IMPORTANT NOTICE

STRICTLY CONFIDENTIAL – DO NOT FORWARD

IMPORTANT: This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately. You must read the following disclaimer before continuing. The following disclaimer applies to the placement document of Camlin Fine Sciences Limited (the "**Issuer**") dated November 22, 2017 attached to this e-mail (the "**Placement Document**"), and you are therefore advised to read this page carefully before reading, accessing or making any other use of the attached Placement Document. In accessing the Placement Document, you have acknowledged and agreed to be bound by the following restrictions, terms and conditions, including any modifications to them, from time to time, each time you receive any information from us as a result of such access. **You acknowledge that the Placement Document is intended for use by you only and you agree not to forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person.**

This Issue and the distribution of this Placement Document is being done in reliance on Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI Regulations**") and Section 42 of the Companies Act, 2013, as amended and the rules made thereunder. This Placement Document is not a prospectus under the Companies Act, 2013, is personal to each prospective investor and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors.

Confirmation of Your Representation: You have accessed the attached Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to Equirus Capital Private Limited (the "**Book Running Lead Manager**") that: (1) you are an eligible "qualified institutional buyer" (i.e. "a qualified institutional buyer" as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations) and are not restricted from participating in the offering under the SEBI Regulations and other applicable laws; AND (2) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and to the extent that you purchase the securities described in the attached Placement Document, you will be doing so pursuant to Regulation S under the the United States Securities Act of 1933, as amended (the "**Securities Act**"); AND (3) the securities offered hereby have not been registered under the Securities Act; AND (4) you are not a resident in a country where delivery of the attached Placement Document by electronic transmission may not be lawfully made in accordance with the laws of the applicable jurisdiction; AND (5) that you consent to delivery of the attached Placement Document and any amendments or supplements thereto by electronic transmission.

The attached Placement Document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Book Running Lead Manager, their respective affiliates or any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents or any affiliates of any such person, accepts any liability or responsibility whatsoever in respect of any discrepancies between the Placement Document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

The Placement Document is intended only for use by the addressee named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of the Placement Document, you are hereby notified that any dissemination, distribution or copying of the Placement Document is strictly prohibited. If you have received the Placement Document in error, please immediately notify the sender or the Book Running Lead Manager by reply email and destroy the email received and any printouts of it.

None of Issuer or the Book Running Lead Manager, their respective affiliates or any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents or any affiliates of any such person accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Placement Document or their respective contents or otherwise arising in connection therewith.

Restrictions: The attached Placement Document and notice are being furnished in connection with an offering exempt from, or in a transaction not subject to, the registration requirements of the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase and subscription of the securities described in the Placement Document. You are reminded that the information in the attached document is not complete and may be changed.

NOTHING HEREIN CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. SECURITIES OFFERED OR SOLD OUTSIDE OF THE UNITED STATES ARE BEING OFFERED OR SOLD IN COMPLIANCE WITH THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

THE PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REGISTERED AS A PROSPECTUS OR A STATEMENT IN LIEU OF PROSPECTUS WITH ANY REGISTRAR OF COMPANIES IN INDIA AND IS NOT AND SHOULD NOT BE CONSTRUED AS AN OFFER DOCUMENT UNDER THE SEBI REGULATIONS OR ANY OTHER APPLICABLE LAW. FURTHER, NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OR AN INVITATION TO THE PUBLIC UNDER THE COMPANIES ACT, 2013, AS AMENDED, BY OR ON BEHALF OF THE ISSUER OR THE BOOK RUNNING LEAD MANAGER TO SUBSCRIBE FOR OR PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN. THE PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE RESERVE BANK OF INDIA, ANY REGISTRAR OF COMPANIES IN INDIA OR ANY STOCK EXCHANGE IN INDIA. THE PLACEMENT DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS AN INVITATION, OFFER OR SALE OF ANY SECURITIES TO THE PUBLIC IN INDIA.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either Issuer of the securities or the Book Running Lead Manager to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute "directed selling efforts" (as defined in Regulation S under the Securities Act) in the United States. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Book Running Lead Manager or an affiliate of the Book Running Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Book Running Lead Manager or any of its eligible affiliates on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached Placement Document on the basis that you are a person into whose possession the attached Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Actions That You May Not Take: You should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) DOWNLOAD, FORWARD, DISTRIBUTE OR DELIVER THE ATTACHED PLACEMENT DOCUMENT, IN WHOLE OR PART, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR (2) REPRODUCE SUCH PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED, IN WHOLE OR IN PART, TO ANY U.S. ADDRESS. ANY DOWNLOADING, FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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Placement Document
Not for Circulation
Private and Confidential
Serial No. ________

CAMLIN FINE SCIENCES LIMITED

Originally incorporated as "Camlicon Consultants Private Limited" on November 30, 1993, the name of our Company was changed to "Camlin Fine Sciences Limited" on August 27, 2011 under the Companies Act, 1956. The registered office of our Company is at WICEL, Plot No. F/11 and F/12, Central Road, Opposite SEEPZ Main Gate, Andheri (East), Mumbai 400 093, Maharashtra; Telephone: (91 22) 6700 1000; Fax: (91 22) 2832 4404; Email: secretarial@camlinfs.com; Website: www.camlinfs.com; Corporate identification number: L74100MH1993PLC075361.

Camlin Fine Sciences Limited (our "**Company**" or the "**Issuer**") is issuing 1,72,41,379 equity shares of face value of Re. 1 each (the "**Equity Shares**") at a price of Rs. 87.00 per Equity Share, including a premium of Rs. 86.00 per Equity Share, aggregating to Rs. 15,000.00 lakh (the "**Issue**").

ISSUE IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULES MADE THEREUNDER, AND CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS").

THIS ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") AS DEFINED IN THE SEBI ICDR REGULATIONS IN RELIANCE UPON CHAPTER VIII OF THE SEBI ICDR REGULATIONS, AS AMENDED AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, AND RULES MADE THEREUNDER. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN QIBs. THIS PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO EQUITY SHARES.

Invitation for subscription of the Equity Shares was made pursuant to the Preliminary Placement Document, together with the Application Form. For further details, see "*Issue Procedure*" on page 120. The distribution of the Preliminary Placement Document and this Placement Document or the disclosure of its contents to any person, other than QIBs and persons retained by QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

A copy of the Preliminary Placement Document dated November 16, 2017 (which includes disclosures prescribed under Form PAS-4 under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended) has been delivered to BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" and, together with BSE, the "**Stock Exchanges**"). Our Company shall also make the requisite filings with the Registrar of Companies, Mumbai ("**RoC**") and the Securities Exchange Board of India ("**SEBI**") within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Placement Document has not been reviewed by the SEBI, the Reserve Bank of India ("**RBI**"), the Stock Exchange or any other regulatory or listing authority and is intended only for use by QIBs. This Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The Issue is meant only for QIBs by way of a private placement and is not an offer to the public or to any other class of investors.

INVESTMENTS IN THE EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENTS. PROSPECTIVE INVESTORS ARE ADVISED TO READ "*RISK FACTORS*" ON PAGE 35 CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS ADVISORS ABOUT THE PARTICULAR CONSEQUENCES TO IT OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT.

The information on our Company's website or any website directly or indirectly linked to our Company's website does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, such websites.

All of our Company's outstanding Equity Shares are listed on the Stock Exchanges. The closing price of the outstanding Equity Shares on BSE and NSE on November 16, 2017 was Rs. 92.10 and Rs. 92.20 per Equity Share, respectively. In-principle approval under Regulation 28(1) of the Listing Regulations (as defined below) for listing of the Equity Shares has been received from BSE and NSE on November 16, 2017. Application to the Stock Exchanges will be made for obtaining listing and trading approval for the Equity Shares offered through the Preliminary Placement Document. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of our business or the Equity Shares.

YOU ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

THIS PLACEMENT DOCUMENT HAS BEEN PREPARED BY OUR COMPANY SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE OF THE EQUITY SHARES DESCRIBED IN THIS PLACEMENT DOCUMENT.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws of the United States, and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"). See "*Selling Restrictions*" and "*Transfer Restrictions*" on page 132 and pages 137, respectively.

This Placement Document is dated November 22, 2017.

BOOK RUNNING LEAD MANAGER

Equirus Capital Private Limited

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and confirms that, to the best of our knowledge and belief, having made all reasonable enquiries, the Placement Document contains all information with respect to us and the Equity Shares which is material in the context of this Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in all material respects, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to us and are based on reasonable assumptions. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of this Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements.

The Book Running Lead Manager ("**BRLM**") has made reasonable enquiries but has not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLM nor any of its respective affiliates including any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on the BRLM or any of their respective affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares. Prospective investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of us or the BRLM. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The distribution of this Placement Document and the issuance of Equity Shares pursuant to this Issue may be restricted by law in certain jurisdictions. The Equity Shares have not been recommended by any foreign, federal or state securities commission or regulatory authority. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by any one in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the BRLM which would permit an issue of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any other Issue-related materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws of the United States and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"). The Equity Shares are transferable only in accordance with the restrictions described in "*Selling Restrictions"* and *"Transfer Restrictions*" on pages 132 and 137, respectively. Purchaser of the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the sections "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*".

The distribution of this Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue, in consultation with the BRLM or its representatives, and those retained by QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

As such, this Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by any one in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by us or the BRLM which would permit an Issue of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any other Issue related materials in connection with the Equity Shares may be distributed or published, in or from any country or jurisdiction except under circumstances that will be in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of this Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither we nor the BRLM are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations.

Each purchaser of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Equity Shares under Indian law, including Chapter VIII of the SEBI ICDR Regulations and is not prohibited by SEBI or any other statutory authority from buying, selling or dealing in securities including Equity Shares. Each purchaser of Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from us and has reviewed information relating to us and the Equity Shares.

The information on our website, www.camlinfs.com, or any website directly or indirectly linked to our website or on the respective websites of the BRLM or their respective affiliates or any website directly or indirectly linked to such websites does not constitute or form a part of this Placement Document. Prospective investors should not rely on the information contained in, or available through, any such websites.

This Placement Document contains a summary of some terms of certain documents which are qualified in their entirety by the terms and conditions of those documents.

For information in certain other jurisdictions, see "*Selling Restrictions"* and *"Transfer Restrictions*" on pages 132 and 137, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the prospective investors in this Issue. By bidding for and subscribing to any of the Equity Shares in this Issue, you are deemed to have represented, warranted, acknowledged and agreed to us and the BRLM as follows:

(a) you (i) are a QIB as defined in the Preliminary Placement Document and this Placement Document and are not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations; (ii) have a valid and existing registration under applicable laws of India (as applicable); and (iii) undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you for the purposes of your business in accordance with Chapter VIII of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, the Companies Act, 2013, the Companies Act, 1956 to the extent applicable and all other applicable laws, including in respect of reporting requirements, if any;

(b) if you are not a resident of India, but a QIB, you are an Eligible FPI as defined in the Preliminary Placement Document and this Placement Document and have a valid and existing registration with SEBI under the applicable laws in India; or a multilateral or bilateral development financial institution; or an FVCI and have a valid and existing registration with SEBI under applicable laws in India, and are eligible to invest in India under applicable law, including the FEMA 20, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

(c) you are eligible to invest in India under applicable laws, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and any notification, circulars or clarification issued thereunder, and have not been prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities;

(d) you will make all necessary filings with the appropriate regulatory authorities including with the RBI, as required, pursuant to applicable laws;

(e) if you are Allotted Equity Shares pursuant to this Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the Stock Exchanges;

(f) you are aware that this Placement Document has not been, and will not be, registered as a prospectus under the Companies Act, 2013 and the SEBI ICDR Regulations or under any other law in force in India. You are aware that this Placement Document has not been reviewed or affirmed by SEBI, RBI or the Stock Exchanges or any other regulatory or listing authority and is intended for use only by QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document have been displayed on the websites of our Company and the Stock Exchanges;

(g) you are entitled and have necessary capacity to acquire/subscribe for the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required there under and complied with all necessary formalities and have obtained all necessary consents and authorities to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in the Preliminary Placement Document and this Placement Document), and will honour such obligations;

(h) neither we nor the BRLM nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates is making any recommendation to you or, advising you regarding the suitability of any transactions it may enter into in connection with this Issue; your participation in this Issue is on the basis that you are not, and will not, up to Allotment, be a client of the BRLM and that neither the BRLM nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duty or responsibilities to you for providing the protection afforded to their clients or customers for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

(i) you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by us or our agents ("**Company Presentations**") with regard to us or this Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that we or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material information that was not publicly available;

(j) you are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public and the allotment of the Equity Shares shall be on a discretionary basis at the discretion of our Company in consultation with the BRLM;

(k) all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our products), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place reliance on forward looking statements, which speak only as at the date of this Placement Document. We assume no responsibility to update any of the forward-looking statements contained in this Placement Document;

(l) you have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Documenty and have read the Preliminary Placement Document and Placement Documents in its entirety including, in particular "*Risk Factors*" on page 35;

(m) in making your investment decision (i) you have relied on your own examination of our Company and the terms of this Issue, including the merits and risks involved; (ii) you have made your own assessment of our Company, the Equity Shares and the terms of this Issue based solely on the information contained in the Preliminary Placement Document and no other representation by us or any other party; (iii) you have consulted your own independent advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws and taxation matters; (iv) you have relied solely on the information contained in the Preliminary Placement Document and no other disclosure or representation by us or the BRLM or any other party; (v) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares; and (vi) relied upon your investigation and resources in deciding to invest in this Issue. You are seeking to subscribe to/acquire the Equity shares in this Issue for your own investment and not with a view to resale or distribution;

(n) you are a sophisticated investor and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any accounts for which you are subscribing to the Equity Shares: (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to us, the BRLM or its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

(o) neither the BRLM nor any of its shareholders, investors, officers, employees, counsel, agents, representatives or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership or disposal of the Equity Shares (including, but not limited, to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLM or any of its shareholders, investors, officers, employees, counsel, agents, representatives or affiliates when evaluating the tax consequences of the Equity Shares (including, but not limited to, this Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against us, the BRLM or any of its shareholders, investors, officers, employees, counsel, agents, representatives or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

(p) where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

(q) you agree and acknowledge that in terms of Section 42(7) of the Companies Act, 2013, we shall file the list of QIBs (to whom the Preliminary Placement Document has been circulated) along with other particulars with the RoC and SEBI within 30 days of circulation of the Preliminary Placement Document and other filings required under the Companies Act, 2013;

(r) you are not a 'Promoter' of our Company, as defined under section 2(69) of the Companies Act, 2013 and the SEBI ICDR Regulations, and are not a person related to the Promoter or to group companies of the Promoter, either directly or indirectly and your Bid does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter of our Company or to group companies of the Promoter of our Company;

(s) you have no rights under a shareholders' agreement or voting agreement with the Promoter or persons related to the Promoter, no veto rights or right to appoint any nominee director on the Board of Directors of our Company other than such rights acquired, if any, in the capacity of a lender not holding any Equity Shares of our Company, the acquisition of which shall not deem you to be a Promoter, a person related to the Promoter;

(t) you have no right to withdraw your Bid after the Issue Closing Date;

(u) you are eligible to Bid and hold the Equity Shares so Allotted together with any Equity Shares held by you prior to this Issue. You further confirm that your aggregate holding upon this Issue of the Equity Shares shall not exceed the level permissible as per any applicable regulations;

(v) the Bid submitted by you would not eventually result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;

(w) your aggregate holding, together with other QIBs participating in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the present Issue, shall not exceed 50% of this Issue. For the purposes of this representation:

    (a) the expression "**belongs to the same group**" shall be interpreted by applying the concept of "**companies under the same group**" as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

    (b) "**Control**" shall have the same meaning as is assigned to it under Regulation 2 (i)(e) of the Takeover Code;

(x) you shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges;

(y) you are aware that the pre-issue and post-issue shareholding pattern of our Company, as required by the Listing Regulations will be filed by our Company with the Stock Exchanges, and if you are Allotted more than 5.00% of the Equity Shares in this Issue, we shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosure being made by us;

(z) you are aware that our Company shall make necessary filings with the RoC pursuant to the Allotment (which shall include certain details such as your name, address and number of Equity Shares Allotted) and if the Allotment of Equity Shares in the Issue results in you being one of the top ten shareholders of our Company, we shall also be required to disclose your name and shareholding details to the RoC within 15 days of Allotment, and you consent to such disclosure being made by us;

(aa) you are aware that (i) applications for in-principle approval, in terms of Regulation 28(1) of the Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and an approval has been received from the Stock Exchanges, and (ii) the application for the listing and trading approval will be made only after Allotment. There can be no assurance that the approvals for listing and trading in the Equity Shares will be obtained in time or at all. We shall not be responsible for any delay or non-receipt of such approvals for listing and trading or any loss arising from such delay or non-receipt;

(bb) you are aware and understand that the BRLM will have entered into a placement agreement with our Company (the "**Placement Agreement**") whereby the BRLM has, subject to the satisfaction of certain conditions set out therein, undertaken severally and not jointly to use their reasonable endeavours to seek to procure subscriptions for the Equity Shares on the terms and conditions set forth herein;

(cc) the contents of this Placement Document are our exclusive responsibility and neither the BRLM nor any person acting on their behalf, nor any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates has, or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of us and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in the Preliminary Placement Document or otherwise. By accepting a participation in this Issue, you agree and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of either of the BRLM or us or any other person and neither the BRLM, nor we or our respective directors, officers, employees, counsel, advisors, representatives, agents or affiliates or any other person will be liable for your decision to participate in this Issue based on any other information, representation, warranty or statement that you may have obtained or received;

(dd) the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares, is contained in the Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares issued in pursuance of this Issue and that you have neither received nor relied on any other information given or representations, warranties or statements made by BRLM (including any view, statement, opinion or representation expressed in any research published or distributed by the BRLM or its affiliates or any view, statement, opinion or representation expressed by any staff (including research staff) of the BRLM or its respective affiliates) or our Company or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates and neither the BRLM nor our Company or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

(ee) you understand that neither the BRLM nor its affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by us of any of our obligations or any breach of any representations or warranties by us, whether to you or otherwise;

(ff) you agree to indemnify and hold us and the BRLM and its respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements and agreements made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

(gg) you are a sophisticated investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investment matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

(hh) each of the representations, warranties, acknowledgements and agreements set forth above shall continue to be true and accurate at all times up to and including the Allotment and listing and trading of the Equity Shares on the Stock Exchanges;

(ii) we, the BRLM, its respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements, undertakings and agreements which are given to the BRLM on its own behalf and on behalf of us and are irrevocable and it is agreed that if any of such representations, warranties, acknowledgements, undertakings and agreements are no longer accurate, you will promptly notify to the BRLM;

(jj) you understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States, and accordingly, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and that the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S of the U.S. Securities Act;

(kk) any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of the Republic of India and the courts at Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document; and

(ll) you have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and agreements set forth in this section and in "*Selling Restriction"* and *"Transfer Restrictions*" on pages 132 and 137, respectively.

Off-Shore Derivative Instruments (P-Notes)

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, a FPI (other than a Category III foreign portfolio investors and unregulated broad based funds which are classified as Category II FPI by virtue of their investment manager being appropriately regulated), including the affiliates of the Book Running Lead Managers, may issue, subscribe or otherwise deal in offshore derivative instruments as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying and all such offshore derivative instruments are referred to herein as "**P-Notes**" for which they may receive compensation from the purchasers of such P-Notes. These P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation or establishment subject to compliance with "know your client" requirements. An FPI must ensure that the P-Notes are issued in compliance with all applicable laws including Regulation 4 and Regulation 22 of the SEBI FPI Regulations and circular no. CIR/IMD/FIIC/20/2014 dated November 24, 2014 issued by SEBI. P-Notes have not been being offered or sold pursuant to the Preliminary Placement Document. This Placement Document does not contain any information concerning P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligations of, claim on, or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are solely the obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of, or claims on, the Book Running Lead Managers. FPI affiliates (other than Category III FPI and unregulated broad-based funds which are classified as FPI by virtue of their investment manager being appropriately regulated) of the Book Running Lead Managers may purchase, to the extent permissible under law, Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Document;

2. warrant that the Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, its management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with, such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER DATA

In this Placement Document, unless the context otherwise indicates or implies references to:

- "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in the Equity Shares issued pursuant to this Issue;

- unless otherwise specified, "we", "us" and "our" refers to Camlin Fine Sciences Limited and its Subsidiaries on a consolidated basis; and

- unless otherwise specified, "our Company", "the Company" and "the Issuer" refers to Camlin Fine Sciences Limited on a standalone basis.

References in this Placement Document to "India" are to the Republic of India and its territories and possessions and the "Government" or the "Central Government" or the "State Government" are to the Government of India, Central or State, as applicable. All references herein to the "U.S.", "USA" or the "United States" are to the United States of America and its territories and possessions.

Currency and Units of Presentation

In this Placement Document, all references to:

- "BRL" are to Brazilian Real, the official currency of Brazil;
- "CAD" are to Canadian Dollar, the official currency of Canada;
- "Euro" or "€" are to official currency of member states of the European Union;
- "MUR" are to Mauritian Rupee, the official currency of Mauritius;
- "MXN" are to Mexican Peso, the official currency of Mexico;
- "RMB" are to Renminbi, the official currency of People's Republic of China;
- "Rs." or "Rupees" are to Indian Rupees, the official currency of the Republic of India; and
- "USD" or "US$" are to United States Dollars, the official currency of the United States of America.

Financial Data

Our Company publishes its financial statements in Indian Rupees.

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'fiscal year', 'fiscal' or 'FY' are to the twelve-month period ended on March 31 of that year.

Our Company publishes its financial statements in Indian Rupees. The following financial statements of our Company have been disclosed in this Placement Document:

(a) Audited Financial Statements; and
(b) Consolidated Reviewed Financial Results.

Unless otherwise indicated or the context requires otherwise in this Placement Document, all financial data as of and for the years ended March 31, 2015, 2016 and 2017 is extracted or derived from our Audited Financial Statements and all financial data as of and for the quarter and six month period ended September 30, 2017 is extracted or derived from our Consolidated Reviewed Financial Results.

Prior to April 1, 2017, we prepared our financial statements in accordance with Indian GAAP and the Companies Act. With effect from April 1, 2017, we adopted Ind AS as notified under the Companies Act and, accordingly, our financial statements as of the quarter and six months period ended September 30, 2017 have been prepared in accordance with Ind AS and the Companies Act. Ind AS and Indian GAAP differ in certain significant respects from each other and from International Financial Reporting Standards ("**IFRS**") and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Further, the degree to which the financial statements prepared in accordance with Ind AS and Indian GAAP included in this Placement Document provide meaningful information is dependent on the reader's familiarity with the respective accounting policies. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this

Placement Document should accordingly be limited. We have conducted a preliminary review of the impact of Ind AS on our accounting policies, details of which are disclosed in the section "*Summary of Significant Differences between Indian GAAP and Ind AS*" on page 100.

In this Placement Document, certain monetary thresholds have been subjected to rounding off adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

All financial and statistical information in this Placement Document Prospectus have been presented in lakh or in whole numbers where the numbers have been too small to present in million, unless stated otherwise

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Placement Document in "lakh" units. One lakh represents 100,000 and one crore represents 10,000,000.

MARKET AND INDUSTRY DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and/or data from other external sources.

Statistical information, industry and market data used throughout this Placement Document has been obtained primarily from the reports titled 1) "Global Antioxidants Market", 2014-2018 and an additional report by TechNavio Insights (the "**TechNavio Report**"); 2) A Report on Chemical Industry" by FICCI 2015; 3) Handbook on Indian Chemicals and Petrochemicals Sector, October 2014" published by FICCI and 4) "Hydroquinone and Pyrocatechol, World Markets & Prospects, 2014-2019" by Rabih SROUR.

