

22nd June, 2016

To,
BSE Limited,
25, P. J. Towers,
Dalal Street,
Mumbai – 400 001
Ref: Company Scrip Code: 532834

To,
The Manager,
Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400051
Ref: Symbol: CAMLINFINE || Series: EQ

Dear Sir/Madam

Sub : Audit Report in respect of Sharepro Services (India) Private Limited (Sharepro).

Pursuant to the interim order passed by the Securities and Exchange Board of India (SEBI) on 22nd March, 2016 against Sharepro Services India Pvt. Ltd. and other linked with the management of Sharepro, the SEBI in its order under Para 11 directed the clients of Sharepro to conduct a thorough audit of all the records and systems of Sharepro with respect to dividends paid, transfer of securities as per provisions of law etc. within the preceding at least 10 years.

The Company has appointed M/s. Pantomath Advisors LLP to conduct the thorough audit of the records and systems of Sharepro as stated in the order. As M/s. Sharepro were appointed as Company's Registrar and Transfer Agents with effect from 2007, the audit period covers from the date of appointment of Sharepro.


In compliance of the SEBI directions, we submit herewith Audit Report dated 20th June, 2016 received from M/s. Pantomath Advisors LLP.

After reviewing the audit report, we hereby inform that the Company has decided not to take any action against Sharepro.

Kindly take the above Audit Report on records.

Thanking you,

Yours faithfully,
For Camlin Fine Sciences Limited


Rahul Sawale
Company Secretary



Encl. as above

Audit Report

Share Registry
June, 2016

Privileged & Confidential

Camlin Fine Sciences Limited

Plot No.F/11 & F/12, WICEL,
Opp. SEEPZ Main Gate Central Road,
Andheri East Mumbai – 400093

Kind Attn. : Mr Rahul Sawale, Group Company Secretary


Dear Sir,

Share Registry Audit Report of Camlin Fine Sciences Limited at Sharepro Services (I) Pvt Ltd, Mumbai

We have conducted Audit of the transactions and systems in respect of Standard Operating Procedures, being followed by Sharepro Services (I) Pvt Ltd, Mumbai, in connection with the share transfer and dividend paid by Camlin Fine Sciences Limited as per our Mandate Letter dated April 30, 2016

We are pleased to share our audit report.

Thanking you,
For Pantomath Advisors LLP


Madhu Lunawat
Partner
June 20, 2016

1 Company Implication



Company Implication



Camlin Fine Sciences Limited ("CFSL" or the "Company") has over 26,500 shareholders, with public shareholders representing approximately 60.16% of total share capital. Sharepro Services (I) Pvt Ltd. ("Sharepro") is the R&T Agent of the Company and the share registry activity is handled by Sharepro, Mumbai office.

SEBI vide its order dated March 22, 2016 ("SEBI Order") directed companies, where the Registrars are Sharepro, the company to conduct a thorough audit of records and systems of its Registrars with respect to dividends paid and transfer of securities for atleast last increase 10 years.

Shares held in physical and demat form as on Mar-31-2016

Particulars	No. of Shares	%
Demat Segment	9,40,63,120	97.31
Physical Segment	26,02,710	2.69
Total	9,66,65,830	100.00

Year	Physical Holding	Mkt Val (Rs in Crs)	Surge in Risk
Mar-2016	↑ 26,02,710	↑ 29.53	Surge in Risk
Mar-2007	↑ 3,88,133	↑ 3.30	

As per SEBI Order, the audit has to be completed by such companies within a period of 3 months i.e **before June 22, 2016**. Further, a company is required to take appropriate action, in cases where violations are observed, within period of six month i.e **before September 22, 2016**.

The Company has approached Pantomath to seek its assistance in conducting audit of its Share Transfer and Dividend payments, to comply with SEBI Order.



2 Audit Process and Findings



Audit Process and Findings (1 of 2)



As part of the audit process, we have:

- reviewed the Standard Operating Procedures and systems being followed by Sharepro for processing request received from Investors and the Company;
- compared the data provided by Sharepro with third party and publicly available information (like annual returns filed by company with RoC, Bank reconciliation), to the extent provided and available to us;
- reviewed all the physical transfer processed by Sharepro during last 9 years along with signature verification of every transaction;
- verified dividend transactions where dividends unpaid/ warrant returned undelivered and subsequently released by Sharepro;
- verified list of shareholders and transactions for past 9 years to identify any transaction entered by persons named in the SEBI Order.



