee Stock Option Scheme (ESOP)	3.69	21.07
Staff welfare expenses	103.02	95.35
	4,005.21	4,058.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

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

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

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

Particulars	ESOS 2008		ESOS 2012		ESOS 2014	
	Number	Wt avg exercise price	Number	Wt avg exercise price	Number	Wt avg exercise price
Options outstanding at the beginning of the year	91,800	6.16	3,57,750	8	16,21,000	67
Granted during the year	-	N.A.	-	N.A.	-	N.A.
Expired/Forfeited during the year	3,600	6.20	3,750	N.A.	-	N.A.
Exercised during the year	88,200	6.20	3,54,000	8	3,35,500	67
Outstanding at the end of the year	-	N.A.	-	N.A.	12,85,500	67
Exercisable at the end of the year	-	N.A.	-	8	5,00,000	67
Weighted average Range of exercise price of Options outstanding at the end of the year	N.A.		₹ 8/-		₹ 67/-	
Weighted average remaining contractual life of the option outstanding at the end of the year	N.A.		0.20 years		2.25 years	
Weighted average fair value of the options granted during the year	4.43		4.68		17.70	
Option pricing model used	Black Scholes option pricing model					
Assumptions used in arriving at fair value of option granted during the year						
Risk free interest rate	N.A.		N.A.		8.29%	
Expected life					1 to 3 yrs	
Expected volatility					69.72%	
Expected dividend yield					10.81%	
Price of share at the time of grant					67	

The total expense charged to the statement of profit and loss in respect of the options granted aggregated ₹ 3.69 Lac (previous year ₹ 21.07 Lac).

Had the fair value method of accounting for options been followed the net profit for the year would have been lower by ₹ 233.91 Lac (previous year ₹ 45.78 Lac) and the basic and diluted earnings per share would have been lower by ₹ 0.05 and ₹ 0.05 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

ii Gratuity

The following tables summarise 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

	2016	2015
a Expense recognised in the statement of profit and loss		
Current Service Cost	17.33	12.69
Interest	(2.47)	(4.71)
Expected Return on plan assets	-	-
Actuarial (Gain)/Loss	6.50	27.74
Total expense	21.36	35.72
Actual return on plan assets	38.16	20.97
b Net asset recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation at end of the year	273.40	225.75
Fair Value of plan assets at the end of the year	318.98	256.70
Funded status [Surplus/(Deficit)]	45.58	30.95
Net Asset/(Liability) at the end of the year.	45.58	30.95
c Change in obligation during the year		
Present Value of Defined Benefit Obligation at the beginning of the year	225.75	163.06
Current Service Cost	17.33	12.69
Interest Cost	18.06	15.18
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.20	22.10
Actuarial (Gains)/Losses on Obligations - Due to Experience	25.32	12.72
Benefit payments	(11.86)	-
Present Value of Defined Benefit Obligation at the end of the year	273.40	225.75
d Change in Fair Value of Assets during the year ended.		
Fair Value of plan assets at the beginning of the year	256.70	228.63
Expected return on plan assets	20.53	19.89
Contributions by employer	35.99	1.10
Actual benefits paid	(11.86)	-
Actuarial Gain/(Loss) on Plan Assets - Due to Experience	17.62	7.08
Fair Value of plan assets at the end of the year.	318.98	256.70

The Company expects to contribute ₹ 35.00 Lacs to gratuity in the next year (Previous year ₹ 1.10 Lacs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

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

	2016	2015	2014	2013	2012
Defined Benefit Obligation	273.40	225.75	163.06	148.20	118.06
Plan assets	318.98	256.70	228.63	161.56	142.15
Deficit/(Surplus)	(45.58)	(30.95)	(65.57)	(13.36)	(24.09)
Experience adjustments					
On plan assets	17.62	7.08	1.33	1.29	(9.44)
On plan liabilities	(11.86)	12.72	(11.68)	(12.18)	(9.09)

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

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

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

	2016	2015
Discount rate	8.06%	8.00%
Expected rate of return on plan assets	8.06%	8.00%
Expected rate of salary increase	5.00%	5.00%
Attrition rate	2.00%	2.00%

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

iii Leave Encashment

The accumulated balance of leave encashment (unfunded) provided in the books as at 31 March 2016 ₹ 814.09 Lacs (previous year ₹ 686.82 Lacs), determined on actuarial basis using projected unit credit method.