TechNavio Insights has taken due care and caution in preparing the TechNavio Report based on the information obtained by TechNavio Insights from sources which it considers reliable. However, TechNavio Insights does not guarantee the accuracy, adequacy or completeness of information in the TechNavio Report or the TechNavio Report itself and is not responsible for any errors or omissions or for the results obtained from the use of information in the TechNavio Report or the TechNavio Report itself. The TechNavio Report is not a recommendation to invest/disinvest in any company covered in the TechNavio Report. TechNavio Insights is not liable for investment decisions which may be based on the views expressed in the TechNavio Report. The views expressed in this TechNavio Report are that of TechNavio Insights.

We have not commissioned any report for purposes of the Placement Document. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Placement Document are reliable, it has not been independently verified by us or the BRLM or any of its affiliates or advisors. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

Neither we nor the BRLM have independently verified this data and neither we nor the BRLM make any representation regarding the accuracy or completeness of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent source and neither the BRLM nor we can assure potential investors as to their accuracy. Similarly, internal estimates and surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither we nor the BRLM make any representation as to the accuracy and completeness of information based on trade, industry and government publications and websites, data reports compiled by government bodies, professional organisations and analysts, or from other external sources.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD LOOKING STATEMENTS

All statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Placement Document (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that they may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- Our ability to successfully develop or commercialise new products;
- Preference of our customer, our ability to adapt to such preferences and availability of substitute products in the market;
- Competition in the market we operate;
- Ability to integrate acquired businesses;
- Our ability to continue our technological innovation and successful introduction of new products; and
- Our manufacturing facilities operating without any disturbances/shut-down.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*", "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 35, 75 and 88, respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to rely on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a company incorporated under the laws of India. The Board of Directors of our Company comprises of 11 Directors, all of whom are Indian citizens, except (i) Nicola Paglietti, Independent Director, who is an Italian citizen; and (ii) Anagha S. Dandekar, Additional Director, who is a citizen of USA. All of our Company's key managerial personnel are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Code of Civil Procedure, 1908, as amended ("**Civil Code**").

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or parties litigating under the same title except:

(a) where it has not been pronounced by a court of competent jurisdiction;
(b) where it has not been given on the merits of the case;
(c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable;
(d) where the proceedings in which the judgment was obtained were opposed to natural justice;
(e) where it has been obtained by fraud; or
(f) where it sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by the relevant court in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of section 44A of the Civil Code but the United States has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit based upon the foreign judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of the judgment and not on the date of the payment.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (Rs. per US$), for the periods indicated. The exchange rates are based on the reference rates released by RBI, which are available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On November 15, 2017 the exchange rate (RBI reference rate) was Rs. 65.37 to US$ 1.00.

(Rs. per US$)

	Period end	**Average(1)**	**High**	**Low**
Financial Year:				
2017	64.84	67.09	68.72	64.84
2016	66.33	65.46	68.78	62.16
2015	62.59	61.15	63.75	58.43
Month ended:				
April, 2017	64.22	64.51	65.04	64.00
May, 2017	64.55	64.42	64.99	64.02
June, 2017	64.74	64.44	64.74	64.26
July, 2017	64.08	64.46	64.82	64.08
August, 2017	64.02	63.97	64.24	63.63
September, 2017	65.36	64.44	65.76	63.87
October, 2017	64.77	65.08	65.55	64.76

(Source: www.rbi.org.in)

(1) Average of the official rate for each working day of the relevant period.

The following table sets forth information with respect to the exchange rates between the Rupee and the Euro (Rs. per €), for the periods indicated. The exchange rates are based on the reference rates released by RBI, which are available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into Euro at any particular rate, the rates stated below, or at all.

On November 15, 2017 the exchange rate (RBI reference rate) was Rs. 77.06 to €1.00.

(Rs. per €)

	Period end	**Average(1)**	**High**	**Low**
Financial Year:				
2017	69.25	73.61	76.61	69.25
2016	75.10	72.31	77.36	66.16
2015	67.51	77.47	84.52	65.95
Month ended:				
April, 2017	69.88	69.17	70.04	68.25
May, 2017	72.14	71.23	72.75	69.89
June, 2017	74.00	72.41	74.00	71.94
July, 2017	75.22	74.20	75.22	73.43
August, 2017	76.04	75.60	76.75	74.86
September, 2017	77.06	76.79	77.76	76.10
October, 2017	75.42	76.48	77.27	75.42

(Source: www.rbi.org.in)

(1) Average of the official rate for each working day of the relevant period.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any statute or regulations or policies shall include amendments thereto, from time to time.

Company Related Terms

Term	Description
"Articles"/ "Articles of Association"	The articles of association of our Company as amended from time to time
"Associates"	With reference to any company, the associate of that company would mean any other company within the meaning of the Companies Act
"Auditor"	Kalyaniwalla & Mistry LLP
"Audited Consolidated Financial Statements"	The audited consolidated financial statements of assets and liabilities as of and for the Fiscals ended March 31, 2017, 2016 and 2015 and statement of profits and losses and cash flows for the Fiscals ended March 31, 2017, 2016 and 2015 read along with the respective notes thereto, prepared in accordance with Indian GAAP, and the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013, together with the report for the relevant period issued by the statutory auditors for those respective periods
"Board of Directors"/ "Board"	The Board of Directors of our Company
"Brazil Facility"	Manufacturing facility of CFS Brazil situated at Indaiatuba, Brazil
"Chemolutions"	Chemolutions Chemicals Limited
"Chemolutions Acquisition"	Acquisition of 62,67,003 equity shares of Chemolutions, pursuant to a preferential allotment by Chemolutions to our Company. For further details, see "*Business – Chemolutions Acquisition*" on page 80.
"Chemolutions Facility"	Manufacturing facility of Chemolutions situated at Tarapur, Maharshtra, India
"China Facility"	Manufacturing facility of CFS Wanglong situated in the city of Yuyao Zhejaing Province, China
"Company"	Camlin Fine Sciences Limited
"CFS Brazil"	CFS do Brasil Indústria, Comércio, Importação e Exportação de Aditivos Alimentícios Ltda.
"CFS Canada"	Solentus North America Inc.
"CFS China"	CFS International Trading (Shanghai) Ltd.
"CFS Europe"	CFS Europe S.p.A.
"CFS Mauritius"	CFCL Mauritius Private Limited
"CFS Mexico"	CFS Antioxidantes De Mexico S.A De C.V
"CFS North America"	CFS North America LLC.
"CFS Wanglong"	CFS Wanglong Flavours (Ningbo) Co. Ltd.
"Consolidated Reviewed Financial Results"	The unaudited consolidated financial results of the Company for the quarter and half year ended September 30, 2017 prepared by the Company pursuant to the requirements of Regulation 33 of the SEBI Listing Regulations and in accordance with Ind AS and the Companies Act, 2013, together with the review report issued by the Statutory Auditor for this period in accordance with Standard on Review Engagements (SRE) 2410
"Director(s)"	Director(s) of our Company, unless otherwise specified
"Dresen"	Dresen Mexico and its subsidiaries namely, 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
"Dresen Acquisition"	Acquisition of 65% shareholding in Dresen Mexico by our Company pursuant to a stocks purchase agreement dated February 2, 2016 entered into with

Term	Description
	Vicente Sánchez Enriquez and another stocks purchase agreement dated February 2, 2016 entered into with Controladora De Servicios Riso, S.A.P.I. De C.V. For further details, see "*Business – Dresen Acquisition*" on page 80
"Dresen Mexico"	Dresen Quimica S.A.P.I. De C.V.
"Executive Directors"	Executive director(s) of our Company, unless otherwise specified
"Financial Statements"	The Audited Consolidated Financial Statements and the Consolidated Reviewed Financial Results
"Independent Directors"	Independent director(s) of our Company, unless otherwise specified
"Italy Facility"	Manufacturing facility of CFS Europe situated at Ravenna, Italy
"Memorandum"/ "Memorandum of Association"	The Memorandum of Association of our Company, as amended from time to time
"Mexico Facility"	Manufacturing facility of Dresen situated at Guanajuato, Mexico
"Non-Executive Directors"	Non-executive director(s) of our Company, unless otherwise specified
"Promoter and Promoter Group"	Individuals and entities forming part of the promoter and promoter group and who hold Equity Shares in the Company are: (i) Vivek A. Dandekar; (ii) Subhash Digambar Dandekar; (iii) S. D. Dandekar (HUF); (iv) Rajani S. Dandekar; (v) Leena Dandekar; (vi) D. P. Dandekar (HUF); (vii) Ashish S. Dandekar; (viii) Abha A. Dandekar; (ix) Anagha Dandekar (x) Vibha Agencies Private Limited; (xi) Camart Industries Limited; and (xii) Cafco Consultants Limited
"Promoter Group"	Unless the context requires otherwise, the entities forming part of our promoter group in accordance with SEBI ICDR Regulations and which are disclosed by our Company to the Stock Exchanges from time to time
"Registered Office"	WICEL, Plot No F/11 & F/12, Opp SEEPZ Main Gate, Central Road, Andheri(East), Mumbai 400 093
"Shareholders"	Persons holding Equity Shares of our Company, unless otherwise specified in the context thereof
"Subsidiaries"	(i) CFS Brazil; (ii) CFS Canada; (iii) CFS China; (iv) CFS Wanglong; (v) CFS Europe; (vi) CFS Mauritius; (vii) CFS Mexico; (viii) CFS North America; (ix) Dresen; and (x) Chemolutions
"Tarapur Facility"	Manufacturing facility of our Company situated at Tarapur, Maharashtra, India
"Wanglong Acquisition"	Acquisition of 51% shareholding in CFS Wanglong from Ningbo Wanglong Technology Limited by our Company and CFS Europe. For further details, see "*Business – Wanglong Acquisition*" on page 80.

Issue Related Terms

Term	Description
"Allocated"/ "Allocation"	The allocation of Equity Shares following the determination of the Issue Price to Investors on the basis of Application Forms submitted by them, in consultation with the BRLM and in compliance with Chapter VIII of the SEBI ICDR Regulations
"Allotment"/ "Allotted"	The issue and allotment of Equity Shares pursuant to this Issue
"Allottee(s)"	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
"Application Form"	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue
"Bid"	An indication of interest by a QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue
"Bidders"	A QIB who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
"Bidding Period"/ "Issue Period"	The period between the Issue Opening Date and Issue Closing Date inclusive of both dates during which Bidders can submit their Bids including any revision and/or modifications thereof

Term	Description
"Book Running Lead Manager"/ "BRLM"	Equirus Capital Private Limited
"CAN"/ "Confirmation of Allocation Note"	Note or advice or intimation to Bidders confirming the allocation of Equity Shares to such QIBs after determination of the Issue Price, and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such QIBs
"Category III foreign portfolio investor(s)"	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI (FPI) Regulations
"Closing Date"	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e. on or about November 23, 2017
"Cut-off Price"	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the BRLM
"Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottee's demat account, as applicable to the relevant Allottee
"Eligible FPIs"	FPIs that are eligible to participate in this Issue and do not include qualified foreign investors or Category III foreign portfolio investors (who are not eligible to participate in the Issue)
"Equity Shares"	The equity shares of face value Re. 1 each of our Company
"Escrow Account"	The account titled 'CFS – QIP 2017 Escrow Account' opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited
"Escrow Bank"/ "Escrow Agent"	IDBI Bank Limited
"Escrow Agreement"	The agreement dated November 16, 2017 entered into amongst our Company, the Escrow Agent and the BRLM
"Floor Price"	The floor price of Rs. 88.26 per Equity Share, which has been calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Company has offered a discount of 1.43% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations
"Issue"	The offer and issue of 1,72,41,379 Equity Shares each at a price of Rs. 87.00 per Equity Share, including a premium of Rs. 86.00 per Equity Share, aggregating to Rs. 15,000.00 lakh pursuant to chapter VIII of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
"Issue Closing Date"	November 22, 2017, the last date up to which the Application Forms accepted by our Company (or the BRLM, on behalf of our Company)
"Issue Opening Date"	November 16, 2017, the date on which the acceptance of the Application Forms commenced by our Company (or the BRLM on behalf of our Company)
"Issue Price"	A price per Equity Share of Rs. 87.00
"Issue Size"	The aggregate size of the Issue, aggregating to Rs. 15,000.00 lakh
"Mutual Fund"	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
"Pay-In Date"	Last date specified in the CAN for the payment of application monies by Bidders in the Issue
"Placement Agreement"	The agreement dated November 16, 2017 entered into between our Company and the BRLM
"Placement Document"	This Placement Document dated November 22, 2017 issued in accordance with Chapter VIII of the SEBI ICDR Regulations and section 42 of the Companies Act, 2013 and the rules thereunder
"Preliminary Placement Document"	The Preliminary Placement Document dated November 16, 2017 issued in accordance with Chapter VIII of the SEBI ICDR Regulations
"QIBs"/ "Qualified Institutional Buyers"	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
"QIP"	Qualified institutions placement, being private placement to Eligible QIBs under Chapter VIII of the SEBI ICDR Regulations and applicable sections of

Term	Description
	the Companies Act, 2013, read with applicable rules of the Companies (Prospectus and Allotment of Securities) Rules, 2014
"Relevant Date"	November 16, 2017, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue

Conventional and General Terms/Abbreviations

Term	Description
"AGM"	Annual general meeting
"AIF(s)"	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"AS"	Accounting Standards issued by the Institute of Chartered Accountants of India
"AY"	Assessment year
"BSE"	BSE Limited
"CCI"	Competition Commission of India
"CDSL"	Central Depository Services (India) Limited
"CIN"	Corporate identification number
"Companies Act"	The Companies Act, 1956 and/or the Companies Act, 2013, as applicable
"Companies Act, 1956"	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
"Companies Act, 2013"	The Companies Act, 2013 and the rules made thereunder to the extent in force pursuant to the notification of the Notified Sections
"Competition Act"	The Competition Act, 2002
"Depositories Act"	The Depositories Act, 1996
"Depository"	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
"DP"/ "Depository Participant"	A depository participant as defined under the Depositories Act
"DIN"	Director identification number
"EGM"	Extraordinary general meeting
"EOU"	Export Oriented Unit
"EPS"	Earnings per share, i.e., profit after tax for a financial year divided by the weighted average number of equity shares during the financial year
"ESOP"	Employee stock option scheme
"FDI"	Foreign Direct Investment
"FDI Policy"	The consolidated FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
"FEMA"	Foreign Exchange Management Act, 1999 and the regulations framed thereunder
"FEMA 20"	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
"FII Regulations"	The Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
"Financial Year" / "Fiscal Year"/ "Fiscal"/ "FY"	A period of 12 months ending March 31, unless otherwise stated
"FVCI"	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
"FPI"/ "Foreign Portfolio Investor(s)"	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations. Any foreign institutional investor or qualified foreign investor who holds a

Term	Description
	valid certificate of registration is deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the FII Regulations
"FVCI"	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
"GAAP"	Generally accepted accounting principles
"GAAR"	General Anti-Avoidance Rules
"GDP"	Gross domestic product
"GoI"/"Government"	Government of India
"ICAI"	The Institute of Chartered Accountants of India
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board
"Ind-AS"/"IAS Rules"	Indian accounting standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015 in its G.S.R dated February 16, 2015, as amended
"Indian GAAP"	Generally accepted accounting principles in India
"Income Tax Act"/"IT Act"	The Income Tax Act, 1961
"Insider Trading Regulations"	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"LIBOR"	London Interbank Offered Rate
"Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
"Mn"/ "million"	Million
"MCA"	Ministry of Corporate Affairs
"Networth"	Paid up share capital plus all reserves and surplus (excluding revaluation reserves)
"Non-Resident Indian(s)"/ "NRI"	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations
"Notified Sections"	Sections of the Companies Act 2013 that have been notified by the Government of India
"NSDL"	National Securities Depository Limited
"NSE"	The National Stock Exchange of India Limited
"p.a."	Per annum
"PAN"	Permanent account number
"PAT"	Profit after tax
"RBI"	The Reserve Bank of India
"RBI Act"	The Reserve Bank of India Act, 1934
"Regulation S"	Regulation S under the U.S. Securities Act
"Rs"/"Rupees"/"Indian Rupees"	The legal currency of India
"RoC"	Registrar of Companies, Mumbai
"SCRA"	Securities Contracts (Regulation) Act, 1956
"SCRR"	Securities Contracts (Regulation) Rules, 1957
"SEBI"	The Securities and Exchange Board of India
"SEBI Act"	The Securities and Exchange Board of India Act, 1992
"SEBI AIF Regulations"	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"SEBI FPI Regulations"	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
"SEBI ICDR Regulations"	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
"SENSEX"	An index of 30 constituent stocks traded on BSE representing a sample of large, liquid and representative companies
"Stock Exchanges"	BSE and NSE
"STT"	Securities transaction tax
"Takeover Code"	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations,

Term	Description
	2011
"U.S. GAAP"	Generally accepted accounting principles in the United States of America
"U.S.$" / "USD" / "U.S. dollar"	United States Dollar, the legal currency of the United States of America
"USA"/ "U.S."/ "United States"	The United States of America
"U.S. Securities Act"	U.S. Securities Act of 1933, supplemented or otherwise modified from time to time
"VCF"	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Technical and Industry Terms

Term	Description
"APAC"	Asia-Pacific
"BHA"	Butylated Hydroxyanisole
"BHT"	Butylated Hydroxytoluene
"EBITDA"	Calculated by adding 'depreciation and amortization expense' and 'finance cost' to 'profit before exceptional items and tax'
"EBITDA margin"	Calculated by dividing EBITDA by 'revenue from operations (gross)'
"EMEA"	Europe, the Middle East and Africa
"HQ"	Hydroquinone
"MEHQ"	Mono Methyl Ether of Hydroquinone
"MMA"	Methyl Methacrylate
"MTPA"	Metric tons per annum
"PMP"	Polymethylpentene
"R&D"	Research and development
"SEZ"	Special economic zone
"TBC"	Tertiary Butyl Catechol
"TBHQ"	Tert-Butylhydroquinone

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
1.	**GENERAL INFORMATION**	
(a)	Name, address, website and other contact details of the company indicating both registered office and corporate office.	Cover page
(b)	Date of incorporation of the company.	Cover page, 153
(c)	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	75 - 87
(d)	Brief particulars of the management of the company.	111 - 116
(e)	Names, addresses, DIN and occupations of the directors.	111 - 112
(f)	Management's perception of risk factors.	35 - 50
(g)	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	
(i)	Statutory dues;	150
(ii)	Debentures and interest thereon;	NA
(iii)	Deposits and interest thereon; and	NA
(iv)	Loan from any bank or financial institution and interest thereon.	NA
(h)	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	154
2.	**PARTICULARS OF THE OFFER**	
(a)	Date of passing of board resolution.	29
(b)	Date of passing of resolution in the general meeting, authorising the offer of securities.	29
(c)	Kinds of securities offered (i.e. whether share or debenture) and class of security.	Cover page, 29
(d)	Price at which the security is being offered including the premium, if any, along with justification of the price.	Cover page, 29
(e)	Name and address of the valuer who performed valuation of the security offered.	NA
(f)	Amount which the company intends to raise by way of securities.	Cover page, 29
(g)	Terms of raising of securities:	
(i)	Duration, if applicable;	NA
(ii)	Rate of dividend or rate of interest	NA
(iii)	Mode of payment	NA
(iv)	Repayment	NA
(h)	Proposed time schedule for which the offer letter is valid.	30
(i)	Purposes and objects of the offer.	57
(j)	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	NA
(k)	Principle terms of assets charged as security, if applicable.	NA
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**	
(i)	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons	113
(ii)	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	150

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
(iii)	Remuneration of directors (during the current year and last three Financial Years)	113
(iv)	Related party transactions entered during the last three Financial Years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided	155
(v)	Summary of reservations or qualifications or adverse remarks of auditors in the last five Financial Years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark	150
(vi)	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries	152
(vii)	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company	150
4.	**FINANCIAL POSITION OF THE COMPANY**	
(a)	the capital structure of the company in the following manner in a tabular form:	60
(i)(a)	the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	60
(b)	size of the present offer	Cover page, 29, 60
(c)	paid up capital: A. after the offer	60
	B. after conversion of convertible instruments (if applicable)	NA
(d)	share premium account (before and after the offer)	60
(ii)(a)	the details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case	60
(b)	Profits of the company, before and after making provision for tax, for the three Financial Years immediately preceding the date of circulation of offer letter	F pages
(c)	Dividends declared by the company in respect of the said three Financial Years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	63
(d)	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter	31
(e)	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter	33
(f)	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	98
5.	**DECLARATION BY THE DIRECTORS**	156 - 157

SUMMARY OF BUSINESS

We are a vertically integrated company, 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, fragrance, pharma and industrial products. We market our products globally including in Europe, Asia Pacific (including India) North Africa, Middle East, South, Central and North America. We categorise our business into four different verticals based on our product portfolio, namely: (i) Diphenols; (ii) Shelf-life Extension Solutions (which include anti-oxidants, its blends and additives); (iii) Performance Chemicals; and (iv) Aroma. We have recently acquired manufacturing and technological capabilities for producing Vanillin by acquiring 51% shareholding in CFS Wanglong through, and going forward we expect this to complement our Aroma product portfolio.

The key raw material used for manufacturing a large part of our products is Hydroquinone and Catechol. Our Company manufactures both these products as a part of our Diphenols business. While we use a large part of the Diphenols we produce for captive consumption, we also sell Diphenols to external customers. Our Shelf-life Extension Solutions include a range of antioxidants, its blends and additives. Antioxidants and its blends are used to increase the shelf life of oils and fats, which in turn is used in processed food products like bakery, fried snack foods, confectionery, animal feed, pet food, bio-diesel and printing inks. Our additives are adsorbents, acidifying agents, energy products, bactericides, binders and mould inhibitors which are primarily used in animal feed and pet food. Our Performance Chemicals vertical includes production of amongst others, Guaiacol, Guethol, CME, Veratrole, TBC and MEHQ, which are derivatives of either Catechol or Hydroquinone. These chemicals have wide application in sectors such as food flavouring, pharmaceuticals intermediate, agrochemicals, dyes, pigments, energy storage and fragrance industry. Our Aroma vertical primarily includes production of Vanillin and Ethyl Vanillin ("**Vanillin Products**") which are marketed under the brands Vanesse and Evanil. The key raw materials used to manufacture our Vanillin Products are Guaiacol and Guethol, respectively, which in turn are derived from Catechol. Our Vanillin Products are used to give food and beverages a flavour of vanilla, to enhance other flavours or to mask unwanted flavours and are used in food, flavour and fragrance, incense sticks, pharma and cattle feed segments.

Our manufacturing facility in Italy, situated at Ravenna, provides captive requirements of key raw materials Hydroquinone and Catechol, making most of our business segments vertically integrated. While we consume a large part of Hydroquinone and Catechol internally for our manufacturing processes in India, we also buy and sell these Diphenols in global markets, subject to market conditions, our internal requirements and prices in global markets and in India. The proposed new manufacturing facility at Dahej SEZ, upon commissioning would significantly increase our capacities to produce Diphenols and will also enable us to optimise logistics and inventory costs through establishing an alternate source of Diphenols in India. We believe that Dahej Facility will fulfil our internal requirement of Diphenols thereby protecting us from relying on imports for our key raw materials. This would also reduce the risk of unfavourable terms of supply such as high pricing and long delivery time. Our Shelf-life Extension Solution products are manufactured at Tarapur Facility. Further, our blending and additives business is conducted in (i) Tarapur Facility; (ii) Brazil Facility; and (iii) Mexico Facility. We have a contractual arrangement in USA with a third party to outsource the manufacturing of our anti-oxidants blends and additives products. We also outsource anti-oxidant blends products from third parties in Belgium and Italy. In respect of our Performance Chemicals business, various derivatives of Diphenols are manufactured at the Tarapur Facility and Chemolutions Facility. Derivatives of Diphenols are also manufactured at third party manufacturing facilities in Khopoli and Mahad, on a contractual basis. Our Vanillin Products are currently manufactured at the Tarapur Facility and in China Facility.