Audit Process and Findings (2 of 2)



Based on our review of processes and systems and discussion with the management team at Sharepro, our observation is summarised hereunder:

- There is no documented Standard Operating Procedure for processing of various transactions;
- There is no defined and documented schedule of authority for approval of transactions;
- There is no control system for tracing history of transactions in particular folio;
- There is no documented process for processing of transaction in exceptional cases and waiver of documents;
- There is no control, documented process and schedule of authority for printing of share certificates;
- Records of correspondences with shareholder have not been maintained in many cases;
- Signatures of many shareholders are missing in the system;
- There is no control maintained for share certificate/warrants which have been destroyed.

Overall in our opinion the internal control system is weak and not existent in many of the cases



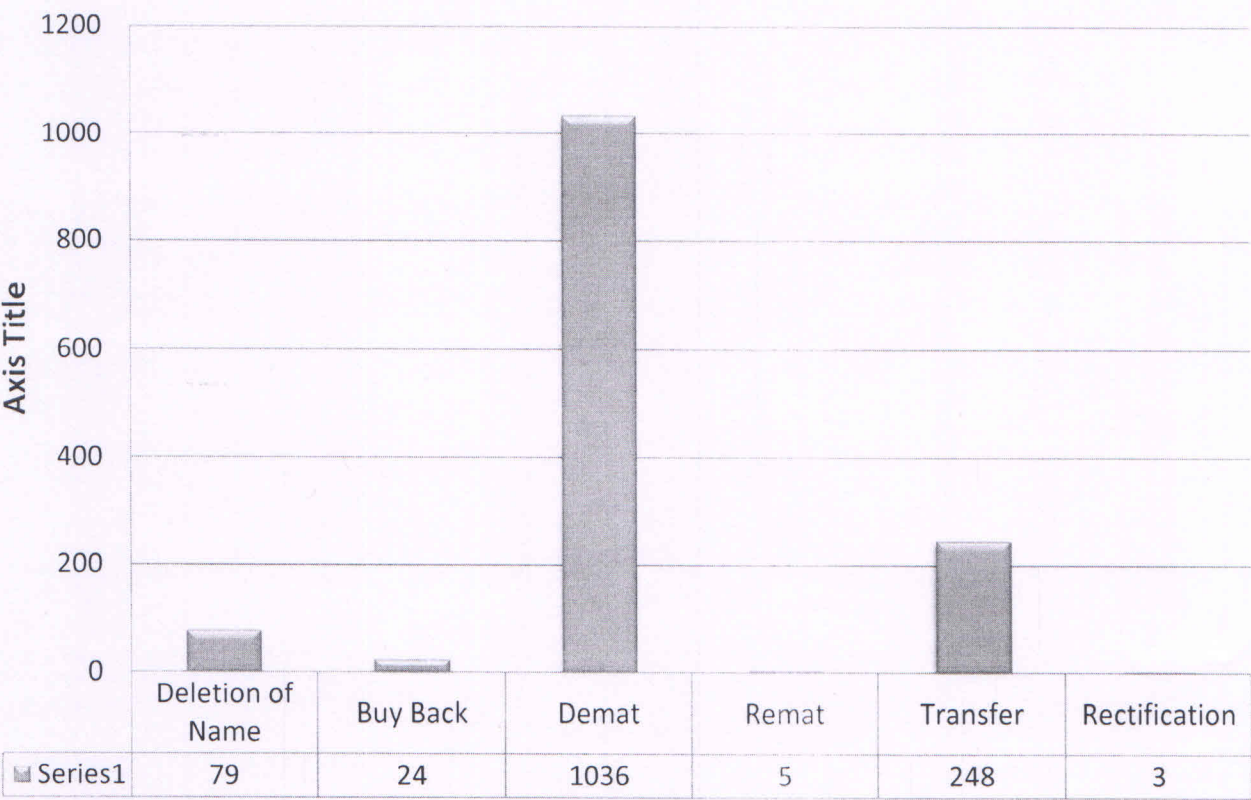
3 Summary of Transactions



Summary of Transactions (1 of 2)



Summary of Transactions



Summary of Transactions (2 of 2)



Summary of Transactions

Number of Transactions

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Grand Total
Deletion of Name	12	9	13	4	10	11	4	3	9	4	79
Buy Back	0	24	0	0	0	0	0	0	0	0	24
Demat	201	111	73	129	113	95	53	154	91	16	1,036
Remat	0	1	1	1	0	0	0	1	0	1	5
Transfer	36	34	15	30	21	22	8	65	14	3	248
Rectification	0	0	0	0	0	1	0	2	0	0	3
Total	249	179	102	164	144	129	65	225	114	24	1,395