	2016	2015
26 Finance cost		
Interest	1,920.25	1,833.31
Bank Charges	473.91	449.81
Exchange Difference to the extent considered as an adjustment to borrowing cost	50.09	99.34
	2,444.25	2,382.46
27 Research & development expenses		
Salaries and incentives	98.59	79.25
Travelling & Conveyance	18.39	19.74
Professional fees	7.53	67.48
Laboratory Expenses	13.62	48.93
Other Expenses	159.48	32.49
	297.61	247.89
Less: Product Process Development Capitalised	(87.53)	-
	210.08	247.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

			2016	2015
28 Other expenses				
Consumption of stores and spares			265.12	58.52
Power and Fuel			4,742.87	5,800.23
Rent (See Note 34)			484.95	489.21
Rates and Taxes			13.50	75.72
Insurance			452.56	423.54
Repairs				
- Building			10.03	32.45
- Machinery			91.57	831.82
- Others			1,431.72	956.16
Sub Contracting Charges			1,134.60	954.84
Labour Charges			560.39	424.54
Advertisement and Sales Promotion			1,102.53	614.74
Transport & Forwarding Charges			927.53	990.10
Commission/Discount/Service Charges on Sales			503.42	411.73
Travelling & Conveyance			731.11	503.01
Directors' Meeting Fees			69.55	21.89
Auditors' Remuneration			73.66	71.45
CSR Contribution			63.57	51.76
Legal & Professional fees			646.37	536.04
Bad Debt Written Off	2.46	-		
Bad Advances Written Off	-	65.41		
Provision for Doubtful Debts	94.74	598.43		
Provision for Doubtful Advances	-	160.00		
Provision for diminution in investments (See Note 12)	-	10.51		
Less: Provision for Doubtful Advances Written Back	-	-		
Less: Provision for Doubtful Debts Written Back	-	-		
	97.20	834.35	97.20	834.35
Loss on Sale/Discarding of Assets			30.11	0.13
Exchange fluctuation			197.09	413.28
Miscellaneous Expenses			1,599.96	1,558.84
			15,229.41	16,054.35
Auditor remuneration				
Audit Fees Standalone Financials			45.45	53.59
Tax Audit Fees			3.14	3.12
In Other Capacity				
Taxation Matters			2.94	3.00
Certification			0.98	0.95
Other Services			20.52	10.21
Reimbursement of Expenses			0.63	0.58
			73.66	71.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

29 Commission to Directors

The members at their 20th Annual General Meeting have approved the payment of remuneration by way of commission to its Non-Executive Directors, of an amount not exceeding 1% of the Net Profits, for a period of 5 years from the FY 2012-13. During the FY 2015-16, the Company has made a provision of ₹ 36.00 Lacs towards commission payable to Non-executive Directors.

30 Exceptional Item

- On 16th June 2013, a fire had occurred at the Company's factory at Tarapur as a result of which there was a loss of inventory and fixed assets. Company had preferred an insurance claim which was settled during the year. The resultant loss on final settlement of the insurance claim amounting to ₹ 454.73 Lacs has been disclosed as an exceptional item.
- During the year ended 31 March, 2015 the Company sold its entire investment in its subsidiary Company, Dulcette Technologies LLC. The exceptional item of ₹ 35.52 Lacs included in the consolidated statement of profit and loss for the year ended 31 March, 2015 represents the gain on disposal of such investments.