We are focused on R&D and innovation and have R&D units in Tarapur and in Ravenna. Our R&D units are focused on developing chemical compounds, new manufacturing processes, improving existing processes and new chemistry with a focus on developing new derivatives of Diphenols or improving the commercial viability thereof. We also have a pilot plant in Tarapur. New processes which are developed in our R&D units are implemented in small scale in our pilot plant to understand the efficacy and challenges before commercially manufacturing such products. Our R&D units have advanced technological equipment to develop, test and evaluate our products. Our Company also has application laboratories ("**Application Labs**") in Mumbai - India, Urbandale - USA, Mexico City -Mexico and Indaiatuba - Brazil. Application Labs are primarily involved with customising blends for various applications across our Shelf-life Extension Solutions. Application Labs also provide technical assistance and development support to customers, test the efficacy of various products that are produced by our customers and conduct stability studies for determining the shelf life of various products. We have a dedicated R&D team comprising of 40 employees.

We have a wide sales and marketing network, spread across the globe. We have our own sales and marketing team in various jurisdictions including India, China, Italy, Brazil, Peru, Columbia, Guatemala, Mexico, Cuba and USA, headed by experienced professionals. Our established sales and marketing department has separate teams focusing on each of our business verticals. Further, we have contractual market development arrangements with third parties in United Kingdom and Denmark. In certain jurisdictions such as Indonesia, Vietnam, Thailand, Middle East and in certain parts of India, we market and sell our products through third parties, with whom we have sales and distribution arrangements. We have a team of 73 employees in our sales and marketing team across the globe.

Our gross revenue from operations for Fiscal 2017 stood at Rs. 54,686.90 lakh as against Rs. 50,422.83 lakh in Fiscal 2016 and Rs. 57,057.68 lakh in Fiscal 2015 (on a consolidated basis). Our EBITDA for Fiscal 2017, 2016 and 2015 was Rs. 4,789.42 lakh, Rs. 9,606.34 lakh and Rs. 9,254.91 lakh, respectively. Our loss for the Fiscal 2017 stood at Rs. 1425.53 lakh as against profit of Rs. 3,582.37 lakh in Fiscal 2016 and Rs.5,502.73 lakh in Fiscal 2015.

Strengths

We believe that the following are our competitive strengths:

1) Integration across value chain

We are a vertically integrated company. Diphenols are the key raw materials for all our business segments. Our Italy Facility provides captive requirements of key raw materials Hydroquinone and Catechol, making most of our business segments vertically integrated. Our Company is also in process of setting up of a manufacturing facility in Dahej SEZ, India which will manufacture Hydroquinone and Catechol. The commissioning of Dahej Facility, would significantly increase our capacities to produce Diphenol and will also enable us to optimise logistics and inventory costs through the establishment of an alternate source of Diphenols in India. We believe that the Dahej Facility will enable us to meet our internal requirement of Diphenols for the next few years.

It is our endeavour to develop new value-added products, especially new derivatives of Diphenols, identify new applications, and look for opportunities to vertically integrate them. Consistent and steady availability of key raw materials at reasonable cost leads to efficiency and effectiveness in terms of both resources and operations. Our vertical integration model of business helps us reduce cost and thereby increase profit margin and timely delivery of raw materials of desired quality and quantity. It further protects us from relying on external sources for our raw materials, thereby reducing risk of unfavourable terms of supply such as high pricing and long delivery time.

With the strategic forward integration into anti-oxidant blends (including human food, animal feed, pet food and biodiesel) and additives and Vanillin in the recent years, our Company now has a presence across the value chain of Shelf-life Extension Solutions (Hydroquinone to anti-oxidants to blends and additives) and Aroma businesses (Catechol to Guaiacol to Vanillin). Forward integration shall help us in widening our customer base and enter different market segments, efficient supply chain coordination and reduction in cost of supply and distribution.

2) Global outreach and diversified customer base

We are present in various geographic locations. We have manufacturing facilities and blending units in India, China, Brazil, Italy and Mexico. We have a contractual arrangement in USA with a third party to outsource the manufacturing of our anti-oxidants blends and additives products. We are also in the process of setting up a new manufacturing facility in Dahej SEZ. The presence of manufacturing units across geographies enables us to effectively market our products in our target markets situated at Europe, Asia Pacific (including India) North Africa, Middle East, South, Central and North America.

Our strategic manufacturing facilities are supplemented by a wide sales and marketing network, spread across the globe. We have our own sales and marketing team in various jurisdictions including India, China, Italy, Brazil, Peru, Columbia, Guatemala, Mexico, Cuba and USA, headed by experienced professionals. Our established sales and marketing department has separate teams focusing on each of our business verticals. Further, we have contractual market development arrangements with third parties in United Kingdom and Denmark. In certain jurisdictions such as Indonesia, Vietnam, Thailand, Middle East and in certain parts of India, we market and sell our products through third parties, with whom we have sales and distribution arrangements. We have team of 73 employees in our sales and marketing team across the globe.

We believe that our global outreach and wide customer base sets us apart from other players and enables us to compete effectively with global players in our industry.

3) Strong R&D capabilities and multiple Application Laboratories

We believe in innovation and our Company has a focused R&D unit. Our R&D leads to benefits such as product development, product improvement, cost reduction, developing new technologies and innovations that help improve the commercial viability of various products in our segments. Our R&D units are focused at developing chemical compounds, new processes, improvement of existing processes and new chemistry with a special focus on developing commercially viable derivatives of Diphenols and additives. Our R&D capabilities have been instrumental in developing our products. We have R&D units at the Tarapur, Maharashtra and Italy. We also have a pilot plant in Tarapur. New processes which are developed in our R&D units are implemented in small scale in our pilot plant to understand the efficacy and challenges before commercially manufacturing such products.

Our R&D units have advanced technological equipment to develop, test and evaluate our products. Most of our products have been developed in-house by our R&D units. Our focus on research and development has been instrumental in enabling the number of products we have introduced over the years, which we believe improves the performance of our business. Further, our R&D units are continuously working to create value added products from wastes and by-products of our primary products. Our R&D unit in Tarapur and Application Lab in Mumbai has been recognised by the Government of India's Department of Scientific and Industrial Research as an in-house research and development unit. In addition to our R&D units, our Company also has Application Labs in in Mumbai - India, Urbandale - USA, Mexico City -Mexico and Indaiatuba - Brazil. Application Labs are primarily involved with customising blends for various applications across our Shelf-life Extension Solutions. We have a strong and dedicated research team of 40 employees in our various R&D units and Application Labs.

We believe that with our strong research, development and creative capabilities, we will be able to further expand our product offerings and improve our product quality. We further believe that with our continuous focus on process improvements we will be able to achieve improved efficiencies in our production process. We believe that our focus on innovation facilitates the growth of our customer base as well as our customers' market share in their respective product categories.

5) Experienced promoters and management team

We are led by a dedicated senior management team with several years of industry experience. Our Promoters have played a key role in developing our business and we benefit from their significant experience in the industry we operate in. We also have a qualified senior management team with experience in the domestic and international shelf life extension, performance chemical and aroma industry. Our Promoters and senior management team have been instrumental in our successful implementation of various process improvements, successful integration of our acquisition in Ravenna, Mexico and China, expansion of our geographical reach and the growth in our operations over the last decade.

We believe that our domain knowledge and experience of our Promoters and our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies. We believe our senior management team is able to leverage our market position and their collective experience and knowledge in the speciality chemicals industry, to execute our business strategies and drive our future growth. In addition, we have an experienced and qualified team of employees. Our personnel policies are also aimed towards recruiting qualified and talented individuals, facilitating their integration into our Company, providing a conducive work environment, and promoting the development of their skills, including through in-house and external training programmes.

Our Strategies

Our key strategies are as follows:

1) Continue to grow our Vanillin business

The basic raw material for our Vanillin and Ethyl Vanillin compound are Guaiacol and Guethol, respectively, which are produced from the raw material Catechol. Certain publicly available information state that there have been health hazards and regulatory scrutiny of Vanillin produced from certain raw materials other than Catechol. This has resulted in higher demand for Vanillin derived from Catechol. As per our understanding of the Catechol industry, we believe that Catechol as a raw material is manufactured by only a few players. Since we manufacture Catechol at our own manufacturing facilities, this provides us with a significant competitive advantage to streamline supply chain and control our Vanillin production. Globally the Vanillin market, on the whole, has been valued at USD 642.33 million in 2014 and is expected to grow at a CAGR of 5.54 percent to reach USD 885.09 million by 2020. (*Source: TechNavio Report*). This represents a huge opportunity for future growth.

Pursuant to the Wanglong Acquisition, we now have capabilities to manufacture larger quantities of Vanillin and Ethyl Vanillin in-house. The Wanglong Acquisition increases our Vanillin manufacturing capabilities and makes us one of the leading Vanillin manufacturers in the world. Our increased production capability of Vanillin will help us capitalise on the demand for this product and market the same by leveraging on our global reach.

2) Shift in focus from antioxidant solutions to antioxidant blends and additives

As the food, feed and pet food industry evolves, there is a strong demand for antioxidant blends and additives which help increase the shelf life of these products. We believe that, being one of the leading manufacturers of Shelf-life Extension Solutions such as food grade antioxidants, TBHQ and BHA, it enables us to capitalise on the demand of this industry. We are leveraging our capabilities of manufacturing bulk antioxidants by blending these anti-oxidants with other products to provide customised solutions to increase the shelf life of oils and fats, which in turn are used in processed food products like bakery, animal feed, pet food, confectionery, fried snack foods and dairy. Further, due to our vertically integrated manufacturing processes, our customers will be able to trace our blends from raw material stage to the finished product stage, which is a very critical aspect to ensure food safety. We are also currently developing natural shelf life extension products, some of which are already commercialised and sold under our brand NaSure.

Pursuant to our acquisitions of 65% shareholding in Dresen Mexico (an established blender targeting animal feed and pet food) in Fiscal 2017, our business has expanded to the animal feed and pet food blend segment from just human food blends and provided us access to the markets of Mexico, Central America and parts of South America. Dresen manufactures a portfolio of additive products, which are sold in the aforesaid markets.

Accordingly, in addition to our existing liquid blending unit at Brazil Facility, we have set up a dry blending unit at the Brazil Facility, which will further help to leverage our products from Dresen. We also propose to set up of a dry blending unit in Ravenna, Italy to address the demand in the European market.

A shift in focus from just producing antioxidant solutions to providing value added products as well such as antioxidant blends and additives will enable us to increase our revenues from our Shelf-Life Extension Solutions business vertical.

3) Increase revenue contribution from Performance Chemicals business

Increase in sales of our Performance Chemicals over last few years was primarily driven through sales from Guaiacol, Veratrole, TBC and MEHQ which are derivatives of Diphenols. We also intend to better leverage our distribution hubs and maintain stocks locally for supply in key markets such as Asia Pacific (including India) and South America to increase our customer base and reduce our transportation cost and time. We continuously strive to introduce new products in our Performance Chemical business vertical through our in-house research and development activities.

In addition to the above, our specific strategies for increasing sales from our key performance chemical products are as follows:

- *Guaiacol*: Currently, Guaiacol is primarily produced through contract manufacturing in Mahad, Maharashtra. Once the proposed manufacturing facility for Catechol in Dahej SEZ, is commissioned, we believe our production capabilities through third party manufacturer of Guaiacol would increase substantially, since Guaiacol is derived from Catechol. We intend sell Guaiacol and Vanillin, which is produced from Guaiacol, in Indian and overseas markets;

- *MEHQ*: Manufacturing of MEHQ commenced at the Tarapur Facility at the end of the second quarter of 2015. We intend to increase our capacity to produce MEHQ at the Tarapur Facility, which we believe will help us in capitalising growing demands and expand our market reach;

- *TBC*: This is an important polymerization inhibitor for the petrochemicals industry. We currently manufacture TBC through contract manufacturing in Khopoli. We also intend to continue to sell TBC to our customers in Europe, South America, China, Middle East, Japan, Korea and South East Asia. We have set up a warehouse in USAs to address the local market demand of TBC;

- *Veratrole*: This product is an important intermediate for the pharmaceutical and agrochemical industry. We intend to increase our market share for this product and become a preferred supplier for this product.

Our Company, through its continuous R&D activities, is at advanced stages of commercialising certain other derivatives of Diphenols, which will enable us to increase revenue from Performance Chemicals business vertical.

4) Integrate the strategic acquisitions and pursue new acquisition opportunities for long term value growth

While continuing to maintain our business focus on antioxidants and its growth, we have pursued strategic acquisitions to extend our existing portfolio of products, strengthen our technological capabilities, broaden our business segments and increase our market share in the blends, Vanillin and performance chemical verticals.

Our acquisition of CFS Europe in Fiscal 2011 has been successfully integrated with our business and we have grown the revenues from this business over a period of time. This acquisition has enabled us to backward integrate its antioxidant ingredients business that was dependent on external hydroquinone. Our forward integration initiatives towards antioxidant blends, Vanillin and performance chemicals were achieved through our strategic acquisition of Dresen Mexico in Fiscal 2017, CFS Wanglong in Fiscal 2018 and Chemolutions in Fiscal 2017, respectively. For details of these acquisitions, see " – *Our Recent Acquisitions*" on page 80.

We believe continuing to integrate such acquisitions and targeting future acquisitions which would enable us to integrate our business, enable us to launch new products, provide us with an increased market penetration in our existing markets or enable us to establish an immediate presence in new markets.

SUMMARY OF THE ISSUE

The following is the general summary of the terms of the Issue. The summary should be read in conjunction with, and is qualified in its entirety by, more detailed terms appearing in this Placement Document, including under the sections titled "Risk Factors", "Use of Proceeds", "Issue Procedure" and "Description of Equity Shares" on pages 35, 57, 120 and 141.

Issuer	Camlin Fine Sciences Limited
Issue Size	1,72,41,379 Equity Shares aggregating to Rs. 15,000.00 lakh A minimum of 10% of the Issue Size, or at least 17,24,138 Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance 1,55,17,241 Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other QIBs
Face Value	Re. 1 per Equity Share
Issue Price	Rs. 87.00 per Equity Share
Minimum Offer Size	Minimum value of offer or invitation to subscribe to each QIB is Rs. 20,000 of the face value of the Equity Shares
Floor Price	Rs. 88.26 per Equity Share. Our Company has offered a discount of 1.43% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations. The Floor Price, net of discount of 1.43% (i.e. Rs. 1.26) is Rs. 87.00
Eligible Investors	QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations to whom the Preliminary Placement Document and the Application Form have been circulated and who are eligible to bid and participate in the Issue and QIBs not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations. See "*Issue Procedure*", "*Selling Restrictions"* and *"Transfer Restrictions*" on pages 120, 132 and 137, respectively. The list of QIBs to whom the Preliminary Placement Document and Application Form have been delivered was determined by the BRLM in consultation with our Company, at their sole discretion
Dividend	See "*Description of Equity Shares*", "*Dividend Policy*" and "*Statement of Tax Benefits*" on pages 141, 63 and 147, respectively
Indian Taxation	See "*Statement of Tax Benefits*" on page 147
Date of Board Resolution authorizing the Issue	May 19, 2017
Date of passing of resolution by Shareholders authorizing the issue	July 21, 2017
Equity Shares issued and outstanding immediately prior to the issue	10,38,38,195 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	12,10,79,574 Equity Shares
Listing	Our Company has obtained in-principle approval dated November 16, 2017 in terms of Regulation 28(1) of the Listing Regulations for listing of the Equity Shares pursuant to the Issue, from the Stock Exchanges. Our Company shall make application to each of the Stock Exchanges after Allotment to obtain final listing and trading approvals for the Equity Shares
Lock-up	Please see the sub-section titled "Lock-up" of "*Placement Agreement*" on page 130 for a description of restrictions on our Company and our Promoters in relation to Equity Shares

Transferability Restriction	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, see "*Selling Restrictions"* and *"Transfer Restrictions*" on pages 132 and 137, respectively
Use of Proceeds	The net proceeds of the Issue, after deduction of fees, commissions and expenses in relation to the Issue, are expected to total approximately Rs. 14,550.00 lakh. Please see "*Use of Proceeds*" on page 57 for further information
Risk Factors	Please "*Risk Factors*" on page 35 for a discussion of risks that you should consider before participating in the Issue
Pay-In Date	Last date specified in the CAN sent to the successful Bidders for payment of application money.
Closing Date	The Allotment is expected to be made on or about November 23, 2017
Ranking	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including the rights in respect of dividends after the closing. The holders of such Equity Shares will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013. The holders of such Equity Shares may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. Please see "*Description of Equity Shares*" on page 141.
Voting Rights of Share Holders	See the section titled "*Description of Equity Shares- Voting Rights*" on page 144.
Security Codes for the Equity Shares	ISIN: INE052I01032 BSE Code: 532834 NSE Code: CAMLINFINE Bloomberg: CFIN IN

SUMMARY FINANCIAL INFORMATION

The following selected information is extracted from and should be read in conjunction with our Financial Statements and notes thereto, each included elsewhere in this Placement Document.

Consolidated Balance Sheet

(*Rs., lakh*)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1,037.10	966.66	958.88
Reserves & Surplus	20,085.05	16,654.90	12,527.63
	21,122.15	**17,621.56**	**13,486.51**
Minority Interest	1,761.48	-	-
Non-current liabilities			
Long term Borrowings	5,131.61	2,144.80	2,806.33
Deferred tax liability, net	394.97	324.51	374.34
Long-term provision	214.43	185.26	147
	5,741.01	**2,654.57**	**3,327.67**
Current liabilities			
Short-term Borrowings	23,298.07	14,570.49	12,095.37
Trade payables	7,898.37	9,531.43	10,655.48
Other current liabilities	2,480.46	2,739.52	1,949.54
Short-term provisions	576.25	1,152.90	1,453.02
	34,253.15	**27,994.34**	**26,153.41**
TOTAL	**62,877.79**	**48,270.47**	**42,967.59**
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	15,369.73	12,788.89	9,321.87
Intangible assets	926.95	1,238.49	1,320.65
Capital work-in-progress	738.24	2,506.47	282.07
	17,034.92	**16,533.84**	**10,924.59**
Goodwill (on consolidation)	3,791.71	-	-
Non-current Investments	101.19	109.42	109.05
Deferred tax Assets	1,945.62	1,485.23	1,643.71
Long- term loans and advances	774.63	169.61	420.76
Current assets			
Current investments	1,115.25	-	-
Inventories	19,779.55	17,331.54	13,638.07
Trade receivables	11,287.12	7,548.06	11,341.90
Cash and Bank Balances	3,123.59	1,889.64	1,926.34
Short-term loans and advances	421.32	219.88	2,103.25

Other current assets	3,502.89	2,983.25	859.92
	39,229.72	**29,972.37**	**29,869.48**
TOTAL	**62,877.79**	**48,270.47**	**42,967.59**

Consolidated Statement of Profit and Loss

(*Rs., lakh*)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
INCOME			
Revenue from operations (Gross)	54,686.90	50,422.83	57,057.68
Less: Excise Duty	-1,293.85	-1,488.61	-1,230.23
Revenue from operations (Net])	53,393.05	48,934.22	55,827.45
Other Income	1480.27	426.89	837.63
Total Revenue	**54,873.32**	**49,361.11**	**56,665.08**
EXPENDITURE			
Cost of materials consumed	29,283.59	24,275.40	26,037.68
Purchase of stock in trade	141.80	750.76	190.79
Changes in inventories of finished goods/WIP/stock in trade	-3,374.99	-4,716.09	821.17
Employee benefits expense	5,842.29	4,005.21	4,058.29
Finance cost	3,037.62	2,444.25	2,382.46
Depreciation and amortisation expense	2,180.29	1,705.52	1,624.62
Research and development expenses	255.59	210.08	247.89
Other expenses	17,935.62	15,229.41	16,054.35
	55,301.81	**43,904.54**	**51,417.25**
Profit before exceptional items and tax	**-428.49**	**5,456.57**	**5,247.83**
Exceptional item		-454.73	35.52
Profit before tax	**-428.49**	**5,001.84**	**5,283.35**
Less: Tax expense			
- Current Tax	754.72	987.95	1,053.51
- Prior period Tax Adjustment	36.20	24.71	-
- MAT credit entitlement	-14.04	144.49	-144.49
- Deferred tax (charge/ credit)	-451.64	262.69	-1,129.81
Profit for the year	**-753.73**	**3,582.00**	**5,504.14**
Add: Share of profit/(loss) of associate for the year	1.71	0.37	-1.41
Less: Minority interest	-673.51	-	-
Profit for the year	**-1,425.53**	**3,582.37**	**5,502.73**
Earnings per equity share of face value of Re 1/- each			
Basic (in Rs)	-1.40	3.73	5.77
Diluted (in Rs)	-1.40	3.71	5.75

Consolidated Cash Flow Statement

(*Rs., lakh*)

		Fiscal 2017	Fiscal 2016	Fiscal 2015
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**			
	Net Profit before exceptional items and taxation	-428.49	5,456.57	5,247.83
	Adjustments for:			
	Recovery of Bad Debts	**-867.80**	-	-
	Depreciation on Fixed Assets	2180.29	1,705.52	1,624.62
	Deferred employee compensation expenses amortised	0	-8.52	-11.82
	Foreign Exchange loss/(gain) (Unrealised)	452.83	169.3	-263.16
	(Profit)/Loss on Sale of Fixed Assets	2.92	30.11	-47.62
	Provision for Doubtful Advances	-160.00	-	160
	Provision for Doubtful Debts (Net)	193.31	94.75	876.93
	Provision for Doubtful Investment	-	-	10.51
	Provision for leave encashment	-23.42	127.28	137.24
	Finance costs	3037.62	2,444.25	2,382.46
	Interest Received/Dividend Received	-148.61	-128.12	-142.89
	Operating Profit before Working Capital changes	**4238.65**	**9,891.14**	**9,974.09**
	Adjustments for:			
	(Increase) / Decrease in inventories	-2448.01	-3,693.47	-2,717.67
	(Increase) / Decrease in trade receivables	-4282.27	3,673.30	-1,902.29
	(Increase) / Decrease in short term loans and advances		-	-58.32
	(Increase) / Decrease in long term loans and advances	-395.94	34.49	-130.05
	(Increase) / Decrease in other receivables	-267.42	-343.54	-49.65
	Increase / (Decrease) in trade payable	-1603.49	-1,267.56	733.75
	Increase / (Decrease) in other payable	-32.94	82.73	-136.11
	Cash generated from/ (used in) operating activity	**-4791.42**	**8,377.09**	**5,713.76**
	Direct taxes paid	-1070.12	-1,219.85	-1,088.24
	Net cash generated from/ (used in) operating activities	**-5861.54**	**7,157.24**	**4,625.51**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**			
	Purchase of Fixed Assets	-2987.98	-6,708.12	-2,824.86
	Sale of Fixed Assets	11.75	2.13	54.73
	(Purchase)/Sale of Investments	-1107.02	-	-
	Receipt/(Payment) of loans and advances	-41.44	-	-
	Interest received	148.57	128.12	141.78
	Acquisition of subsidiaries (net)	-3898.01	-	-
	Dividend received	0.04	-	0.03
	Net cash generated from/ (used in) Investing Activities	**-7874.09**	**-6,577.87**	**-2,628.32**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**			

Proceeds from borrowings (Net of repayments)	8727.58	2,475.12	1,010.76
Receipt of term loan	4164.96	521	-
Repayment of term loan	-1532.47	-955	-
Proceeds from issue of share capital	5759.74	270.77	134.04
Receipt/(Payment) of Loans and advances	-	10.73	26.73
Maturity of/(Investment in) Margin Fixed Deposit	32.23	-54.38	110.21
Interest Paid	-2949.33	-2,423.37	-2,436.82
Dividend Paid	-464.39	-432.69	-335.97
Tax on Dividend	-94.54	-88.1	-56.65
Net cash generated from/ (used in) Financing Activities	**13643.78**	**-675.92**	**-1,547.70**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**-91.85**	**-96.55**	**449.49**
Cash in hand	9.50	6.64	4.25
Bank balances	793.40	892.81	445.72
Opening Cash and Cash Equivalents	802.90	899.45	449.97
Cash received on acquisition of subsidiary	1354.27	-	-
Cash in hand	6.82	9.5	6.64
Bank balances	2058.50	793.4	892.81
Closing Cash and Cash Equivalents	2065.32	802.9	899.45

RISK FACTORS

This offering and an investment in Equity Shares involve a high degree of risk. You should carefully consider the risks described below as well as other information contained in this Placement Document before making an investment decision in the Issue. If any one or some combination of the risks described below actually occurs, our business, prospects, financial condition, results of operation and cash flows could be seriously harmed, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that our management currently believes are material but the risks set out in this Placement Document may not be exhaustive or complete and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. This section should be read together with "Industry Overview", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Placement Document. This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Placement Document. Additional risks not described below or not currently known to us or that we currently deem immaterial may also adversely affect the market price of our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and the risks involved.