Number of Shares Transacted

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Grand Total
Deletion of Name	1,950	1,600	3,450	700	1,320	12,100	4,135	13,500	18,770	5,750	63,275
Buy Back	0	3,250	0	0	0	0	0	0	0	0	3,250
Demat	32,050	19,200	13,385	22,653	22,174	1,14,760	60,655	1,92,880	1,74,640	1,77,100	8,29,497
Remat	0	100	10	800	0	0	0	50	0	2,000	2,960
Transfer	5,500	5,300	1,850	4,727	4,047	13,275	5,550	81,320	20,400	6,200	1,48,169
Rectification	0	0	0	0	0	300	0	5,000	0	0	5,300
Total	39,500	29,450	18,695	28,880	27,541	1,40,435	70,340	2,92,750	2,13,810	1,91,050	10,52,371

Pantomath Advisors LLP - A Pantomath Group Entity



4 Audit Observations



Audit Observations - Transfers

Sr No	Observations	Procedure followed by Sharepro	Review process followed by Pantomath
1	Signature does not match / Signature not available in the master	<p>We have been informed by Sharepro that in such cases:</p> <ol style="list-style-type: none"> As the first step objection memo is send to shareholders. Shares are transferred based on clarification/documentary evidence received from such shareholder; Where no response is received from the shareholder, a notice is send to shareholder informing them about the share transfer request received. If no response received from the shareholder within 15 days from dispatch, the shares are transferred; In certain cases transfers are made based on confirmation /clearance received by Sharepro from the Company 	<p>Our approach:</p> <ol style="list-style-type: none"> Review the communication made to shareholder. Check whether any response received from shareholders within the stipulated time Review documents ensuring transfer of shares are made either based on response received from shareholder or after the completion of 15 days from dispatch; Check clarification, if any received from Company for transfer of shares



Audit Observations – transfer of share

Details of transactions, if any undertaken by person / individuals referred as suspected In the SEBI Order

Sr. No.	Name of the person / individuals	No of shares transacted		Mode of transaction
		Buy (Date)	Sell (Date)	Demat / Physical
1.	Govind Raj Rao	Nil	Nil	NA
2.	Bhagyalaxmi Rao	Nil	Nil	NA
3.	Indira Karkera	Nil	Nil	NA
4.	Anil Jathan	Nil	Nil	NA
5.	Raju Landge *	Nil	Nil	NA
6.	Suresh Unawane	Nil	Nil	NA
7.	Nagesh Karkera	Nil	Nil	NA
8.	Narayana Devadiga	Nil	Nil	NA
9.	Swapnil Sutar	Nil	Nil	NA
10.	Shrikant C. Bhalakia	Nil	Nil	NA
11.	Anand S.Bhalakia	Nil	Nil	NA
12.	Krishna M Ghosh	Nil	Nil	NA
13.	Sukhdev Bhosale	Nil	Nil	NA
14.	Balaram Mukherjee	Nil	Nil	NA



Audit Observations – transfer of share

Details of transactions, if any undertaken by person / individuals referred as suspected In the SEBI Order

Sr. No.	Name of the person / individuals	No of shares transacted		Mode of transaction
		Buy (Date)	Sell (Date)	Demat / Physical
15.	Sadashiv Poojary	Nil	Nil	NA
16.	Prashant Karkera	Nil	Nil	NA
17.	Satyam Brush Industries	Nil	Nil	NA
18.	Mohit Karkera	Nil	Nil	NA
19.	Ms. Jayshree Shah	Nil	Nil	NA
20.	Ms. Bhavani Jathan	Nil	Nil	NA

* As per benpos name of the shareholder is Raju P Landge. Hence, there is a possibility that this is a different person. We have been informed that no PAN detail is available.



Audit Observations - Dividends

Documents/ Information Provided

- The Company has paid dividend during the financial years 2007-08 to 2014-15
- Year wise master status of dividend paid as maintained by Sharepro;
- Correspondence between shareholders and Sharepro relating to unpaid /unclaimed dividend;
- List of Demand Drafts issued by the Company to shareholders against uncleared dividend warrants and records maintained by Sharepro for the relevant financial years;
- Reconciliation statement received from bank and provided by the Company;
- List of shareholders who have not claimed dividend and transfer of such amount to Investor Education and Protection Fund

Scrutiny Process Followed:

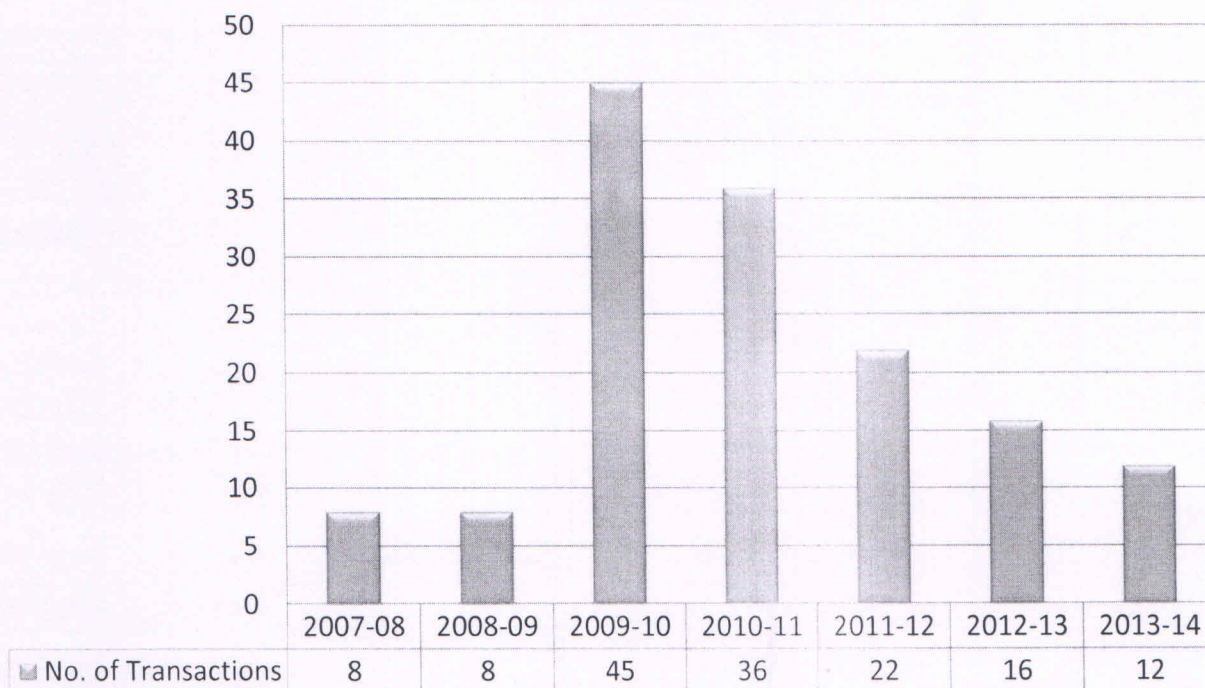
- Review list of shareholders on the record date with the details of warrant / ECS / Demand Drafts dispatched;
- Reconciled the statement of un-cleared warrants / ECS with details of payment made after 90 days from the date of issue of warrants;
- review the correspondence made by shareholders for revalidation of expired warrants wherever available and reconcile the same with the list of shareholders on the Record Date;
- Review the chain of communication between shareholder, Sharepro and Company for revalidation of warrant
- Reconcile the list of shareholders who's warrants / Demand Draft are not cleared with the list of amount transferred to IEPF



Audit Observations - Dividends

Year Wise details of correspondence available for verification in case of payments made beyond 90 days

No. of Transactions



Audit Observations - Dividends

Details of dividend paid to list of persons/ individuals referred in SEBI Order

Sr. No.	Name of the person / individuals	Dividend
1.	Govind Raj Rao	Nil
2.	Bhagyalaxmi Rao	Nil
3.	Indra Karkera	Nil
4.	Anil Jathan	Nil
5.	Raju Landge	Nil
6.	Suresh Unawane	Nil
7.	Nagesh Karkera	Nil
8.	Narayana Devadiga	Nil
9.	Swapnil Sutar	Nil
10.	Shrikant C. Bhalakia	Nil
11.	Anand S.Bhalakia	Nil
12.	Krishna M Ghosh	Nil
13.	Sukhdev Bhosale	Nil
14.	Balaram Mukherjee	Nil
15.	Sadashiv Poojary	Nil



Audit Observations - Dividends

Details of dividend paid to list of persons/individuals referred in SEBI Order

Sr. No.	Name of the person / individuals	Dividend
16.	Prashant Karkera	Nil
17.	Satyam Brush Industries	Nil
18.	Mohit Karkera	Nil
19.	Ms. Jayshree Shah	Nil
20.	Ms. Bhavani Jathan	Nil



Scope limitations



- We have conducted our audit based on information's made available to us by Sharepro and the Company
- We are not able to authenticate the communication, if any received from the Shareholders apart from signature verification, to the extent made available
- We have not been provided with Bank statements to reconcile the unclaimed/unpaid dividend with list of warrants / DDs issued
- We have not been provided with proof of dispatch of notice



Thank You...



Progress with Values

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