31 Earnings per share.

	2016	2015
Profit as per Statement of Profit and Loss available for equity shareholders	3,582.37	5,502.73
Weighted average number of equity shares used in computing basic earnings per share	9,61,32,995	9,53,16,423
Dilutive effect of stock options	4,06,051	4,00,278
Weighted average number of equity shares used in computing diluted earnings per share	9,65,39,046	9,57,16,701
Basic earnings per share (₹) of face value of ₹ 1/- each	3.73	5.77
Diluted earnings per share (₹) of face value of ₹ 1/- each	3.71	5.75

As indicated in Note 2, the face value of equity shares has been split from ₹ 2/- per share in the previous year to ₹ 1/-. The basic and diluted earnings per share for the previous year have been adjusted for the value of the split as per AS 20 Earnings per Share issued by the Institute of Chartered Accountants of India

32 Foreign currency transactions

The unhedged exposure of foreign currency transactions as on 31 March 2016 is as follows:

	Currency	2016	2015
Trade Receivable	US \$	82.59	99.94
	Euro	0.09	42.47
Trade Payable	US \$	29.68	39.14
	Euro	19.29	54.63
Term Loan	US \$	7.54	14.16
	Euro	-	13.25
Total unhedged exposure of foreign currency transactions			
Currency	US \$	119.81	153.24
Currency	Euro	19.38	110.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

33 Related party transactions

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

Name of the related party	Nature of relationship
Fine Lifestyle Brands Ltd.	Associate
Fine Lifestyle Solutions Ltd.	Significant influence by Managing Director
Key managerial personnel and their relatives	
Mr. D. D. Dandekar	Chairman
Mr. A. S. Dandekar	Managing Director
Mr .D. R. Puranik	Executive Director & CFO
Ms. L. Dandekar	Executive Director
Mr. S. D. Dandekar	Management Consultant/Relative of Managing Director
Mrs. R. S. Dandekar	Management Consultant/Relative of Managing Director
Mr R. D. Sawale	Company Secretary

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

	Associate	Key managerial personnel and their relatives
Managerial Remuneration (see note 29)		378.71 (341.01)

	2016	2015
Managerial Remuneration		
Mr. A. S. Dandekar	190.45	176.88
Mr. D. D. Dandekar	30.00	33.00
Ms. L. Dandekar	82.55	62.85
Mr. D. R. Puranik	66.25	61.28
Mr. R. D. Sawale	9.46	7.00

34 Leases

General description of operating lease

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

	2016	2015
For the period up to one year	187.47	181.33
For the period one year to five years	415.60	620.01
Five years and above	-	-
	603.07	801.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

35 Segment information

The Company operates primarily in the segment of Fine Chemicals and hence has only one reportable segment.

Geographical segment disclosure

For year ended March 2016 Domestic sale is ₹ 11,702.00 Lacs (previous year ₹ 11,398.00 Lacs) and Export sale is ₹ 38,106.31 Lacs (previous year ₹ 45,374.70 Lacs)

36 Contingencies and commitments

	2016	2015
Contingent liabilities		
a) In respect of bills of exchange / cheque discounted with the bankers	5,109.82	5,592.27
b) In respect of bank guarantees issued to VAT, Excise and Custom Authorities	374.30	435.68
c) In respect of VAT/CST Matter	732.44	732.44

Commitments

Value of contracts (net of advance) remaining to be executed on capital account not provided for ₹ 5.48 Lacs. (Previous year ₹ 122.87 Lacs).

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

	2016	2015
37 Value of imports on CIF basis		
Raw Material	7,110.79	9,327.50
38 Expenditure in foreign currency		
Professional & Legal Fees	110.07	218.25
Commission and Sales Promotion	747.60	649.30
Others	291.68	80.66
	1,149.35	948.20
39 Earnings in foreign exchange		
Exports at F.O.B. Value (Including Trading)	18,521.32	33,596.58

The earnings in foreign exchange represent earnings in foreign exchange by the Company and export earnings of its subsidiaries in a currency other than their local reporting currency but excludes any earnings made from sales made in India by these subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2016

40 Additional information as required under Schedule III to the Companies Act 2013, of enterprises Consolidated as Subsidiary/Associates/Joint Venture

	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Camlin Fine Sciences Ltd.	68.64	12,095.01	71.89	2,575.19
Subsidiary				
Foreign				
CFCL Mauritius Pvt. Limited	40.52	7,140.75	49.56	1,775.45
CFS DO BRASIL INDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA.	(1.02)	(179.00)	(4.70)	(168.54)
Solentus North America Inc	(0.96)	(169.51)	(0.68)	(24.2)
CFS North America LLC	(0.91)	(161.13)	(10.19)	(365.22)
CFS Antioxidantes De Mexico S.A. De C.V.	0.01	1.91	-	-
Associates				
Indian				
Fine Lifestyle Brand Limited			-	0.37
Total Eliminations	(6.28)	(1,106.48)	(5.88)	(210.69)
Total	100.00	17,621.55	100.00	3,582.36