Risk relating to our business

1. A large part of our business includes manufacturing, marketing and supply of speciality chemicals which are used in food, animal nutrition and pet-food. Any adverse change in regulations governing usage of our products by our customers or the ultimate end user industries of our products, can adversely impact our business, result of operations and price of shares of our Company

If any regulatory authority across the globe restricts the usage of, raises concerns on or issues risk warning on any of our products, it may impact our business and results of operations. Furthermore, it may have a negative impact on regulatory regime and demand for such product in other markets as well. Some of our products have restriction, whether in terms of limits or otherwise, of usage in the end product. Furthermore, in case any enquiries, studies or proceedings are initiated which challenge the safety of our products, we would have to divert management time and resources in responding to such enquiries, facilitate the respective studies or defending such proceedings which could adversely affect our profitability and growth prospects.

2. If we are unable to successfully develop or commercialize new products, our operating results will suffer.

Our industry is subject to ongoing product improvements and periodic technological changes. In order to sustain growth, maintain margins and remain competitive, we must successfully develop and introduce new products or improvements to our existing products which offer better product attributes to our customers. Our Company intends to leverage its capabilities of manufacturing Shelf-Life Extension products, especially which are customised to the requirements of our customers. We continuously strive to develop new derivatives of Diphenols to expand our Performance Chemicals business. Developing and commercializing a new product is time consuming, costly and subject to numerous factors, including:

- the ability to correctly anticipate customer needs;
- the ability to develop products in a timely manner and in compliance with regulatory requirements;
- the risk that any of our products presently under development, if and when fully developed and tested, will not perform as expected;
- locate and establish collaborations with suppliers and distributors to distribute our products in our targeted markets as well as to ensure the availability, on commercially reasonable terms, of raw materials, such as Phenol; and
- our ability to scale-up manufacturing methods to successfully manufacture commercial quantities of products in compliance with regulatory requirements, in a timely and cost effective manner.

Our long-term competitiveness and growth of our operations depends, to a significant degree, on our ability to successfully develop, secure approvals for and commercialize, in a timely manner, new products in all of our key markets through our research and development activities. If any of our products, when acquired or developed and approved, cannot be successfully or timely commercialized, our operating results could be adversely affected. There can be no assurance that we will be able to successfully commercialize the products that we develop within the time constraints necessary to be successful.

The cost of research, development and commercialization efforts can be significant and the likelihood of success of any such programs is difficult to predict. We cannot guarantee that any investment we make in developing products will be recouped, even if we are successful in commercializing those products. Due to the time it takes to develop a new product and receive all relevant approvals, the competitive landscape for such products may change or differ significantly from what we had anticipated, and our products may not hold the competitive advantages in pricing or efficacy that we had anticipated during development. If any of the new products is not well accepted by the market, such products may not yield an appropriate return on our related research and development and marketing costs.

In the event we fail to successfully and timely develop and commercialize new products, our business prospects and results of operations could be materially and adversely affected.

3. ***Our business exposes us to potential product liability claims and recalls, which could adversely affect our financial condition and performance.***

The development, manufacture and sale of chemical and other products by us, including products produced for the food, beverage, pharmaceutical, pet food and feed industries, involve an inherent risk of exposure to product liability claims, product recalls, product seizures and related adverse publicity. Such products are subject to significant regulatory scrutiny in many jurisdictions. There can be no assurances that we will not become subject to product liability claims or that we will be able to successfully defend ourselves against any such claims. The outcome of litigation and other legal proceedings that we may be involved in the future is difficult to assess or quantify. Plaintiffs may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from the time and effort of our management. A product liability claim or judgment against us could also result in substantial and unexpected expenditures, affect consumer or customer confidence in our products, and divert management's attention from other responsibilities. Although we maintain product liability insurance, there can be no assurance that this type or the level of coverage is adequate or that we will be able to continue to maintain our existing insurance or obtain comparable insurance at a reasonable cost, if at all. A product recall or a partially or completely uninsured product liability judgment against us could have a material adverse effect on our reputation, results of operations and financial condition.

4. ***Due to our dependence on a limited number of products, our business could be materially adversely affected if our key products do not perform as well as expected or if competing products become available and gain wider market acceptance.***

We generate a significant portion of our total revenues and gross margin from the sale of a limited number of products. For the Fiscal 2017, sale of our top three products contributed more than half of our total consolidated revenue from operations. Our revenues from these products may decline as a result of increased competition, regulatory action, pricing pressures or fluctuations in the demand or supply. Similarly, in the event of any breakthroughs in the development of products, our products may become obsolete or be substituted by such alternatives.

Our key products could be rendered obsolete or uneconomical by numerous factors, many of which are beyond our control, including:

- pricing actions by competitors;
- development by others of new products that are more effective than ours;
- entrance of new competitors into our markets;
- loss of key relationships with suppliers or end-user customers;
- technological advances;
- adverse regulatory actions;

- manufacturing or supply interruptions;
- product liability claims; and
- product recalls or safety alerts.

Any material adverse developments, including increased competition and supply shortages, with respect to the sale or use of these products could have a material adverse effect on our revenues and gross margin.

5. The success of our products depends on our customers' preferences.

Our products are used by our customers in, among others, fast foods, beverages, other food, pet food and feed and perfumes and fragrances. Our commercial success depends to a large extent on the preference of our customers to use a particular type of product. These preferences are typically influenced by factors such as cost, easy availability, market acceptability, regulatory acceptability, substitutes available in the market etc. We cannot assure you that our customers will prefer our products over others or we will be able to adapt to the customers' preference. To compete successfully and achieve our strategic goals, we may have to engage ourselves in innovation and make considerable investments in product development and market research in order to anticipate the customers' needs and provide the service level that is required. Our investments may only generate future revenues to the extent that we are able to successfully develop products that meet our customers' specifications, at an acceptable price. Any of these factors could have an adverse effect on our cash flows, business, financial condition and results of operations.

6. We rely on third-party manufacturers to manufacture our products.

We outsource to third-party vendors the manufacturing of certain our shelf-life extension solutions, and performance chemicals. For details of our relationships with these third-party manufacturers, see the section titled "*Business – Manufacturing*". While we maintain supervision over these manufacturers, notwithstanding our efforts, our third-party manufacturers may take actions contrary to our instructions or requests, or be unable or unwilling to fulfil their obligations. In such event, we may have disputes with our third-party manufacturers, or may be held responsible for their actions, any of which could lead to damages to our reputation, additional expenses and disruptions. We cannot assure you that we will be able to enter into similar collaborative relationships with third-party manufacturers in a timely manner or at all in the event we need additional manufacturing of our products or if we need to find a replacement manufacturer. Our inability to maintain or develop such relationships could adversely impact our ability to meet our delivery obligations, results from operations and limit the growth of our sales.

Moreover, typically our third-party manufactures are also required to hold the approvals required to manufacture the relevant products. Any lapse in their quality practices and quality management systems could lead to adverse outcomes if they fail to comply with the regulatory requirements. We cannot guarantee that our quality practices and quality management systems, or those of our third-party manufacturers, will prevent adverse outcomes. If our third-party manufacturers fail to comply fully with regulatory requirements, they could be required to shut down their production facilities or we could be directed to stop marketing our products. This could lead to product shortages, or to our being entirely unable to supply products to customers for an extended period of time. Such shortages or shut downs could lead to significant losses of sales revenue and to potential third-party litigation.

7. The global scope of our operations subjects us to the risks of doing business in foreign countries, which could adversely affect our business, financial condition and results of operations.

We market our products globally including in Europe, Africa, Asia Pacific (including India) and America. We have production facilities located in India, Italy, Mexico, China and Brazil. We also have contractual manufacturing arrangement in USA. Our consolidated net revenue from operations for the six month period ended September 30, 2017 and Fiscal 2017 was Rs. 28,435.85 lakh and Rs. 53,393.05 lakh, respectively. Our gross domestic sales in India for the same periods were Rs. 3,563.75 lakhs and Rs. 22,109.69 lakh, respectively, thus sales other than domestic sales in India was 23.24% and 59.16% as a percentage of our consolidated gross revenues from operations for the six month period ended September 30, 2017 and Fiscal 2017. We expect our revenues from outside India to continue to represent a substantial majority of our revenue. Accordingly, our business is subject to risks related to the differing legal, political, social and regulatory requirements and economic conditions of many jurisdictions. Risks inherent in operations outside India include the following:

- cost structures and cultural and language factors associated with managing and coordinating our international operations, including establishing relationships with new customers;

- compliance with a wide range of regulatory requirements, foreign laws, including immigration, labour laws, tax laws;

- difficulty in staffing and managing foreign operations;

- commercial agreements may be more difficult to enforce and receivables more difficult to collect;

- intellectual property rights may be more difficult to enforce;

- increased shipping costs, disruptions in shipping or reduced availability of freight transportation;

- we may have difficulty transferring our profits or capital from foreign operations to other countries where such funds could be more profitably deployed;

- we may experience unexpected adverse changes in export duties, quotas and tariffs and difficulties in obtaining export licenses;

- some foreign countries have adopted, and others may impose, additional withholding taxes or adopt other restrictions on foreign trade or investment, including currency exchange and capital controls;

- foreign governments may nationalize private enterprises;

- our business and profitability in a particular country could be affected by political or economic repercussions on a domestic, country specific or global level from terrorist activities and the response to such activities;

- we may be affected by unexpected adverse changes in foreign laws or regulatory requirements; and

- unanticipated events, such as geopolitical changes, could adversely affect our foreign operations.

Our success as a global business will depend, in part, upon our ability to succeed in differing legal, regulatory, economic, social and political conditions by developing, implementing and maintaining policies and strategies that are effective in each location where we do business.

8. ***The competitive nature of our markets may delay or prevent us from passing increases in raw material costs on to our customers. In addition, certain of our suppliers may be unable to deliver products or raw materials or may withdraw from contractual arrangements. The occurrence of either event could adversely affect our results of operations.***

Rising and volatile pricing of Phenol, our primary raw material and a derivative of petroleum, may negatively impact our costs, results of operations and the valuation of inventory. Our profitability is sensitive to changes in the costs of Phenol caused by changes in supply, demand or other market conditions, over which we have little or no control. Factors such as increased transportation costs and transportation strikes could adversely impact the supply of raw materials that we require. We will not always be able to raise prices in response to such increased costs, and our ability to pass on the costs of such price increases is dependent upon market conditions. Likewise, reductions in the valuation of our inventory due to market volatility may not be recovered and could result in losses. Although our Company is vertically integrated, in addition to Phenol, we also purchase certain other raw materials from third party suppliers.

For the Fiscal 2017, 2016 and 2015, and on a consolidated basis, our cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, WIP and stock-in trade together as a percentage of our total revenue was 47.47%, 41.15% and 47.74%, respectively. If the suppliers are unable to meet our orders in a timely manner or choose to terminate or otherwise avoid contractual arrangements, we may not be able to make alternative supply arrangements. Also, domestic and global government regulations related to the manufacture or transport of certain raw materials may impede our ability to obtain such raw materials on commercially reasonable terms. If we are unable to obtain and retain qualified suppliers under commercially acceptable terms, our ability to manufacture and deliver products in a timely, competitive and profitable manner or grow our business successfully could be adversely affected.

9. We derive a significant portion of our revenue from a few customers and a loss of one or more such significant customers or a reduction in their demand for products could adversely affect our business, financial condition and results of operations.

We are dependent on a limited number of customers for a significant portion of our income. For Fiscals 2017, 2016 and 2015, 44.06%, 47.89% and 48.69%, respectively, of our consolidated total income were derived from our top ten customers. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, financial condition and results of operations. In Fiscal 2017, our contractual arrangement with one of the significant customer had terminated its contractual arrangement with our Company. We cannot assure you that we will be able to maintain historic levels of business from our significant customers or that we will be able to significantly reduce customer concentration in the future.

10. We do not have long term agreements with a majority of our suppliers and customers.

We typically enter into annual supply contracts with third parties for some of our raw materials. However, we do not have long term agreements with a majority of our suppliers. Similarly, we also typically enter into annual/ bi-annual agreements with some of our customers. We do not have long term agreements with most of our customers. The success of our business is significantly dependent on maintaining good relationships with our suppliers and customers. Short term supplier contracts subject us to risks such as price volatility, unavailability of certain raw materials in the short term and failure to source critical raw materials in time, which would result in a delay in manufacturing of the final product. Any delay in supplying products in accordance with the terms and conditions of the purchase orders, such as delivery within a specified time, could result in the customer refusing to accept our products, which could have an adverse effect on our business and reputation. Further, we cannot assure you that we will be able to enter into new or renew our existing arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability.

While we have long term relationships with several customers, we do not have long term contractual agreements with most of our customers. Absence of such long term agreements exposes us to the risk that our customers may cease to source products from us. In case of such eventuality, where a customer or several customers cease procurement of products from us, our revenues and reputation would be materially affected, which could also impact our ability to enter into arrangements with new customers, thereby limiting business growth.

11. If we are not able to continue our technological innovation and successful introduction of new products, our customers may turn to other suppliers to meet their requirements.

The speciality chemicals industry and the end-use markets into which we sell our products experience ongoing technological change and product improvements. A key element of our business strategy is to invest in research and development activities with the goal of introducing new high-performance, technically differentiated products. For the six month period ended September 30, 2017 and Fiscal 2017, expenses incurred on R&D were Rs. 91.54 lakh and Rs. 255.59 lakh, respectively. We may not be successful in developing new technology and products that successfully compete with products introduced by our competitors, and our customers may not accept, or may have lower demand for, our new products. If we fail to keep pace with evolving technological innovations or fail to improve our products in response to our customers' needs, then our business, financial condition and results of operations could be adversely affected as a result of reduced sales of our products.

12. If we fail to comply with regulations prescribed by governments and regulatory agencies, our business, results of operations and financial condition could be adversely affected.

Our operations are subject to regulation in each market in which we do business. All aspects of our business, including our research and development activities, manufacturing operations and sales and marketing activities, are subject to legislation and regulation by various local, regional, national and overseas regulatory regimes. Our business is also subject to, among other things, the receipt of all required licenses, permits and authorizations including local land use permits, manufacturing permits, building and zoning permits, and environmental, health and safety permits. We are also subject to the laws and regulations governing relationships with employees such as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. If we fail to comply with the applicable laws and regulations, we may be subject to penalties, including the revocation or suspension of our licenses and approvals and criminal sanctions. Our failure to obtain such licences and approvals and comply with the applicable laws and regulations could lead to imposition of sanctions by the relevant authorities including penalties. The license under Legal Metrology Act, 2009 and registration for engaging contract labour in respect of the Tarapur Facility have expired and our Company has made applications for renewal of the same. Further, CFS Wanglong doesn't have a "Pollutant Discharging Unit" since it doesn't own equipment for pollution treatment, and presently, it has entered into a contractual arrangement with Ningbo Wanglong Technology Limited for treatment of all discharged pollutants/ emissions.

Our business is substantially dependent on revenues from outside India. Regulatory requirements are still evolving in many markets and are subject to change and as a result may, at times, be unclear or inconsistent. Consequently, there is increased risk that we may inadvertently fail to comply with such regulations, which could lead to a loss of business from such geographies, significant impact on our business and result of operations.

Further, we require certain statutory and regulatory permits, licenses and approvals to carry out our business operations and applications. As a part of our business, we apply for renewal or modification of such regulatory permits, licenses and approvals. While we apply for such approvals and permits, we cannot assure you that we will receive these approvals in a timely manner or at all or that our activities during the interim period will not be considered to be in violation of Law. Further, in future we will be required to timely apply for the renewal of approvals and permits for our business operations to continue. If we are unable to make application and renew or obtain necessary permits, licenses and approvals on acceptable terms, in a timely manner or at all, our business operations may be adversely affected.

We are also required to comply with listing related laws and regulations, including the Listing Regulations. Although we endeavour to strictly comply with the Listing regulations and other applicable laws, in past, there have been few instances where our Company has delayed and/ or failed in intimating to the Stock Exchanges about certain disclosures required under the Listing Regulations. Whilst no action has been initiated by the Stock Exchanges or SEBI in this regard, if in future we fail to comply with the Listing Regulations and other applicable laws, the Stock Exchanges and/ or SEBI may take appropriate action against us, which may include, inter alia, suspension of trading, levy of penalty or both.

13. ***We are required to comply with environmental laws and regulations, failure of which may adversely affect operations of the manufacturing facilities and could cause us to incur significant costs.***

Our manufacturing facilities, and those of the third parties with whom we contract for manufacturing services, are subject to a broad range of safety, health, environmental and related laws and regulations in the jurisdictions in which we operate, which impose restrictions, controls and regulates the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, environment laws in India limit the production level and amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. We cannot assure you that we have and shall be always able to comply with the stipulated restrictions, controls and regulations pertaining to production, storage of raw materials and disposal and discharge of wastes, effluents and emissions. Production beyond stipulated limits and discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond the stipulated limits, may lead to sanctions or other actions by regulatory bodies or third parties. In addition, it may lead to incurring of costs to remedy the damage caused by such discharges, pay fines or other penalties for non-compliance.

Our research and development and manufacturing involve the use of hazardous materials and chemicals and related equipment. We are subject to operating risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage and environmental contamination. If an accident occurs, we could be held liable for resulting damages, which could be substantial. Material future expenditures may be necessary if compliance standards change, if material unknown conditions that require remediation are discovered or if required remediation of known conditions becomes more extensive than expected. If these costs become prohibitive, we may be forced to curtail or cease certain of our manufacturing operations. If we fail to comply with present and future environmental laws and regulations, we could be subject to substantial fines, criminal sanctions, revocation of operating permits, shutdown of our production facilities and the imposition of obligations to take corrective measures, which could harm our business, financial condition and results of operations. Environmental laws could also restrict our ability to expand our facilities or could require us to acquire costly equipment or to incur other significant expenses in connection with our manufacturing processes.

In past, the Maharashtra Pollution Control Board (the "**MPC Board**") had issued a closure direction in respect of the Tarapur Facility for discharging effluents beyond stipulated limits. Upon direction by the MPC Board, electricity and water supply were disconnected at the Tarapur Facility. Accordingly, the Tarapur Facility was not operative for around 20 days. Upon subsequent submissions made by our Company to the MPC Board, a conditional restart direction was issued by the MPC Board in respect of the Tarapur Facility (the "**Restart Direction**"). In terms of the Restart Direction, electricity supply and water connection were granted for a period of one month subject to certain conditions. Further, in terms of the Restart Direction, after 30 days from the date of the Restart Direction, the Tarapur Facility was considered for regular restart, and as on date, our Company has not received any further written communication from the MPC Board. We cannot assure you that the MPC Board will not issue any further directive for temporary or permanent closure of the Tarapur Facility and/or issue further directions for disconnection of water and electricity supply, which may lead to closure of the Tarapur Facility and as a result, our operations may be disrupted and our production capacity, supply commitments, financial condition and results of operations could be adversely affected.

14. We engage contract labour for carrying out certain business operations.

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labourers for performance of certain functions at our manufacturing units. Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

15. Our success is dependent on our marketing abilities and arrangements with our distributors for the sale and distribution of our products. Any disruption in our marketing arrangement will adversely affect our sales and results of operations.

Whilst we have a strong network of marketing and sales team in various jurisdictions including India, China, Italy, Brazil, Peru, Columbia, Guatemala, Mexico, Cuba and USA, we distribute and market our products through third party distributors in jurisdiction like Indonesia, Vietnam, Thailand, Middle East and in certain parts of India. Further, we have contractual market development arrangements with third parties in United Kingdom and Denmark. If any third party in our sales channels ("**Third Party Sales Partner**") treats our competitors' products more favourably than ours, or terminates contractual arrangements with us and stops selling our products, and we are unable to find appropriate substitutes, our business, financial condition and results of operations may be adversely affected. Any inability by our Third Party Sales Partners to sell our products would have an adverse effect on our operations. We typically enter into long term agreements with these Third Party Sales Partners and such agreements generally provide for termination on short notice. This restricts our ability to find and appoint new/ substitute Third Party Sales Partner in short span of time. Our reliance on, and inability to control, local sale, marketing and distribution agents could adversely affect our business, financial condition and results of operations. We may not be able to find suitable Third Party Sales Partners or successfully enter into arrangements on commercially reasonable terms or at all. Additionally, our Third Party Sales Partner may make important marketing and other commercial decisions concerning our products without our input. As a result of these arrangements, many of the variables that may affect our business, are not exclusively within our control. We also compete for partners with other leading speciality chemicals companies that may have more visibility, greater brand recognition and financial resources, and a broader product portfolio than we do. If our competitors provide greater incentives to our Third Party Sales Partner, they may choose to promote the products of our competitors instead of our products. As a result, our operations may be disrupted and our financial condition and results of operations could be adversely affected.

16. Our business is dependent on our manufacturing facilities, and the loss or shutdown of operations at any of our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.

Our products are primarily produced at our manufacturing facilities in India, Italy, Mexico, China and Brazil. Our manufacturing facilities can be substantially interrupted or perform below expected levels of output or efficiency due to a number of factors, many of which are outside of our control, including fire, flood, earthquakes, power outages, fuel shortages, breakdown or failure of equipment, terrorist attacks or wars, or other natural disasters, as well as obsolescence, labour disputes, strikes, lock-outs and industrial accidents. For example, in past we have experienced fire outbreak at our manufacturing facilities in Tarapur, Maharashtra which lead to interruptions in the running of the factory. Further, pursuant to an accident at the Italy Facility, there was a casualty, for which a criminal proceeding has been commenced by the public prosecutor. For details, see "*Legal Proceedings*" on page 150. During the investigation in relation to the said accident, certain portion of Italy Facility was seized. Our manufacturing facilities are also subject to operating risks arising from non-compliance with the directives of relevant government authorities, as non-compliance may lead to a loss of licenses, certifications and permits necessary for operating the manufacturing facilities. Our business, financial condition and results of operations may be materially and adversely affected by any prolonged disruption or shutdown of operations at our manufacturing facilities, including due to any of the factors mentioned above or due to any political or country risks beyond our control.

17. Volatility in exchange rate fluctuations may adversely affect our results of operations.

Our financial statements are prepared in Indian rupees. However, substantially portion of our sales and expenditures occur in markets outside of India and in each market's respective local currency, including the US dollar, Euro, Mexican Peso, Renminbi and Brazilian Real, among others. The exchange rates in particular between the Indian rupee and the US dollar have varied substantially in recent years and may continue to fluctuate significantly in the future. In preparing our financial statements, we translate revenue and expenses in our markets outside India from their local currencies into Indian rupees using the exchange rates prevailing at the time of such transactions. If the Indian rupee strengthens relative to local currencies, our reported revenue, gross profit and net income will be reduced to that effect. Further, a significant portion of our raw material costs are in foreign currency. Therefore, foreign currency fluctuations can also result in losses and gains resulting from translation of foreign currency denominated balances on our balance sheet. Exchange rate fluctuations could affect the amount of income and expenditure we recognize or our ability to service our debt obligations. Given the complex global political and economic dynamics that affect exchange rate fluctuations, it is difficult to predict future fluctuations and the effect these fluctuations may have adverse effect upon future reported results or our overall financial condition. Further, we have availed certain credit facilities in foreign currencies and any fluctuation in the currency exchange rate may increase our repayment obligations. Significant currency exchange rate fluctuations and currency devaluations could have an adverse effect on our results of operations from period to period.

18. The shareholders agreement entered into between our CFS Mexico, Controladora and Dresen Mexico imposes certain restriction on business operations.

CFS Mexico has entered into a shareholders' agreement dated May 4, 2016 (the "**SHA**") with Controladora and Dresen Mexico. In terms of the SHA, certain corporate actions such as merger and acquisition, change of object, issue of security, loans and security creation over USD 50,000 etc. ("**Major Actions**") require unanimous votes of all the directors of Dresen Mexico or approval of at least 75% of the shareholders of Dresen Mexico, which shall include at least one vote of Controladora, in a general meeting. We cannot assure that we will be able to obtain consent/approval from Controladora on the Major Actions and our failure to obtain such consent/approval may affect implementation of growth strategy, our business, prospects, results of operations and financial condition.

19. The joint venture contract entered into between our Company, CFS Europe and Ningbo Wanglong Flavours and Fragrances Company Limited imposes certain restriction on business operations.

Our Company, CFS Europe and Ningbo Wanglong Technology Limited (the "**Seller**"), have entered into a joint venture contract dated April 29, 2017 in relation to governance of CFS Wanglong (the "**JV Agreement**"). In terms of the JV Agreement, CFS board shall comprise of five directors, out of which 3 directors shall be appointed by our Company or CFS Europe, and two directors shall be appointed by the Seller. Certain corporate actions such amendment to the constitutional documents, increase or reduction in capital, availing of finance beyonf RMB 500,000, appointment of auditors, merger and demerger etc. ("**Major Actions**") require unanimous votes of all the directors of CFS Wanglong. We cannot assure that we will be able to obtain consent/approval from the Sellers board representatives on the Major Actions and our failure to obtain such consent/approval may affect implementation of growth strategy, our business, prospects, results of operations and financial condition. Further, in terms of the JV Agreement, our Company or CFS Europe cannot transfer or dispose equity interest in CFS Wanglong for three years from the date of issuance of business license to CFS Wanglong, without prior written consent of the Seller. Further, there are certain restrictions and procedures in relation to transfer of shares of CFS Wanglong by our Company and CFS Europe to any third party, under the JV Agreement.

20. The ability of our Subsidiaries to pay dividend is restricted by certain covenants in their financing documents and investment agreements.

Our Subsidiaries have entered into financing documents with certain banks which requires our Subsidiaries to take prior approval of the lender for declaring and distributing dividends. We cannot assure that the lenders of our Subsidiaries will provide their consent for declaration and distribution of dividends by our Subsidiaries, as applicable. Our inability to realize dividends from our Subsidiaries due to restrictive covenants in the financing documents and investments agreements may adversely affect our cashflows, results of operations and financial condition.

21. We may undertake strategic acquisitions, which may prove to be difficult to integrate and manage or may not be successful.

We have, in the recent past, pursued acquisitions and strategic partnerships as part of our growth strategy. Our Company and CFS Europe have jointly acquired 51% of shareholding in CFS Wanglong in Fiscal 2018. Further, our Company acquired 94.08% of the paid-up equity share capital of Chemolutions, and CFS Mexico has acquired 65 % of shareholding in Dresen Mexico, in Fiscal 2017. We may make further acquisitions or investments, including in geographies in which we do not currently operate, to expand our access to large clients, acquire new service offerings, or enhance our technical or research capabilities. Our acquisitions may not contribute to our profitability, and we may be required to incur or assume debt, or assume contingent liabilities, as part of any acquisition. We may not successfully identify suitable acquisition candidates or joint venture opportunities. We also might not succeed in completing targeted transactions or achieve desired results of operations. We could have difficulty in assimilating the personnel, operations, technology and manufacturing units of the acquired company. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. In addition, we might need to dedicate additional management and other resources, and our organizational structure could make it difficult for us to efficiently integrate acquired businesses into our ongoing operations and assimilate and retain employees of those businesses into our culture and operations. Business combination and investment transactions may result in significant costs and expenses and charges to earnings, including those related to severance pay, early retirement costs, employee benefit costs, goodwill and asset impairment charges, assumed litigation and other liabilities, and legal, accounting and financial advisory fees. We may have difficulties as a result of entering into new markets where we have limited or no direct prior experience or where competitors may have stronger market positions. We might fail to realise the expected benefits or strategic objectives of any acquisition we undertake. We might not achieve our expected return on investment or may lose money.

Further, as a result of our growth strategy to continue geographic expansion, we are more susceptible to certain risks. For instance, when we enter a new country, we are exposed to generating revenue in a new currency for which we may not be able to hedge against fluctuations in foreign currency. In some countries we could be subject to strict restrictions on the movement of cash and the exchange of foreign currencies, which could limit our ability to use this cash across our global operations. Acts of terrorist violence, armed regional and international hostilities and international responses to these hostilities, natural disasters, global health risks or pandemics or the threat of or perceived potential for these events could have a negative impact on our business. These events could adversely affect our clients' levels of business activity and precipitate sudden significant changes in regional and global economic conditions and cycles. These events also pose significant risks to our people and to physical facilities and operations around the world, whether the facilities are ours or those of our alliance partners or clients. By disrupting communications and travel and increasing the difficulty of obtaining and retaining highly skilled and qualified personnel, these events could make it difficult or impossible for us to deliver services to our clients.

22. We may be subject to claims of infringement of third-party intellectual property rights, which could adversely affect our business.

While we take care to ensure that we comply with the intellectual property rights of third parties, we cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights. Any claims of intellectual property infringement from third parties, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. The risk of being subject to intellectual property infringement claims will increase as we continue to expand our operations and product offerings. As a result of such infringement claims, we could be required to pay third party infringement claims, alter our technologies, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing could result in unexpected expenses. In addition, if we are required to alter our technologies or cease production of affected items, our revenue could be adversely affected.

23. If we are unable to adequately protect our intellectual property, or if the scope of our intellectual property fails to sufficiently protect our proprietary rights, other companies could compete against us more directly, which may have a material adverse impact on our business and results of operations.

Our commercial success depends in part on our ability to protect our existing intellectual property and to obtain other intellectual property rights. Please see "*Business – Intellectual Property*" on page 86 for further details of our material intellectual property. If we do not adequately protect our intellectual property, competitors may be able to imitate our products, use our technologies and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability. Furthermore, we cannot assure you that any of our pending patent applications will mature into granted patents, or that such patents, if issued, will provide us with adequate proprietary protection or competitive advantages.

Certain of our trademarks, including those for products which we currently sell, could be unregistered, expired, removed, opposed, withdrawn, refused, objected or are otherwise under dispute. If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities We have been granted three patents, each in India, Europe and China. In addition, we have been granted a patent in South Africa, Europe and Mexico. We have also applied for a process patent for generating a mixed multicomponent vapour for preparation of Monoalkyl Ethers of Diphenols in India, and for solid-liquid separation method of oxidation liquid in process of employing guaiacol process to prepare vanillin, in China. Our inability to obtain or maintain and defend infringement of these registrations may adversely affect our competitive business position.

Detecting and policing unauthorized use of proprietary technology are difficult and expensive. We may need to resort to litigation to enforce or defend patents issued to us or determine the enforceability, scope and validity of our proprietary rights or those of others. An adverse determination in any such litigation could materially impair our intellectual property rights. If our intellectual property rights are inadequate as a result of the narrow scope of the patents granted or third parties' infringement, or we otherwise fail to sufficiently protect our intellectual property, our business, financial condition and results of operations could be adversely affected.

24. Our insurance coverage is limited; if we experience uninsured losses, it could adversely affect our financial condition and results of operations.

Our insurance coverage is limited. Please see "*Business–Insurance*" on page 86 for further details of our insurance coverage. If we experience product liability claims, disruptions to our business, damage to our manufacturing facilities or other assets or if key persons cease to provide their services to us for any reason, we might incur substantial costs and loss or may be unable to replace such key persons in a timely manner or at all, the damages which may not be fully covered by insurance. In addition, there are certain types of losses, such as losses from war, acts of terrorism, typhoons, and other natural disasters for which we cannot obtain insurance at a reasonable cost or at all. Further, there cannot be any assurance that claims for damages made to insurer will be fully accepted. Insurance companies generally tend to settle a lower claim than the actual claim for damage. In past, we had suffered damages because of a fire outbreak in the Tarapur Facility. Although we had made insurance claims for the entire damages suffered, our claim was accepted only to the extent of approximately 62.88%. Further, recently due to heavy rains, a wall in the Tarapur Facility collapsed and flooded certain parts of the factory premises, causing damage to packing materials. We have applied for a insurance claim of the entire damage. There is no assurance that our insurance claim for damages would be fully accepted. Should an uninsured loss or a loss in excess of insured limits occur, we could suffer financial losses, lose all or a portion of our production capacity, as well as future revenue anticipated to be derived from the manufacturing activities, which could result in adversely affecting our financial condition and results of operations.

25. Restrictions imposed in the secured credit facilities and our other outstanding indebtedness may limit our ability to operate our business and to finance our future operations or capital needs or to engage in other business activities.

As of September 30, 2017, we had aggregate loans, both secured and unsecured, short term and long term (including current maturities), of Rs. 39,237.77 lakh on a consolidated basis. Most of our financing arrangements are secured by our movable and immovable assets. CFS Mexico has availed a credit facility of an amount of USD

58,50,000 from Exim Bank in April 2016 to finance the Dresen Acquisition, which is secured by, inter alia, pledge of entire shareholding of CFS Mexico by our Company and pledge of shares of Dresen held by CFS Mexico. Our Company has also pledged the entire shareholding in CFS Mauritius to Exim bank for various credit facilities availed by our Company and CFS Europe. Further, CFS Europe has availed credit facilities amounting to USD 53,50,000 and Euro 86,50,000 from Axis Bank UK Limited, for Wanglong Acquisition and certain working capital requirements (the "**CFS Europe Credit Facility**"). The CFS Europe Credit Facility is secured by, inter alia, pledge of entire shareholding of CFS Wanglong by CFS Europe and corporate guarantee by CFS Mauritius. Further, our Company has provided corporate guarantees to secure various loans availed by the Subsidiaries.

Our financing agreements generally include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions and also covenants such as (a) changing the capital structure of our Company including change in shareholding of the Promoters; (b) formulating any scheme of amalgamation or reconstruction; (c) undertaking any new project, implementation of any scheme of expansion or acquisition of capital assets; (d) declaring dividend except out of profits of that year; (e) change in the management set-up; (f) undertaking any guarantee obligations on behalf of any third party; (g) investments by way of share capital in or lend to any other concern; and (h) any amendments to the Memorandum and Articles of our Company. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions. A breach of any of these covenants, or a failure to pay interest or indebtedness when due under any of our credit facilities, could result in a variety of adverse consequences, including the acceleration of our indebtedness, and could adversely affect our ability to conduct our business. As on the date of this Placement Document, we have made applications for obtaining consents from our lenders to permit the Issue and related matters. We are yet to receive such consents from certain lenders. Undertaking the Issue without obtaining such lender consents would be in contravention of the terms and conditions contained in the loan arrangement documentation and shall trigger event of default therein, and our loans repayment may be accelerated, which may adversely affect our cash flows, ability to conduct our business and operations or implement our business plans.

Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. There can be no assurance that we will comply with the covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any such non-compliance in a timely manner or at all.

Any future inability to comply with the covenants under our financing arrangements or to obtain necessary consents required thereunder or any other breach under the financing agreements including default in repayment may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances or other consequences could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could adversely affect the price of the Equity Shares.

Our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, meet our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms.

26. We face intense competition from both global and local speciality chemicals companies, which could significantly limit our growth and materially adversely affect our financial results.

The speciality chemicals industry is competitive. The principal competitive factors in this industry include:

- introduction of substitute products by a competitor at a lower price;
- pricing pressures by competitors and customers;
- a company's reputation as a manufacturer and distributor of quality products;
- a company's level of service (including maintaining sufficient inventory levels for timely deliveries);
- product appearance and labelling; and
- a company's breadth of product offerings

Many of our competitors have longer operating histories and greater financial, research and development, marketing and other resources than we do. Consequently, many of our competitors may be able to develop products and/or processes competitive with, or superior to, our own. Furthermore, we may not be able to differentiate our products from those of our competitors; to successfully develop or introduce new products on a timely basis or at all that are less costly than those of our competitors; or to offer customers payment and other commercial terms as favourable as those offered by our competitors. Our competitors include large speciality chemical companies abroad. These companies, among others, compete with us for majority of our products. If our competitors outperform our business and develop superior products at a lesser cost in a timely manner, our growth and financial results could be adversely affected.

27. We have been involved in certain legal and other proceedings in the past and may become involved in litigations in the future, which could have adverse effects on our business.

We are currently involved in certain outstanding litigations primarily with respect to property disputes, breach of contractual arrangements, outstanding credit and tax demands. Litigations are generally, regardless of the merits or eventual outcome, are costly and time consuming and we could incur significant costs and/or a significant reduction in revenue in defending the action.

We cannot assure you that these legal proceedings will be decided in our favour. Although presently, as per the Policy for Determination of Materiality for Disclosure of Events/Information, as adopted by the Board on February 12, 2016, there are no material litigation, we cannot assure you that we will not be involved in material legal proceedings in the future, including civil, criminal, consumer, intellectual property and tax-related litigations. Litigations can divert significant management time and attention, and consume significant financial resources in their defense or prosecution. In addition, if any proceeding in which we may be involved in and is decided against us, or if penalties are assessed and/or sanctions imposed on us in the future, it may have a material adverse effect on our businesses and reputation and financial conditions.

Further, there was an accident at Italy Facility which had resulted in one casualty, for which a criminal proceeding has been commenced by the public prosecutor against certain employees, including the chief executive officer of CFS Europe. For details, see "*Legal Proceedings*" on page 150. Defending such criminal proceeding requires us to incur significant cost, and any adverse outcome of such criminal proceeding may adversely affect our administration business operations in Europe temporarily.

28. We are subject to anti-dumping regulations, which may adversely affect our revenue and business operations.

We are subject to anti-dumping regulations under international trade laws in relation to export of our products. If we export our products at a lesser price than the local suppliers in the importing country, we may be subject to anti-dumping duties, which may increase the pricing of our products, adversely affecting our business operations and revenue. In 2014, pursuant to an application made by a local supplier in China to the Ministry of Commerce of the People's Republic of China, China had imposed anti-dumping duties on TBHQ. The duty imposed had significant impact on our pricing of TBHQ, which had adversely affected our business operations and revenue. Further, it had reduced our competitive edge in relation to pricing of TBHQ over local suppliers in China. We cannot assure that we will not be subject to such anti-dumping duties in future by countries where we export our products.

29. If the proposed Dahej Manufacturing Facility is not completed in a timely manner for any reason, our ability to produce additional Diphenols could be materially adversely affected.

Our proposed Dahej Manufacturing Facility is set to increase our manufacturing capacity of Diphenols. We may encounter change in strategy and plans for implementation of the project, significant delays, cost overruns, engineering problems, equipment supply constraints or other unexpected difficulties which could cause construction to cost more than we currently anticipate. These increased costs could require that we secure additional funding. Such funds may be unavailable when we need them or on terms that are acceptable to us. Furthermore, we may not be able to obtain the necessary regulatory approvals, to commence construction and commercial operations. Further, the facility may not perform as expected. For example, production rates may vary from our expectations. We may need to install additional equipment to achieve desired specifications, which could delay operations and increase costs. We may encounter these or other operational challenges and may be unable to devise workable and cost effective solutions, which could delay, reduce or prevent our ability to produce Diphenols and could have a material adverse effect on our business, financial condition or results of operations.

30. We depend upon our key managerial personnel, the loss of whom could adversely affect our operations. If we fail to attract and retain the talent required for our business, our business could be materially harmed.

We depend to a significant degree on the principal members of our management, including our research and development team. The loss of services from any of the persons from our management may significantly delay or prevent the achievement of our product development or business objectives. We do not carry key man life insurance on any key personnel other than for Ashish Dandekar. Our key employees may terminate his or her employment at any time without notice or short notice and without cause or good reason, and we may have little or no legal recourse to retain them. Our success depends upon our ability to attract and retain highly qualified personnel. The loss of the services of senior management could seriously impair our ability to continue to manage and expand our business. Our executives and researchers possess technical and business capabilities that may not be easily replaceable. Competition among speciality chemicals companies for qualified employees is intense, and the ability to attract and retain qualified individuals is critical to our success. We may not be able to attract and retain these individuals on acceptable terms or at all, and our inability to do so could significantly impair our ability to compete. If we lose the services of any of our personnel, executives or researchers for any reason, we may be unable to replace them in a timely manner or at all, which may affect our ability to continue to manage and expand our business.

31. Our performance may be adversely affected if we are not successful in managing our inventory or working capital balances.

We evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. Our working capital requirements may also increase if there is a change in payment terms we offer to our customers or enjoy from our suppliers. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a client defaults in making its payment as per our contractual arrangement, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, growth prospects and results of operations.

32. Our Promoter and Promoter Group will be able to exercise significant influence and control over our Company after the Issue and may have interests that are different from those of our other shareholders.

As of September 30, 2017, our Promoters and Promoter Group hold 40.88% of the issued and outstanding Equity Shares of our Company. By virtue of their shareholding, our Promoters will have the ability to exercise significant control and influence over our Company and our affairs and business. The interests of our Promoters may be different from or conflict with the interests of our other shareholders.

33. We may face labour disruptions that could interfere with our operations.

We are exposed to the risk of labour stoppages at our manufacturing plants. While some of our employees are members of trade unions, we have not experienced difficulties with our labour relations in the past. However, we cannot assure that we will not experience a strike, work stoppage or other industrial action in the future. Although we believe that we have good industrial relations with our employees presently, there can be no assurance that our employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour disruptions may adversely affect our operations by delaying or slowing down our production, increasing our cost of production or even halting a portion of our production. This may also cause us to miss sales commitments, hurt our relationships with customers and disrupt our supply chain, further affecting our revenue and margins.

Additionally, we rely on certain third party contract manufacturers for the production of certain products. In the event that there are disruptions in the manufacturing facilities of such third party contract manufacturers, it will impact our ability to deliver such products and meet with our contractual commitments.

34. We require substantial financing for our business operations and business growth, and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.

We require substantial capital for our business operations and its growth. Debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company, and could adversely impact the price of our Equity Shares. Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. Further, we cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure and implementation of growth strategy, our business, results of operations and financial condition.

35. Any failure of our information technology systems could adversely affect our business and our operations.

We have information technology systems that support our business processes, including sales, order processing, production, distribution and finance. These systems may be susceptible to outages due to power loss, telecommunications failures, software malfunction, break-ins and similar events. In addition, our proprietary data is stored electronically and may be vulnerable to computer viruses, cybercrime and similar disruptions from unauthorized tampering. If such unauthorized use of our systems were to occur, data related to our product formulas, product development and other proprietary information could be compromised. The occurrence of any of these events could adversely affect our operations of business, reputation and expose us to potential litigations.

36. We have in the past entered into related party transactions and may continue to do so in the future.

We have entered into certain transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details on related party transactions, see "*Financial Information*" on page 155.

37. Our statutory auditors have included certain observations and emphasis of matter on certain matters in their auditor's reports.

Our statutory auditors for fiscal years 2017, 2016,2015, 2014 and 2013 have provided certain observations and emphasis of matter in their respective auditor's reports. These matters include loans to subsidiary, writing off inter corporate loans, recovery of loans granted, overdue of deferred sales tax loan, failure to earmark available free liquid assets as per Companies (Acceptance of Deposits) Rules, 1975 and term loans availed by the Company not applied for the purpose for which they were availed. For details on the matters of emphasis and steps taken by our

Company, see "*Legal Proceedings*" on page 150. Investors should consider the same in evaluating our financial position, results of operations and cash flows.

38. Our registered office, corporate office and some of our manufacturing facilities are not owned by our Company.

Our registered and corporate office is situated at WICEL, Plot No. F/11 and F/12, Central Road, Opposite SEEPZ Main Gate, Andheri (East), Mumbai 400 093. We do not own our registered office premises. We have entered into a lease agreement dated November 9, 2014 with M/s Texport Industries Private Limited for leasing of our registered office for a period till October 31, 2019 with a right of renewal for another two years. Further, all of our manufacturing facilities are on leasehold premises. These contractual lease arrangements may be terminated if we breach the terms and conditions therein. We cannot assure that once the lease period is over, we will be able to renew the lease period at favourable terms or at all. Upon expiration or termination of the lease, in case we are unable to renew the lease period, we cannot assure that we will be able to find a similar office premises on leasehold basis in and around the same location at commercially favourable terms and in a timely manner. This may lead to disruption of our business operations.

Further, the Chemolutions Facility which was availed on leasehold basis by Chemolutions is currently under certain legal dispute. Pursuant to a contractual arrangement with Chemolutions, the lessor had agreed to transfer the Chemolutions Facility to Chmeolutions post expiry of certain period of lease. However, the lessor eventually refused to transfer the Chemolutions Facility and subsequently our Company initiated legal proceedings for specific performance. Presently, Chemolutions is operating the Chemolutions Facility under a '*status quo*' order of the court. Our Company and the lesser are in the process of executing consent terms to settle the matter amicably.

39. Our Company has experienced negative cash flows during the last three financial years. Any negative cash flows in future could adversely affect our business and financial conditions.

We had negative cash flows from our investing and financing activities in the last three financial years. The table below summarizes our cash flows for the financial years 2017, 2016 and 2015:

(*In Rs, lakh*)

Particulars	**Fiscal 2017**	**Fiscal 2016**	**Fiscal 2015**
Cash flow from operating activities	(5,861.54)	7,157.24	4,625.51
Net Cash used in investing activities	(7,874.09)	(6,577.87)	(2,628.32)
Net Cash used in financing activities	13,643.78	(675.92)	(1,547.70)
Net increase / (decrease) in cash	(91.85)	(96.55)	449.49

Any negative cash flows in future may adversely affect our business.

40. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows and working capital requirements.

Our ability to pay dividends to our shareholders will depend upon our future earnings, financial condition, cash flows, planned capital expenditures and working capital requirements. For Fiscal 2017, our Company did not pay any dividend. For details of dividend paid by our Company in Fiscal 2016 and 2015, see "*Dividend Policy*" on page 63. We may be unable to pay dividends in the near or medium term, and the future dividend payout will depend on our planned capital expenditures and working capital requirements, financial condition, results of operations and cash flows.

41. We are dependent on third parties for the supply of utilities and transportation of goods and any disruption in this regard could adversely affect our manufacturing operations.

We procure utilities such as water, natural gas and electricity from third parties for use at our manufacturing units. We also engage third party transport service providers for transportation of our products. Reliance on third parties for such services exposes us to risks such as shortage or break down in supply, delay in transportation, the correction of which is in the hands of such third parties. Any breakdown of our relationship with any of our service/utility providers could adversely affect our operations. In case of a break-down of our relationship with the service/utility providers, we are unable to assure you that we shall be able to source such utilities from alternate sources in a timely manner, which could adversely affect our operations and results.

42. The purposes for which the funds are being raised pursuant to the Issue have not been appraised by any bank or financial institutions. We have not entered into definitive agreements to use the proceeds of the Fresh Issue. Any delay in the schedule of implementation of the proceeds from the Issue may have an adverse impact on our profitability.

The purposes for which the funds are being raised pursuant to the Issue have not been appraised by any bank or financial institution. The estimate of costs is based on project reports, as well as based on internal management estimates, which are subject to change and may result in cost escalation. These estimates may be inaccurate, and we may require additional funds to implement the purposes of the Issue. We have not entered into definitive agreements for certain purposes of the Issue to utilise the proceeds from the Issue. Any change or cost escalation can significantly increase the cost of the purposes for which the funds are being raised pursuant to the Issue. The deployment of the proceeds from the Issue will be at the discretion of our Company. Our schedule of implementation for the use of proceeds from the Issue may be affected by various risks, including time and cost overruns as well as factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs. Such time and cost overruns may adversely impact our business, financial condition, results of operations and cash flows. Proceeds from the Issue, pending utilisation (for the stated purposes) may be invested in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be at the discretion of the Board from time to time and in accordance with applicable laws. For details, see "*Use of Proceeds*" on page 57.

43. We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.

As of September 30, 2017, contingent liabilities disclosed in our consolidated financial information aggregated to Rs. 9,459.17 lakh. Our contingent liabilities are mainly on account of bills of exchange, cheques discounted with bankers, bank guarantees issued to various tax authorities and tax disputes. If any of these contingent liabilities materialize, our financial condition and results of operation may be adversely affected. For further details, see "*Financial Information*" on page 155.

External risk factors

44. After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.

The Issue Price of the Equity Shares in this Issue will be determined by our Company in consultation with the Book Running Lead Managers based on the applications received in compliance with Chapter VIII of the SEBI Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. You may be unable to resell your Equity Shares at or above the Issue Price and, as a result, you may lose all or part of your investment. The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and global securities markets;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- the present state of our development;
- the results of our operations and our financial condition;
- the performance and financial condition of our competitors;
- the history of, and the prospects for, our business and the sectors in which we compete,
- adverse media reports on us or the sector in which we operate;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies; and

- significant developments in India's fiscal regulations.

In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

45. We cannot guarantee that the Equity Shares issued under this Issue will be listed on the Stock Exchanges in a timely manner, if at all.

In accordance with Indian law and practice, after our Board or committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the QIBs, we are required to apply to the Stock Exchanges for listing and trading approvals. After receiving the listing and trading approvals from the Stock Exchanges, we will credit the Equity Shares into the Depository Participant accounts of the respective QIBs and apply for the final listing and trading approvals from the Stock Exchanges. There could be a delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. Any delay in obtaining these approvals would restrict your ability to dispose of your Equity Shares.

46. An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from Allotment under this Issue.

The Equity Shares are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the Allotment of the Equity Shares, QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

47. Any future issuance of the Equity Shares or sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.

A future issuance of Equity Shares by us may dilute your shareholding in our Company. There are no restrictions on our ability to issue further Equity Shares, including allotment of any securities to the Promoters, other than as stipulated under applicable laws. The issue and allotment of Equity Shares by us to third parties would result in a dilution of your shareholding and rights in our Company. Any future equity issuances by us or any perception by investors that such issuances or sales might occur, may lead to the dilution of investor shareholding in our Company or affect the trading price of our Equity Shares.

Further, whilst we have an undertaking from certain members of our Promoter and Promoter Group that they would not sell any of their shareholding for a period of 90 days from the date of allotment of Equity Shares under the Issue (for further details please see section titled "*Placement Agreement*" on page 130), there is no assurance that any other significant shareholder would sell or dispose their shareholding in the Company.

As a publicly traded company, there is no restriction on our shareholders to dispose of a part or the entirety of their shareholding in our Company. Any significant disposal of Equity Shares by any of our significant shareholders, or the perception that such sales will occur, may affect the trading price of our Equity Shares, which could lead to a negative sentiment in the market regarding us that could in turn impact the value of the Equity Shares.

48. Since our Equity Shares are quoted in Indian rupees in India, foreign investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Foreign investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian Stock Exchanges on which they are listed. Dividends on our Equity Shares will also be paid in Indian rupees. Investors that seek to convert the Indian rupee proceeds of a sale of equity shares into foreign currency and export the foreign currency, will need to obtain the approval of the RBI for each such transaction. Holders of Indian rupees in India may also generally not purchase foreign currency without general or special approval from RBI.

49. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We are subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the underlying Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular time.

50. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. The business and the market price and liquidity of the Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The Government of India has in recent years sought to implement economic reforms and the current government has implemented policies and undertaken initiatives that continue the economic liberalization policies pursued by previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in the securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

51. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association and applicable law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company incorporated under the laws of another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Consequently, investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation incorporated under the laws of another jurisdiction.

52. Our ability to raise foreign capital may be constrained by Indian law. The limitations on foreign debt may have an adverse impact on our business growth, financial condition and results of operations.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance future indebtedness. In addition, it cannot be assured to the prospective investor that the required approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse impact on our business growth, financial condition and results of operations.

53. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, capital gains arising from the sale of the Equity Shares within 12 months in an Indian company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of the Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. The above statements are based on the current tax laws.

54. Our business and activities may affected by the recent amendments to the competition law in India.

The Parliament has enacted the Competition Act, 2002, as amended, ("**Competition Act**") for the purpose of preventing practices having an adverse effect on competition in the relevant market in India under the auspices of the Competition Commission of India ("**CCI**"). Under the Competition Act, any arrangement, understanding or action whether formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall also be guilty of the contravention and liable to be punished.

On March 4, 2011 the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act. It is unclear as to how the Competition Act and the CCI will affect the business environment in India.

If we are adversely impacted, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, generally or specifically in relation to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either *suo moto* or pursuant to any complaint, for alleged violation of any provisions of the Competition Act it may have a material adverse effect on our business, financial condition and results of operations.

55. Terrorist attacks, civil unrests and other acts of violence in India and around the region could adversely affect the financial markets, result in a loss of consumer confidence and adversely affect our business, results of operations, financial condition and cash flows.

Terrorist attacks, civil unrests and other acts of violence or war in India and around the region may adversely affect worldwide financial markets and result in a loss of consumer confidence and ultimately adversely affect our business, results of operations, financial condition and cash flows.

56. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative impact on the Indian economy, adversely affecting our business and the price of the Equity Shares.

57. Significant differences exist between Indian GAAP, used throughout our financial information and other accounting principles with which investors may be more familiar.

As stated in the report of our auditors included in this Placement Document, our Audited Consolidated Financial Statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Placement Document to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including IFRS.

Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is dependent on your familiarity with Indian GAAP and the Companies Act. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Placement Document should accordingly be limited.

58. Investors may have difficulty enforcing foreign judgments against us or our management.

We are a limited liability company incorporated under the laws of India. Substantially all of our Directors and key management personnel are residents of India and a large part of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India, or to enforce judgments obtained against such parties outside India.

Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. For further details, see "*Enforcement of Civil Liabilities*" on page 14. A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI to execute such a judgment or to repatriate outside India any amount recovered. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

59. Applicants to the Issue are not allowed to withdraw their bids after the Bid/Issue Closing Date.

In terms of the SEBI Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to ten days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the Company's business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of allotment of Equity Shares in the Issue. The occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of the SEBI. The Company may complete the allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

MARKET PRICE INFORMATION

The Equity Shares have been listed and are available for trading on BSE and NSE.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded for financial years ended March 2015, March 2016 and March 2017:

BSE

Financial Year	High (Rs.)	Date of High	Total Volume on date of High (Number of Equity Shares traded on the date of high)	Total Volume of Equity shares traded on the date of high (Rs. million)	Low (Rs.)	Date of low	Volume on date of Low (Number of Equity Shares traded on the date of low)	Total Volume of Equity shares traded on the on date of low (Rs. million)	Average price for the year (Rs.)	Total Volume of Equity Shares traded in the Financial Years	
										In number	(Rs. in million)
March 2017	116.90	January 9, 2017	202,931	23.54	83.95	September 29, 2016	41,244	3.51	96.99	22,897,159	2,344.87
March 2016	118.35	June 29, 2015	636,227	77.36	77.25	February 26, 2016	44,160	3.41	97.93	36,095,869	3,753.68
March 2015	120.15	September 1, 2014	81,464	9.75	39.75	April 7, 2014	49,539	2.01	77.36	21,907,206	1,654.99

(Source: www.bseindia.com)

Note:

1. *Average price is average of the closing prices for the period.*
2. *In case of two days with the same closing price, the date with the higher volume has been considered.*

NSE

Financial Year	High (Rs.)	Date of High	Volume on date of High (Number of Equity Shares traded on the date of high)	Total Volume of Equity shares traded on the date of high (Rs. million)	Low (Rs.)	Date of low	Volume on date of Low (Number of Equity Shares traded on the date of low)	Total Volume of Equity shares traded on the on date of low (Rs. million)	Average price for the year (Rs.)	Total Volume of Equity Shares traded in the Financial Years	
										In number	(Rs. in million)
March 2017	117.30	January 9, 2017	818,932	95.08	84.05	September 29, 2016	190,543	16.28	97.00	90,173,312	9,260.35
March 2016	118.40	June 29, 2015	1,955,070	238.38	77.20	February 26, 2016	110,574	8.54	97.92	123,981,334	12,911.02
March 2015	101.15	February 4, 2015	233,064	23.53	80.60	March 26, 2015	37,770	3.05	92.02	3,273,427	307.69

(Source: www.nseindia.com)

Notes:

1. *Average price is average of the closing prices for the period.*
2. *In case of two days with the same closing price, the date with the higher volume has been considered*
3. *Company is listed on NSE since January 2015*

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded during each of the last six months:

BSE

Month Year	High (Rs.)	Date of High	Volume on date of High (Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (Rs. million)	Low (Rs.)	Date of low	Volume on date of Low (Number of Equity Shares traded on the date of low)	Total Volume of Equity shares traded on the on date of low (Rs. million)	Average price for the month (Rs.)	Monthly Total Volume of Equity Shares traded	
										In number	(Rs. in million)
October, 2017	90.50	October 12, 2017	521,299	46.80	79.75	October 5, 2017	440,463	35.6	87.01	4,276,705	372.24
September, 2017	85.75	September 28, 2017	1,272,932	105.86	72.45	September 13, 2017	81,653	6.00	76.72	5,229,265	417.61
August, 2017	84.95	August 2, 2017	63,080	5.39	72.95	August 29,2 017	30,561	2.24	78.47	691,838	54.76
July, 2017	90.85	July 10, 2017	94,867	8.58	85.20	July 31, 2017	15,729	1.34	87.49	1,400,114	123.94

Month Year	High (Rs.)	Date of High	Volume on date of High (Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (Rs. million)	Low (Rs.)	Date of low	Volume on date of Low (Number of Equity Shares traded on the date of low)	Total Volume of Equity shares traded on the on date of low (Rs. million)	Average price for the month (Rs.)	Monthly Total Volume of Equity Shares traded	
										In number	(Rs. in million)
June, 2017	92.55	June 22, 2017	154,831	13.98	77.95	June 1, 2017	33,463	2.59	84.72	1,674,968	144.27
May, 2017	93.60	May 3, 2017	72,944	6.82	76.00	May 31, 2017	66,117	5.09	87.03	1,124,222	95.46

(Source: www.bseindia.com)

NSE

Month Year	High (Rs.)	Date of High	Volume on date of High (Number of Equity Shares traded on the date of high)	Total Volume of Equity shares traded on the date of high (Rs. million)	Low (Rs.)	Date of low	Volume on date of Low (Number of Equity Shares traded on the date of low)	Total Volume of Equity shares traded on the on date of low (Rs. million)	Average price for the month (Rs.)	Monthly Total Volume of Equity Shares traded	
										In number	(Rs. in million)
October, 2017	90.50	October 12, 2017	2,714,835	243.34	80.10	October 5, 2017	1,938,560	158.91	87.07	20,452,347	1,779.18
September, 2017	85.75	September 28, 2017	5,685,073	484.86	73.15	September 13, 2017	148,843	10.98	76.81	17,330,333	1,415.31
August, 2017	84.45	August 2, 2017	230,716	19.69	73.25	August 29,2 017	100,375	7.38	78.31	1,979,703	156.79
July, 2017	90.85	July 10, 2017	137,314	12.47	85.05	July 31, 2017	65,873	5.61	87.42	4,613,609	408.35
June, 2017	92.45	June 22, 2017	794,959	72.06	77.65	June 1, 2017	202,642	15.70	84.61	6,983,172	594.45
May, 2017	94.10	May 3, 2017	363,485	34.08	76.10	May 31, 2017	174,861	13.46	87.06	5,768,288	493.55

(Source: www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been considered.*

(iii) The following table set forth the details of the number of Equity Shares traded and the volume of business transacted during the last six months on BSE and NSE:

Period	Number of Equity Shares Traded		Volume of Business Transacted (In Rs. million)	
	BSE	NSE	BSE	NSE
October, 2017	4,276,075	20452347	372.24	1779.18
September, 2017	5,229,265	17,330,333	417.61	1,415.31
August, 2017	691,838	1,979,703	54.76	156.79
July, 2017	1,400,114	4,613,609	123.94	408.35
June, 2017	1,674,968	6,983,172	144.27	594.45
May, 2017	1,124,222	5,768,288	95.46	493.55

(*Source: www.bseindia.com and www.nseindia.com*)

(iv) The following table sets forth the market price on BSE and NSE on May 22, 2017 i.e., the first working day following the approval of the Board of Directors for the Issue on May 19, 2017:

BSE						NSE					
Open	High	Low	Close	Number of Equity Shares traded	Turnover (Rs. million)	Open	High	Low	Close	Number of Equity Shares traded	Turnover (Rs. lakh)
88.45	88.75	86	86.95	50,543	4.43	89	89	86.1	86.85	243,759	21.38

(Source: www.bseindia.com and www.nseindia.com)

Notes:

1. *The day immediately after the date of the Board Meeting being a holiday, the next trading day has been taken into account*

USE OF PROCEEDS

The gross proceeds from the Issue will be approximately Rs. 15,000.00 lakh.

The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately Rs. 14,550.00 lakh (the "**Net Proceeds**").

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds of the Issue for capital expenditure towards setting up of a new manufacturing facility in the special economic zone, Dahej – Dahej Facility, capital expenditure towards upgradation of plant and machinery at our Tarapur Facility, investment in Subsidiaries and general corporate purposes.

Our Company is in the process of setting up the Dahej Facility with an estimated capacity of 10,000 MT/ year, for manufacturing of Diaphenols (the "**Project**"). The total estimated cost of the Project is Rs. 13,000.00 lakh (the "**Project Cost**"). The Project Cost includes, inter alia, estimated cost towards building (civil and steel structure), plant and machinery and miscellaneous assets, aggregating to Rs. 8,341.00 lakh (the "**Part Project Cost**"). Our Company intends to deploy Rs. 4,000.00 lakh from the Net Proceeds towards the Part Project Cost. The break-up of the Part Project Cost towards which the Net Proceeds aggregating to Rs. 4,000.00 lakh shall be utilised, is set forth below:

(in Rs., lakh)

S. no.	Particulars	Estimated cost
1.	Building (civil and steel structure)	1,277.00
2.	Plant and machinery	6,462.00
3.	Miscellaneous assets(1)	602.00
	Total	8,341.00

(1) Includes lab equipment, furniture and fixtures and electrical installations

The remaining Project Cost shall be met by way of means available to our Company, including from internal accruals and any additional equity and/or debt arrangements.

The following table sets forth the scheduled deployment of Net Proceeds in this regard:

(in Rs., lakh)

Particulars	Amount to be funded from the Net Proceeds	Amount to be deployed from the Net Proceeds in	
		Fiscal 2018	Fiscal 2019
Capital expenditure towards setting up of the Dahej Facility	4,000.00	1,800.00	2,200.00

Our Company also proposes to upgrade the plant and machinery at the Tarapur Facility, estimated total cost of which is Rs. 2,462.65 lakh. The upgradation of plant and machinery at the Tarapur Facility shall increase the capacity and/or efficiency of the facility. Our Company proposes to deploy Rs. 2,000.00 lakh from the Net proceeds towards upgradation of plant and machinery at the Tarapur Facility, out of which Rs. 2,00.00 lakh shall be utilised in Fiscal 2018 and Rs. 1,800.00 lakh shall be utilised in Fiscal 2019. The remaining cost towards such upgradation shall be met by way of means available to our Company, including from internal accruals and any additional equity and/or debt arrangements.

If the Net Proceeds are not completely utilised for the purposes stated hereinabove by such periods due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) delay in procuring and operationalizing assets; (iv) receiving the necessary approvals; and (v) other commercial considerations, the same would be utilised (in part or full) in the subsequent periods in accordance with applicable law.

In addition to the above, our Company proposes to deploy Rs. 3,000.00 lakh from the Net Proceeds to make an investments in one or more of our Subsidiaries, for meeting working capital requirements and general corporate purposes including strategic investments. Such investment in Subsidiary(ies) by our Company may be in the form of debt or equity or in any other manner as may be mutually decided between our Company and the respective Subsidiary(ies). The actual mode of investment has not been finalised as on the date of this Placement Document.

Our Company proposes to deploy the balance Net Proceeds towards general corporate purposes, including but not limited to strategic initiatives, acquisitions and investments, partnerships and joint ventures, meeting fund requirements which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business, meeting on-going general corporate exigencies, research and development expenses, and any other purpose in accordance with applicable law. Further, the Board may at its discretion, utilise any unutilised portion of Net Proceeds, allocated for general corporate purposes, towards the Part Project Cost, in Fiscal 2019.

The fund deployment indicated hereinabove is based on management estimates, current circumstances of our business and the prevailing market conditions. As permissible under applicable laws, our management will have flexibility in deploying the Net Proceeds received by our Company from the Issue. Our Company may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/ exchange rate fluctuations and other external factors, which may not be within the control of our Company. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our Board. Further, if the actual utilisation of Net Proceeds towards any of the aforesaid purposes is lower than the proposed deployment, then such balance will be utilised towards general corporate purposes.

Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be at the discretion of the Board from time to time and in accordance with applicable laws.

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

CAPITALISATION

The following table sets forth the capitalisation of our Company as at September 30, 2017, derived from the Company's Consolidated Reviewed Financial Results, and as adjusted to give effect to the Issue. This table should be read in conjunction with "*Summary Financial Information*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 31, 35, 88 and 155, respectively, of the Placement Document.

(Rs. in lakh)

	As of September 30, 2017	As Adjusted for the Issue[1]
Non-current Financial Liabilities – Borrowing		
Secured	11,158.78	11,158.78
Unsecured	493.94	493.94
Sub - Total	**11,652.72**	**11,652.72**
Current Financial Liabilities - Borrowings:		
Secured	26,359.34	26,359.34
Unsecured	-	-
Current maturities of long term debt	1,225.71	1,225.71
Sub – Total	**27,585.05**	**27,585.05**
Total debt (A)	**39,237.77**	**39,237.77**
Shareholders' funds:		
Share capital[2]	1,037.86	1,210.27
Securities premium	6,805.64	21,633.23
Other Equity (other than securities premium)	12,539. 40	12,539. 40
Total funds (excluding loan funds) (B)	**20,382.90**	**35,382.90**
Total Capitalisation (A + B)	**59,620.67**	**74,620.67**

Note:

(1) *1,72,41,379 Equity Shares proposed to be Allotted at the Issue Price of Rs. 87.00 per Equity Share (including premium of Rs. 86.00 per Equity Share)*

(2) *Does not reflect 52,500 shares issued post September 30, 2017 pursuant to the conversion of employee stock options which were outstanding on such date and eligible for conversion into Equity Shares*.

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CAPITAL STRUCTURE

The Equity Share capital of our Company as on date of the Placement Document is as follows:

(in Rs, except Equity Share data)

	Aggregate nominal value
Authorised Capital	
15,00,00,000 Equity Shares of Re. 1 each	15,00,00,000
Issued, subscribed and fully paid-up share capital prior to the Issue	
10,38,38,195 Equity Shares of Re. 1 each	10,38,38,195
Present Issue offered to the Eligible QIBs through the Preliminary Placement Document	
1,72,41,379 Equity Shares at a premium of Rs. 86.00, i.e. at a price per one Equity Share of Rs. 87	1,72,41,379
Paid-up share capital after the Issue	
12,10,79,574 Equity Shares	12,10,79,574
Securities premium account	
Securities premium account prior to the Issue	68,40,28,938
Securities premium account after the Issue*	2,16,67,87,532

* *The securities premium account has been calculated on the basis of gross proceeds from the Issue.*

(a) As at September 30, 2017, our Promoter and Promoter Group, held 40.88% of the pre-Issue share capital of our Company. We presently comply with the provisions relating to minimum public shareholding as required under the Listing Regulations.

(b) The Issue has been authorised by the Board on May 19, 2017 and the Shareholders pursuant to a special resolution dated July 21, 2017.