41 Prior year comparatives

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

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

Himanshu Chapsey
Partner
Membership No : 105731
Mumbai
Dated : 23 May 2016

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

A.S.Dandekar
Managing Director

Mumbai
Dated : 23 May 2016

D.R.Puranik
Executive Director & Chief Financial Officer

R.D.Sawale
Company Secretary



Camlin Fine Sciences Limited

CIN: L74100MH1993PLC075361

F/11 - 12, WICEL,

Opp. SEEPZ Main Gate, Central Road,
Andheri (East), Mumbai - 400 093.

Telephone: 022 - 6700 1000

Fax: 022 - 2832 4404

Email: corporate@camlinfs.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



Bringing science to everyday life

ATTENDANCE SLIP

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

I hereby record my presence at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company on Wednesday the 10th August, 2016 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber, Churchgate, Mumbai 400 020.

Name of attending Member/Proxy

Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

Note: No Duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring your copy of the Annual Report to the Meeting.

----- TEAR HERE -----

Camlin Fine Sciences Limited

F/11 - 12, WICEL, Opp. SEEPZ Main Gate, Central Road, Andheri (East), Mumbai - 400 093.

Tel.: 022 - 6700 1000; **Fax:** 022 - 2832 4404; **Email:** secretarial@camlinfs.com; **CIN:** L74100MH1993PLC075361



Bringing science to everyday life

PROXY FORM

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

Name and Address of the Member(s):

Name of Jointholders, if any:

Folio No./DP ID - Client Id:

No. of Shares held:

E-mail ID:

I/We, being the member(s) of **CAMLIN FINE SCIENCES LIMITED** hereby appoint:

1.	Name:		Signature:	
	Address:			
	E-mail id:			
or failing him				
2.	Name:		Signature:	
	Address:			
	E-mail id:			
or failing him				
3.	Name:		Signature:	
	Address:			
	E-mail id:			

E-VOTING PARTICULARS (Refer Point 15 of Notice of AGM for detailed instructions)

EVSN (Electronic Voting Sequence Number)	User ID	PAN / Sequence No.

P.T.O.

----- TEAR HERE -----

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company on on Wednesday the 10th August, 2016 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of following resolutions:

No.	Item No.	No of shares held by me	I assent to the resolution	I dissent to the resolution
1	To consider and adopt, the audited financial statements (including consolidated financial statements) of the Company for the financial year ended 31st March, 2016 and the reports of Board of Directors and Auditors thereon. (Ordinary Resolution)			
2	To declare dividend of Re. 0.45 per equity shares for the year ended 31st March, 2016. (Ordinary Resolution)			
3	To appoint a Director in place of Mr. Ajit S. Deshmukh (DIN: 00203706), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)			
4	To appoint a Director in place of Mr. Nirmal V. Momaya (DIN: 01641934), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)			
5	Appointment of M/s B. K. Khare and Co. Chartered Accountants (FR No. 105102W) as Statutory Auditors of the Company. (Ordinary Resolution)			
6	Re-appointment of Mr. Dattatraya R. Puranik (DIN: 02909122) as Executive Director & Chief Financial Officer of the Company for the period of 3 (three) years from 1st August, 2016 and revision of remuneration thereof. (Special Resolution)			
7	Re-appointment of Mr. Atul R. Pradhan (DIN: 00171022) as Independent Director for a term of five (5) years. (Special Resolution)			
8	Re-appointment of Mr. Nicola A. Paglietti (DIN: 06904583) as Independent Director for a term of five (5) years. (Special Resolution)			
9	Keeping and maintenance of the Register and Index of Members, copies of all Annual Returns etc. at the office of the Registrar and Transfer Agent. (Special Resolution)			

Signed this _____ day of _____ 2016.

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.