Share capital history of our Company

The history of the share capital of our Company since incorporation is as follows:

Date of issue/ allotment	Number of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reason for allotment
November 12, 1993	3	100	100	Cash	Subscription to Memorandum of Association
December 7, 2002	1,000	100	100	Cash	Preferential allotment
April 26, 2006	10,030	10	-	-	Sub-division of Equity Shares
June 9, 2006	39, 970	10	10	Cash	Preferential allotment
February 22, 2007	48,00,000	10	10	Consideration other than cash	Allotment of shares pursuant to a scheme of arrangement
December 21, 2007	9,50,000	10	52	Cash	Preferential allotment
October 23, 2009	6,200	10	50	Cash	Allotment pursuant to ESOP scheme
January 21, 2010	5,090	10	50	Cash	Allotment pursuant to ESOP scheme
March 25, 2010	3,190	10	50	Cash	Allotment pursuant to ESOP scheme
September 3, 2010	34,88,208	10	15.75	Cash	Rights issue
January 13, 2011	3,315	10	50	Cash	Allotment pursuant to ESOP scheme
August 26, 2011	17,730	10	50	Cash	Allotment pursuant to ESOP scheme

Date of issue/ allotment	Number of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reason for allotment
December 8, 2011	14,750	10	50	Cash	Allotment pursuant to ESOP scheme
December 8, 2011	3,350	10	62	Cash	Allotment pursuant to ESOP scheme
February 6, 2012	4,67,09,165	2	-	-	Sub-division of Equity Shares
March 26, 2012	85,225	2	10	Cash	Allotment pursuant to ESOP scheme
October 1, 2012	54,525	2	10	Cash	Allotment pursuant to ESOP scheme
November 26, 2012	24,000	2	12.40	Cash	Allotment pursuant to ESOP scheme
November 26, 2012	71,025	2	10	Cash	Allotment pursuant to ESOP scheme
October 7, 2013	1,15,575	2	10	Cash	Allotment pursuant to ESOP scheme
January 13, 2014	66,500	2	10	Cash	Allotment pursuant to ESOP scheme
January 13, 2014	11,900	2	12.40	Cash	Allotment pursuant to ESOP scheme
January 13, 2014	66,250	2	16	Cash	Allotment pursuant to ESOP scheme
April 21, 2014	1,17,875	2	10	Cash	Allotment pursuant to ESOP scheme
April 21, 2014	11,900	2	12.40	Cash	Allotment pursuant to ESOP scheme
April 21, 2014	71,000	2	16	Cash	Allotment pursuant to ESOP scheme
July 2, 2014	93,850	2	10	Cash	Allotment pursuant to ESOP scheme
July 2, 2014	8,550	2	12.40	Cash	Allotment pursuant to ESOP scheme
July 2, 2014	91,325	2	16	Cash	Allotment pursuant to ESOP scheme
August 13, 2014	5,325	2	10	Cash	Allotment pursuant to ESOP scheme
August 13, 2014	3,775	2	12.40	Cash	Allotment pursuant to ESOP scheme
August 13, 2014	21,750	2	16	Cash	Allotment pursuant to ESOP scheme
August 13, 2014	9,52,59,030	1	-	-	Sub-division of Equity Shares
October 9, 2014	1,800	1	6.20	Cash	Allotment pursuant to ESOP scheme
October 9, 2014	1,22,750	1	8	Cash	Allotment pursuant to ESOP scheme
December 4, 2014	63,900	1	5	Cash	Allotment pursuant to ESOP scheme
December 4, 2014	45,900	1	6.20	Cash	Allotment pursuant to ESOP scheme
December 4, 2014	295,750	1	8	Cash	Allotment pursuant to ESOP scheme
February 26, 2015	31,250	1	6.20	Cash	Allotment pursuant to ESOP scheme
February 26, 2015	67,750	1	8	Cash	Allotment pursuant to ESOP scheme

Date of issue/ allotment	Number of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reason for allotment
October 27, 2015	88,200	1	6.20	Cash	Allotment pursuant to ESOP scheme
October 27, 2015	20,000	1	8	Cash	Allotment pursuant to ESOP scheme
November 24, 2015	334,000	1	8	Cash	Allotment pursuant to ESOP scheme
February 23, 2016	335,500	1	67	Cash	Allotment pursuant to ESOP scheme
July 5, 2016	6519500	1	85.40	Cash	Allotment pursuant to qualified institutions placement
September 19, 2016	734,50	1	67	Cash	Allotment pursuant to ESOP scheme
February 15, 2017	450,790	1	67	Cash	Allotment pursuant to ESOP scheme
September 21, 2017	76,125	1	67	Cash	Allotment pursuant to ESOP scheme
October 12, 2017	52,500	1	67	Cash	Allotment pursuant to ESOP scheme

DIVIDEND POLICY

The declaration and payment of dividends by our Company is governed by the applicable provisions of the Companies Act, 2013 and our Memorandum and Articles of Association. Under the Companies Act, 2013, the board of directors of a company recommends the payment of dividend and the shareholders approve of the same at a general meeting. The Articles of Association grant discretion to the Board to declare and pay interim dividends as it may think fit. The Shareholders have the right to decrease but not to increase the dividend amount recommended by the Board of Directors.

The table below sets forth the details of the dividends declared by our Company on its Equity Shares during the last three financial years:

Financial Year ended	Dividend per Equity Share (Rs.)	Amount of dividend declared exclusive of tax (Rs. in lakh)	Dividend tax (Rs. in lakh)	Total (Rs. in lakh)	Rate of dividend (in %)
March 31, 2017	-	-	-	-	-
March 31, 2016	0.45	465.65*	94.49**	560.14	45
March 31, 2015	0.45	431.50	88.35	519.85	45

**Includes short provision of Rs. 1.36 lakh pertaining to the earlier periods.*

***Includes dividend tax paid in respect of Equity Shares allotted pursuant to the qualified institutions placement on July 5, 2016.*

The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. The declaration of dividends are dependent on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, results of operations, overall financial position of our Company and other factors that may be considered relevant by the Board. Our Company has no formal dividend policy. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Dividends are payable within 30 days from the date of its declaration. Any shareholder who ceases to be a shareholder prior to the record date or who becomes a shareholder after the record date will not be entitled to the dividend declared by our Company.

INDUSTRY OVERVIEW

The information in this section has been extracted from certain publications prepared by third party sources as cited in this section. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. While we have exercised reasonable care in compiling and reproducing such official, industry, market and other data in this document, it has not been independently verified by us or any of our advisors, or the of the Book Running Lead Manager or any of its advisors, and should not be relied on as if it had been so verified.

Overview of the Indian Economy

Strong government spending and data revisions had led to an upward revision of 2016 growth to 7.1%, with upward revisions of about 0.2%, on average, for 2014 and 2015. However, the growth projection for 2017 has been revised down to 6.7% reflecting still the lingering disruptions associated with the currency exchange initiative introduced in November 2016, as well as transition costs related to the launch of the national Goods and Services Tax in July 2017. The latter move, which promises the unification of India's vast domestic market, is among several key structural reforms under implementation that are expected to help push growth above 8% in the medium term. (*Source: World Economic Outlook, October 2017, as available on https://www.imf.org/en/Publications/WEO/Issues/2017/09/19/world-economic-outlook-october-2017*)

Real gross value added (GVA) growth slowed significantly in Q1FY18, cushioned partly by the extensive front-loading of expenditure by the Central Government. GVA growth in agriculture and allied activities slackened quarter-on-quarter in the usual first quarter moderation, partly reflecting deceleration in the growth of livestock products, forestry and fisheries. Industrial sector GVA growth fell sequentially as well as on a y-o-y basis. The manufacturing sector – the dominant component of industrial GVA – grew by 1.2%, the lowest in the last 20 quarters. However, services sector performance improved markedly, supported mainly by trade, hotels, transport and communication, which bounced back after a persistent slowdown throughout FY17. Of the constituents of aggregate demand, growth in private consumption expenditure was at a six-quarter low in Q1FY18, while Gross Fixed Capital Formation exhibited a modest recovery in Q1 in contrast to a contraction in the preceding quarter.
Reflecting improving global demand, India's merchandise export growth picked up in August 2017 after decelerating in the preceding three months, with engineering goods, petroleum products and chemicals as the major contributors. Import growth remained in double-digits for the eighth successive month in August and was fairly broad-based. While the surge in imports of crude oil and coal largely reflected a rise in international prices, imports of machinery, machine tools, iron and steel also picked up. Net foreign direct investment at US$ 10.6bn in April-July 2017 was 24% higher than during the same period of last year. While the debt segment of the domestic capital market attracted foreign portfolio investment of US$ 14.4bn, there were significant outflows in the equity segment in August-September on account of geo-political uncertainties and expected normalisation of Fed asset purchases. India's foreign exchange reserves were at US$ 399.7bn at the end of September 2017. (*Source: RBI Monetary Policy Statement, October 2017, as available at https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=41852*)

Asian and Pacific Economies - Real GDP, Consumer Prices, Current Account Balance, and Unemployment (Annual percentages unless mentioned otherwise)

(*Source: World Economic Outlook, October 2017, as available on https://www.imf.org/en/Publications/WEO/Issues/2017/09/19/world-economic-outlook-october-2017*)

	Real GDP			Consumer Prices[1]			Current Account Balance[2]			Unemployment[3]		
		Projections			Projections			Projections			Projections	
	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Asia	**5.4**	**5.6**	**5.5**	**2.3**	**2.3**	**2.8**	**2.5**	**2.1**	**1.9**	...	...	...
Advanced Asia	**1.7**	**2.2**	**1.7**	**0.5**	**1.0**	**1.2**	**4.5**	**4.3**	**4.2**	**3.6**	**3.4**	**3.4**
Japan	1.0	1.5	0.7	–0.1	0.4	0.5	3.8	3.6	3.8	3.1	2.9	2.9
Korea	2.8	3.0	3.0	1.0	1.9	1.9	7.0	5.6	5.4	3.7	3.8	3.6
Australia	2.5	2.2	2.9	1.3	2.0	2.2	–2.6	–1.6	–2.4	5.7	5.6	5.4
Taiwan Province of China	1.5	2.0	1.9	1.4	1.0	1.4	14.0	13.8	13.9	3.9	3.8	3.8
Singapore	2.0	2.5	2.6	–0.5	0.9	1.3	19.0	19.6	19.5	2.1	2.2	2.1
Hong Kong SAR	2.0	3.5	2.7	2.6	2.0	2.2	4.6	3.0	3.1	2.7	2.6	2.6
New Zealand	3.6	3.5	3.0	0.6	2.2	2.0	–2.8	–3.6	–3.8	5.1	4.9	4.6
Macao SAR	–2.1	13.4	7.0	2.4	1.5	2.2	27.4	33.0	34.5	1.9	2.0	2.0
Emerging and Developing Asia	**6.4**	**6.5**	**6.5**	**2.8**	**2.6**	**3.2**	**1.4**	**0.9**	**0.7**	...	...	...
China	6.7	6.8	6.5	2.0	1.8	2.4	1.7	1.4	1.2	4.0	4.0	4.0
India[4]	7.1	6.7	7.4	4.5	3.8	4.9	–0.7	–1.4	–1.5	...	...	...
ASEAN-5	**4.9**	**5.2**	**5.2**	**2.4**	**3.3**	**3.1**	**2.1**	**1.6**	**1.1**	...	...	...
Indonesia	5.0	5.2	5.3	3.5	4.0	3.9	–1.8	–1.7	–1.8	5.6	5.4	5.2
Thailand	3.2	3.7	3.5	0.2	0.6	1.0	11.5	10.1	8.1	0.8	0.7	0.7
Malaysia	4.2	5.4	4.8	2.1	3.8	2.9	2.4	2.4	2.2	3.5	3.4	3.2
Philippines	6.9	6.6	6.7	1.8	3.1	3.0	0.2	–0.1	–0.3	5.5	6.0	5.5
Vietnam	6.2	6.3	6.3	2.7	4.4	4.0	4.1	1.3	1.4	2.3	2.3	2.3
Other Emerging and Developing Asia[5]	**5.6**	**6.3**	**6.3**	**5.2**	**5.5**	**5.4**	**–0.9**	**–1.9**	**–2.5**	...	...	...
Memorandum												
Emerging Asia[6]	**6.5**	**6.5**	**6.5**	**2.7**	**2.5**	**3.1**	**1.5**	**1.0**	**0.8**	...	...	...

Global Chemical Industry

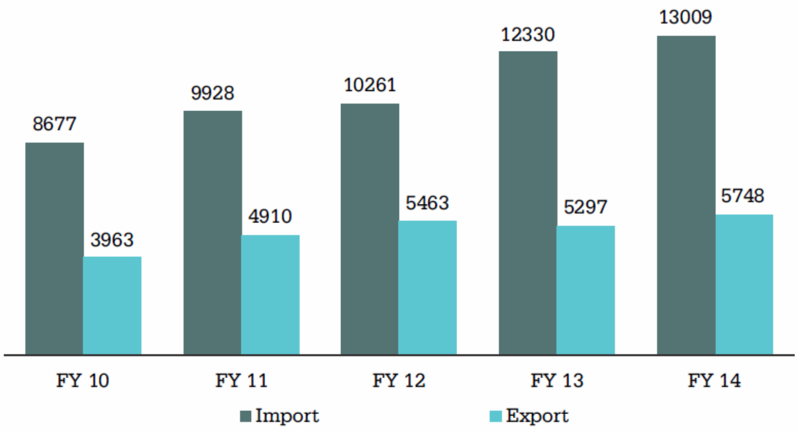
Global chemical market size was estimated at $3.9 trillion in 2013 and is expected to grow at 5-6% per annum over the next decade to reach $5.1 trillion by 2018.

Chemical industry is a knowledge as well as capital intensive industry. It plays a significant role in the global economic and social development. It is also a human resource intensive industry and hence employs a large number of people. Globally, more than 20 million people are expected to be employed in this industry. The diversification within the chemical industry is large and covers more than eighty thousand commercial products. (*Source: "Handbook on Indian Chemicals and Petrochemicals Sector, October 2014" published by FICCI as available on http://ficci.in/spdocument/20441/Knowledge-Paper-chem.pdf on June 26, 2016*)

Chemical Industry in India

The Indian chemical market is estimated at USD 139 billion in 2014 and is expected to grow at ~9% per annum over the next five years. India stands at 12th worldwide in terms of volume contribution towards Global chemical industry. Gujarat, Maharashtra and Tamil Nadu are leading the charge being the major chemical manufacturers in the country. The key driver being the significant coastlines the states are endowed with. The country's chemical industry has the potential to reach USD 214 billion by FY19 growing at a CAGR of ~9%. The growth is expected to be driven by rising demand in end-use segments and expanding exports fuelled by increasing export competitiveness. The success, however, will depend on how well it's key challenges are addressed such as high dependence on imports, small installed capacities, low focus on technology upgradation and the availability of vocationally trained manpower. Looking particularly towards the Indian chemical industry, it stands out to be the 3rd largest producer in Asia. The chemical industry in India has started to evolve rapidly since the last five years. Despite its large size and significant GDP contribution, the industry accounted for ~3.4% of the global chemicals industry (~USD 4 Trillion). (*Source: "A Report on Chemical Industry" published by FICCI as available on http://ficci.in/spdocument/20658/knowledge-paper-chem2.pdf on June 26, 2016*)

Import & Export for Total Major Chemicals & Petrochemicals in India (000' Tonnes)



Source: Ministry of Chemicals and Petrochemicals, Analysis by Tata Strategic

Chemical industry is broadly classified as the following sub groups:

1. **Bulk Chemicals:** It includes basic organic chemicals (methanol, acetic acid etc.) and basic inorganic chemicals (caustic soda, chlor alkali etc.).

2. **Specialty Chemicals:** Specialty Chemicals, also known as performance chemicals, are low-volume but high-value compounds. These chemicals are derived from basic chemicals and are sold on the basis of their function. Paint, adhesives, electronic chemicals, oilfield chemicals are some examples of specialty chemicals.

3. **Agro Chemicals:** Chemicals essentially meant for protecting agriculture crops against insecticides and pesticides are covered under this sub-group

4. **Petrochemicals:** Petrochemicals are chemical products derived from petroleum. The two most common petrochemical classes are olefins (including ethylene and propylene) and aromatics (including benzene, toluene and xylene isomers)

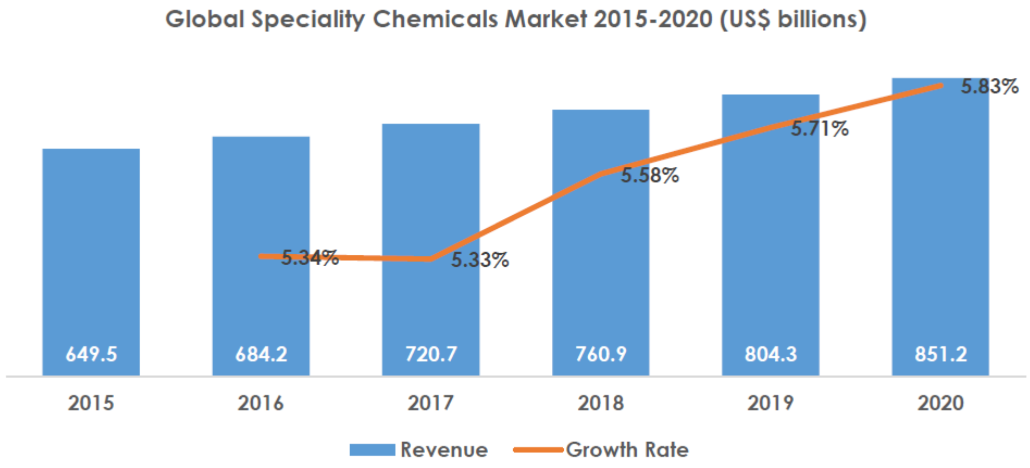
5. **Fertilizers:** Fertilizer is any organic or inorganic substance which supplies chemical elements required for plant growth. Fertilizer sector manufactures critical raw materials for agriculture which is a major occupation of the country.

(*Source: "Handbook on Indian Chemicals and Petrochemicals Sector, October 2014" published by FICCI as available on http://ficci.in/spdocument/20441/Knowledge-Paper-chem.pdf on June 26, 2016*)

Global Speciality Chemical Market

Speciality chemicals are a unique group of high value and low volume products known for their end usages and/or performance enhancing properties. Speciality chemicals are a largely fragmented segment in chemical industry. It encompasses products from paints, coatings and plastics to home care surfactants, flavours and fragrances. Being so "usage-specific", speciality chemicals touches upon every segment of population these days. (*Source: "A Report on Chemical Industry" published by FICCI as available on http://ficci.in/spdocument/20658/knowledge-paper-chem2.pdf on June 26, 2016*)

The Global Specialty Chemicals market is valued at US$649.5 billion in 2015 and is expected to reach US$851.2 billion by 2020, growing at a CAGR of 5.56 percent. The market is divided into several segments, and the growth and decline of each component influence the growth of this market. (*Source: TechNavio Report*)



(*Source: TechNavio Report*)

The economic growth in emerging markets of the APAC region has led to an increase in demand for specialty chemicals across all product categories. Greater industrial productivity has resulted in an increase in demand for chemicals in the region. Moreover, because of the continued economic growth in the area, the demand for products that cannot be supplied locally has increased. Again, specialty chemical manufacturers in the mature markets of Western Europe and the US are looking at the APAC region for growth and expansion opportunities. However, the APAC region consist of markets with varying levels of maturity and manufacturers are encountering problems such as high market entry costs, and lack of infrastructure and local expertise to distribute and sell their products. Thus, the manufacturers are adopting several measures to penetrate the markets in the APAC region by reducing business complexity and production costs. Many specialty chemical distributors are helping the vendors to sell their products to customers and set up sales and distribution channels. Further, the fast-growing economies in the APAC region offer opportunities for the specialty chemical manufacturers to provide a range of products, and value-added services, to meet the growing demands. (*Source: TechNavio Report*)

The high growth rates observed in segments such as Electronic Chemicals and Materials, Specialty Fuel Additives, Mining Chemicals, Surfactants, and Engineering Plastics, will drive the market during the forecast period. Antioxidants form an integral part of Fuel Additives, Plastic Additives, and Food Additives. The majority of the demand for specialty chemicals is expected to emerge from developing countries such as India, China, and Brazil. Increasing mining and manufacturing activities, and the growth in electronics and automobile production, particularly in China and other developing nations in the APAC region, is expected further to boost the growth of the Global Specialty Chemicals market. Indian market is majorly driven by domestic consumption, which is rising; and with the recent "Make in India" initiative taken by the present Government of India, the market is expected to gain real momentum. Higher FDI is projected to come in next five years to this sector in India. (*Source: TechNavio Report*)

Indian Specialty Chemicals Market
(*Source: "A Report on Chemical Industry" published by FICCI as available on http://ficci.in/spdocument/20658/knowledge-paper-chem2.pdf on June 26, 2016*)

The Indian Speciality Chemical market is valued at 25.3 billion USD as of FY14. The growth potential of consumption of speciality chemicals is strong and is expected to reach 44 billion USD by FY19. Currently, the penetration of speciality chemicals within India's end markets is low. With an increased focus on improving products, usage intensity of speciality chemicals within these end markets will rise in India over the next decade.

Key Trends
- Focus on R&D: Spending on innovation has escalated. This is basically because of the increased sales in the automotive and consumer electronics segments. Recently, the focus has been shifting towards the R&D sector. National research institutes like NCL and private sector companies are concentrating on developing speciality chemicals and polymeric additives for specific end user segments like automobile, textiles, etc
- Green Transformation: A cohesive approach across the value chain including procurement, product development, manufacturing process and marketing along with adequate risk management and reporting at

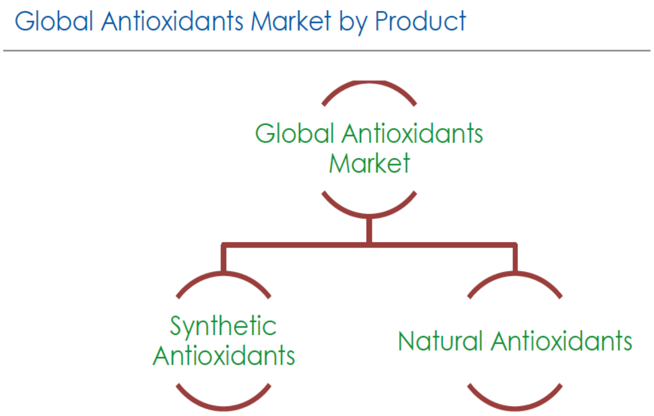
each step is becoming critical. Companies establishing "Sustainable Leadership" among all other stakeholders would have a distinct edge over others

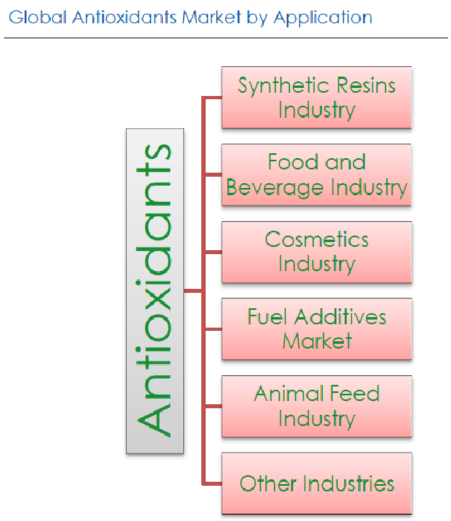
Antioxidant Market
(*Source: The below information has been obtained from the TechNavio Report*)

Antioxidants are molecules that inhibit oxidation of other molecules. They neutralize the effects of free radicals in the human body and prevent the body from the chain of oxidation reaction by becoming oxidized themselves. There are two types of antioxidant: natural antioxidants, and synthetic antioxidants. Antioxidants find application across various industries, including Rubber, Plastics, Food and Feed, Petroleum Fuels, etc. The various types of antioxidant include vitamin E, vitamin C, BHT, BHA, propyl gallate, etc.

The Global Antioxidants market is expected to grow at a CAGR of 4.7 percent during the forecast period of 2014-2018. In 2013, the market was dominated by the APAC region, followed by the Americas and the EMEA region. There is a vast opportunity for antioxidant vendors to increase their dominance in the market by developing natural antioxidants.

The growth of the Global Antioxidants market is driven by several factors. One of the key drivers contributing to the growth of this market is the growing awareness about health in people. This is mainly attributed to consumers adopting a healthy lifestyle in order to prevent diseases. The increasingly aging world population and rising demand for antioxidants from emerging markets are also expected to propel the usage and demand for antioxidants during the forecast period.





Antioxidants are compounds that inhibit chemical reactions with oxygen, which prevents cell damage in humans and other animals, as well as degradation of fatty foods, resulting in undesirable color changes or perishing.

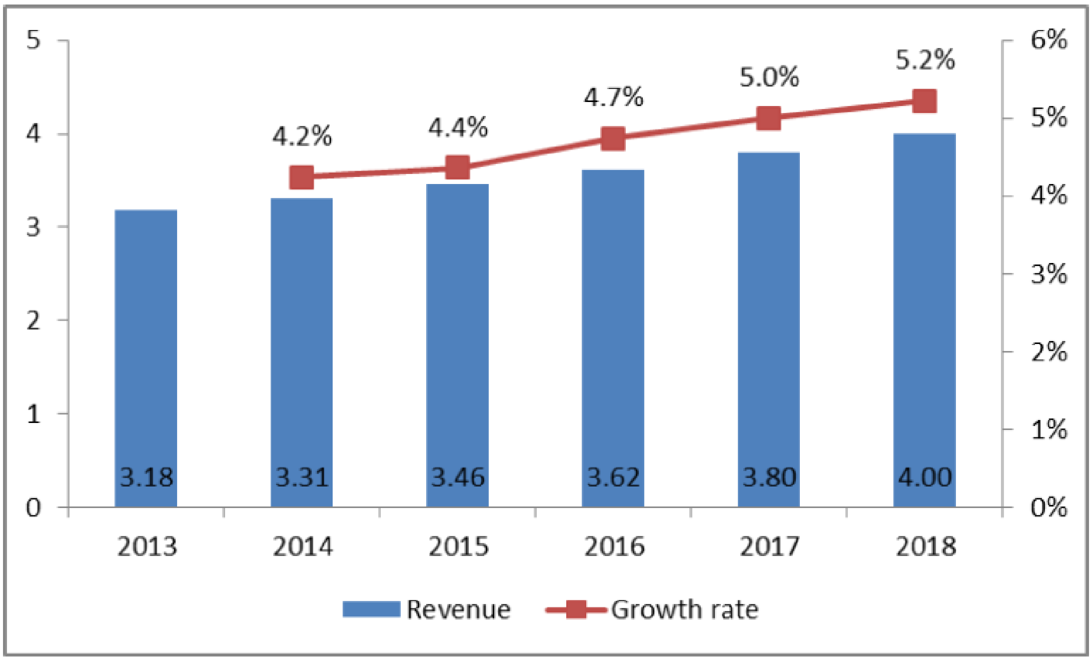
Natural antioxidants are substances or nutrients found in food, which can prevent or slow the oxidation process within the body that damages cells. Naturally occurring antioxidants include retinoids (vitamin A), bioflavonoids (citrin), tocopherols (vitamin E), ascorbic acid (vitamin C), beta carotene, phytochemicals, glutathione, peroxidase, cysteine, flavonoids, and selenium. Fruits and vegetables are the top sources of natural antioxidants.

Synthetic antioxidants are chemical compounds that eliminate the undesirable effects of reactive oxygen in food and neutralize free radicals. Synthetic antioxidants include butylated hydroxytoluene (BHT), butylated hydroxyanisole (BHA), and propyl gallate. Synthetic antioxidants are widely used in food packaging, animal feed, rubber, cosmetics and petroleum products. In food packaging and animal feed it acts as a preservative and increases the shelf life of products.

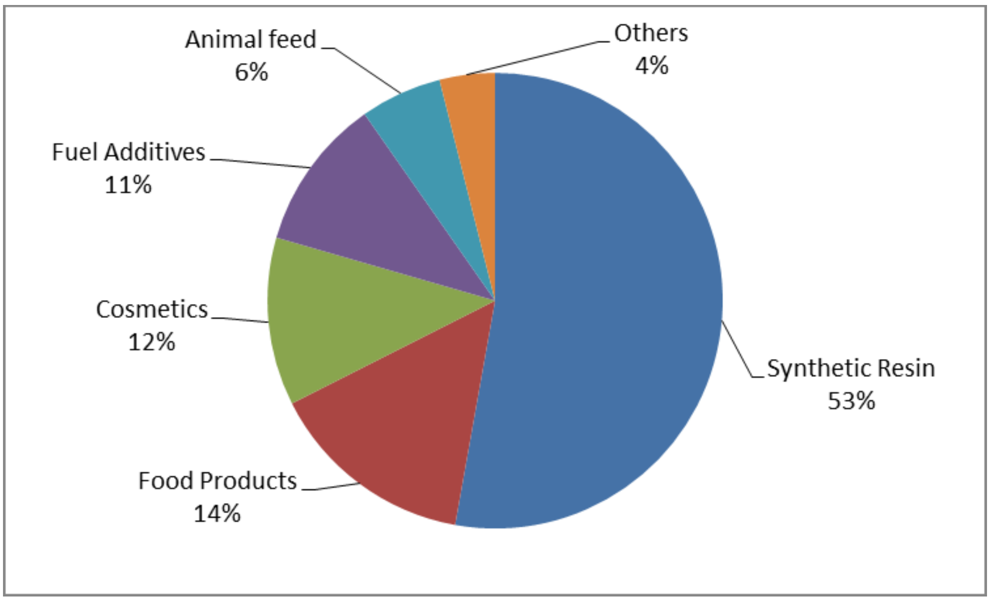
The Global Antioxidants market was valued at US$3.18 billion in 2013 and is expected to reach US$4 billion by 2018, growing at a CAGR of 4.7 percent.

The market is expected to witness steady growth during the forecast period, some of the major reasons for which are the increased customer awareness about the health benefits of antioxidants and the increasing health and wellness concerns among individuals. The increasing demand for antioxidants from developed and developing countries is also contributing to the growth of the Global Antioxidants market. The increased application of antioxidants in food products, cosmetics, and synthetic resins is also boosting the demand for antioxidants in the global market. The increasing aging of the global population and the growth in health consciousness are causing increased adoption of antioxidants in diets and as supplements. While the growth of antioxidants is evident due to their incomparable benefits, there are some factors that further drive their growth; these include increasing population, rising demand for fast moving consumer groups, and cosmetics.

Global Antioxidants Market 2013-2018 (US$ billion)



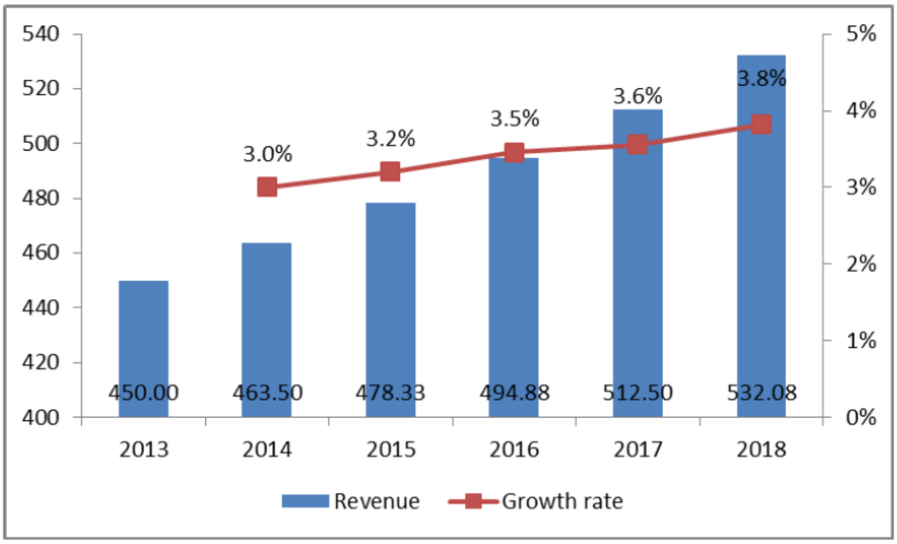
Global Antioxidants Market by Application - 2013



Food and Beverage industry

Antioxidants are used in the Food and Beverage industry to limit product spoilage and extend the shelf life of products. Antioxidants find their application in the Food and Beverage industry for preserving food materials from the oxidation process and preserving fats, flavors, and nutrients. Antioxidants preserve freshness, flavor, and nutrients and also lengthen the shelf life of the product. The demand for antioxidants in the Food and Beverage industry is rising as a result of the increase in demand for processed foods in developing countries. Increased health consciousness among people and the addition of food and beverages with high antioxidant ingredients in diets is also driving demand. The Global Antioxidants market for Food and Beverages industry was valued at US$450.00 million in 2013 and is expected to reach US$532.08 million by 2018, growing at a CAGR of 3.41 percent.

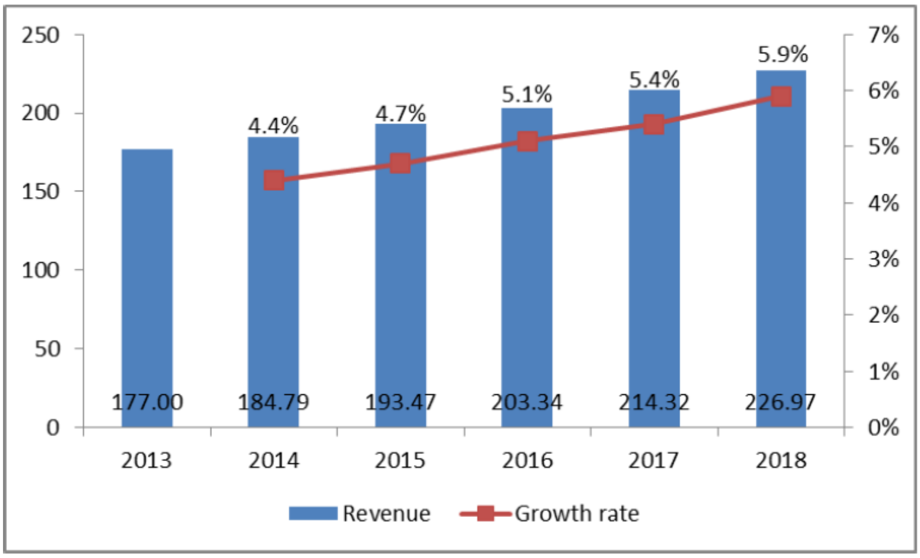
Antioxidants Market in the Food and Beverages Industry 2013-2018 (US$ million)



Animal feed industry

Antioxidants are used in animal feed to prevent undesirable oxidation, which could result in lower feed consumption and nutrient deficiencies in feed. Therefore, antioxidants are added to ensure that animals remain healthy and increase the shelf life of feed. The market is expected to witness steady growth during the forecast period, some of the major reasons for which are technological advancements, the increase in global meat consumption, and the increasing health and wellness concerns among individuals. Further, the growing global population has increased the demand for meat with a longer shelf life. Hence, the demand for new and innovative animal feed antioxidants from companies selling packaged and frozen meat is increasing, primarily to preserve and improve the quality of animal feed. The Global Animal Feed Antioxidants market for the Animal Feed industry was valued at US$177 million in 2013 and is expected to reach US$226.97 million by 2018, growing at a CAGR of 5.10 percent.

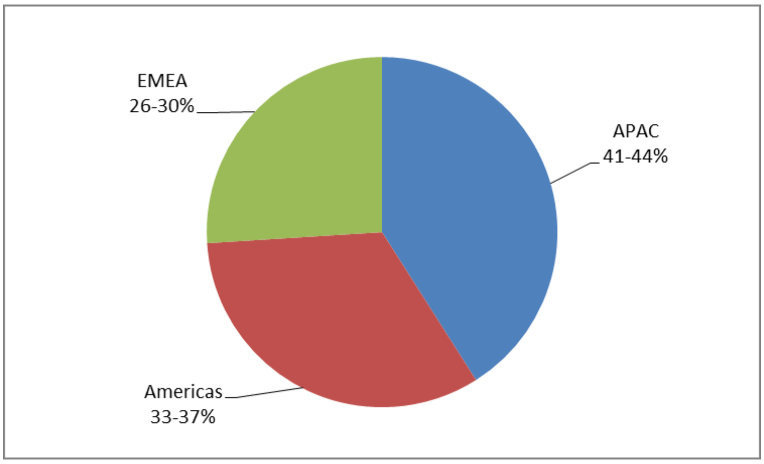
Antioxidants Market for Animal Feed Industry 2013-2018 (US$ million)



Global Antioxidants Market by Geographical Segmentation

The APAC region dominated the Global Antioxidants market in 2013, accounting for a share of 41-44 percent of the total volume consumption. China is the major consumer in the APAC region due to the large size of the domestic market. Further, the increasing demand from other Asian countries, such as India and Japan, is driving the market in this region. The Americas followed the APAC region, accounting for a share of 33-37 percent in 2013. In this region, the North American region is the major consumer of antioxidants. The EMEA region accounted for 26-30 percent of the market in 2013. The major consumers in the market in the EMEA region are the countries in Western Europe.

Consumption of Antioxidants by Volume 2013



Hydroquinone and Pyrocatechol Market

Hydroquinone, also known as benzene-1, 4-diol or quinol is an aromatic organic compound and has the chemical formula C6H4 (OH) 2. Hydroquinone is available in a white granular form. Industrial production of hydroquinone occurs through two methods. The first is the dialkylation of benzene with propene to give 1, 4-diisopropylbenzene. This compound creates the bis (hydroperoxide) through a reaction with air. It then rearranges and provides hydroquinone and acetone in acid. It is also produced through hydroxylation of phenol. (*Source: TechNavio Report*)

Global hydroquinone demand was broadly restructured over the last decade with the part used in photography declining to nearly 5% of total demand in 2014 against almost 30% of that demand in 2001. HQ usage for the manufacture of rubber chemicals also suffered from more competitive sources of 6PPD by far the main antioxonant in the tire market segment. HQ usage as a process antioxidant in the manufacture of some large volume monomers and its additional usage (as MEHQ) as a stabilizer of numerous other commodity and specialty monomers emerged as the main outlet for hydroquinone with a global demand expected to increase from nearly 28.5% of total consumption in 2010 to 37% of 2014 demand. The manufacture of other antioxidants such as TBHQ and BHA should add to this strength with the increased usage of these additives in foods, feeds and other specialty usages allowing this market segment to continue growing at about 3.7% per year. (*Source: Hydroquinone and Pyrocatechol, World Markets & Prospects, 2014-2019 by Rabih SROUR*)

Hydroquinone supply was dramatically affected during 2010 by troubles at Mitsui's Chiba operation and Borregaard's shut down at the end of June 2010 given the imbalance in catechol and hydroquinone market demand. This resulted in a market tightness that was exacerbated by the recovery in most market segments but in the same time affected by higher prices for raw materials benzene and phenol. By year end 2010, feedstocks availability issues and higher raw material prices pushed HQ prices to record levels with some customers having to pay in excess of 8000 $/ton to receive few containers whereas some large consumers could still be charged between 5500 and 6500 $/ton. Since that time, production continued to expand in particular in China helped by a strong local growth that benefited primarily from the continued growth in acrylic acid production in China in particular but also in most other Asian countries. (*Source: Hydroquinone and Pyrocatechol, World Markets & Prospects, 2014-2019 by Rabih SROUR*)

HQ usage as an antioxidant in the manufacture of such large volume monomers like acrylic acid and MMA together with the need of both HQ and PMP as stabilizers for many mono and polyfunctional acrylates and methacrylates is now by far the most important outlet for this intermediate representing alone nearly 49.3% of global HQ consumption in 2014 and these two segments should see their share progressing to almost 52% of anticipated global demand by 2019. (*Source: Hydroquinone and Pyrocatechol, World Markets & Prospects, 2014-2019 by Rabih SROUR*)

Regional hydroquinone demand also shows that W.Europe maintain a strong demand for this intermediate despite losing the production of BHA and TBHQ to Indian manufacturers but also helped by Rhodia's competitiveness in operating its French plant with a good benefit from its historical access to cheaper raw material phenol and hydrogen peroxide. (*Source: Hydroquinone and Pyrocatechol, World Markets & Prospects, 2014-2019 by Rabih SROUR*)

Usage as an antioxidant in acrylate and methacrylate monomers both as such and as the methyl ether which inhibit their polymerization during storage and transportation remains another fast growing outlet which will continue to allow HQ demand increasing at a faster rate than GDP growth in major industrial regions. (*Source: Hydroquinone and Pyrocatechol, World Markets & Prospects, 2014-2019 by Rabih SROUR*)

Catechol is also known as pyrocatechol or 1, 2-dihydroxybenzene. The chemical formula is C6H4 (OH) 2. Catechol is available as feathery white crystals and is readily soluble in water. It has a slight odor of phenol. Industrially catechol is produced from the hydroxylation of phenol using hydrogen peroxide. It is also prepared by the hydrolysis of 2-substituted phenols with hot aqueous solutions which contain alkali metal hydroxides. Catechol occurs in trace amounts naturally in fruits and vegetables along with the enzyme polyphenol oxidase. It is found in argan oil. Pyrocatechol occurs in Agaricus bisporus. It is also found in castoreum, a substance from castors which has application in perfumery. (*Source: TechNavio Report*)

Pyrocatechol, also called catechol, is a raw material to numerous pesticides, pharmaceuticals and few synthetic flacours. World catechol demand is projected to increase to nearly 51759 tons by 2019 therefore exhibiting an annual growth rate of about 3.02% with nearly half of this demand coming from guaiacol that is needed for the large production of synthetic vanillin while a few other pharmaceuticals continue to benefit from their growing usage in developing countries. Guethol production that is needed for ethyl vanillin synthesis adds another 12.5% of total consumption. (*Source: Hydroquinone and Pyrocatechol, World Markets & Prospects, 2014-2019 by Rabih SROUR*)

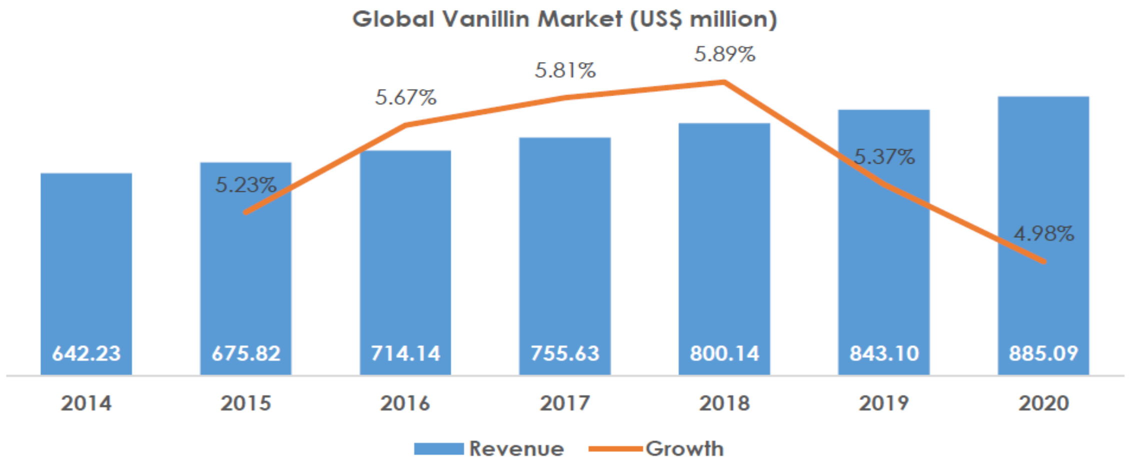
Catechol should also benefit from growing consumption of TBC as a polymerisation inhibitor in butadiene and styrene operations which are continuing to follow the stronger growth in Asian countries' synthetic rubber markets. (*Source: Hydroquinone and Pyrocatechol, World Markets & Prospects, 2014-2019 by Rabih SROUR*)

Hydroquinone demand is projected to increase at an average annual rate of about 3.7% for the 2015-2019 period. HQ demand is thus expected to increase to about 72,000 tons by 2019, a level which existing capacities can only cope with by operating at over 90% of capacity which is obviously difficult to achieve given pressure from catechol demand and the regular maintenance needed for every facility. (*Source: Hydroquinone and Pyrocatechol, World Markets & Prospects, 2014-2019 by Rabih SROUR*)

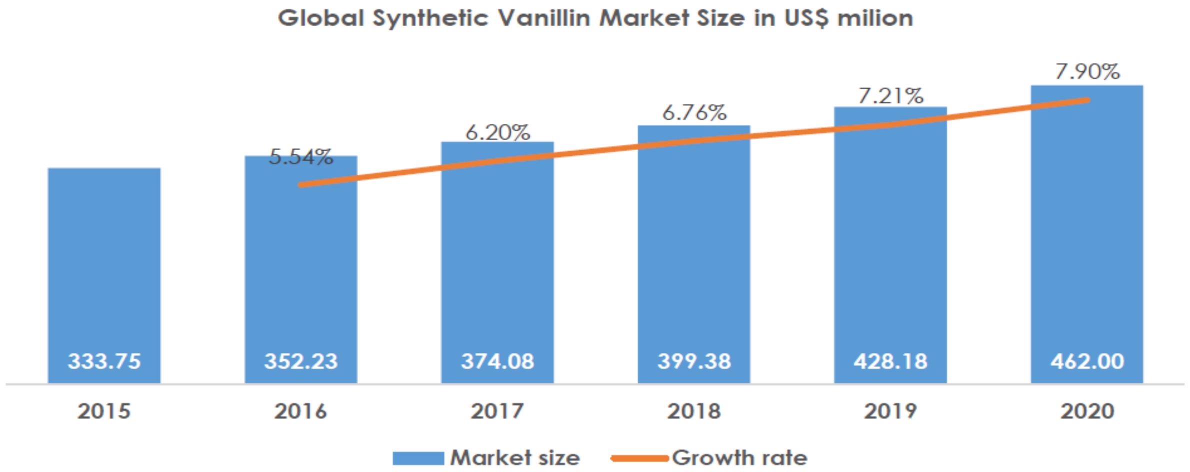
Vanillin Market

(*Source: The below information has been obtained from the TechNavio Report*)

Globally the Vanillin market, on the whole, has been valued at US$ 642.33 million in 2014 and is expected to grow at a CAGR of 5.54 percent to reach US$ 885.09 million by 2020.



Global Synthetic Vanillin market has been valued at US$ 333.75 million in 2015 and would grow at a CAGR of 6.72 percent to reach US$ 462 million by 2020. The demand for synthetic Vanillin is increasing as the cost of Natural Vanilla is rising at an astronomical rate.



Major Application of Vanillin

Synthetic vanillin is popularly and extensively used as a flavoring agent in various baked goods such as cakes, ice creams, chocolates, and beverages. Vanillin is widely used in food applications. 97 percent of flavors and fragrances used in food are from synthetic vanilla. The bakery industry is on a high growth trajectory globally. Methyl vanillin is used mostly for flavoring foods and ethyl vanillin which is stronger is used in ice creams, beverages, and chocolates. Flavoring agents have high demand in the bakery and confectionery industry. Vanilla has high usage in the dairy industry as vanilla flavored milk products such as flavored milk has high demand. Vanilla ice creams are extremely popular, and even beverage giants such Coca-cola and Pepsi have introduced vanilla flavors.

The fragrance and personal care industry are the second largest user of synthetic vanilla. Francois Coty is a favorite fragrance brand which is well known for its usage of vanilla fragrance ever since 1927 in their *L'Aimant* (perfume). Almost 23 percent of all high-quality fragrances use vanilla.

The application for vanillin product is growing in the emerging APAC countries of India, China, Thailand, Indonesia, Malaysia and Indonesia. The confectionery and the bakery industry are the primary consumers of synthetic vanillin from these countries.

Vanilla is known to have anti-mutagenic, anti-microbial, anti-oxidant and anti-sickle cell effect. These characteristics are the reason for its pharmaceutical use.

BUSINESS

Overview

We are a vertically integrated company, 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, fragrance, pharma and industrial products. We market our products globally including in Europe, Asia Pacific (including India) North Africa, Middle East, South, Central and North America. We categorise our business into four different verticals based on our product portfolio, namely: (i) Diphenols; (ii) Shelf-life Extension Solutions (which include anti-oxidants, its blends and additives); (iii) Performance Chemicals; and (iv) Aroma. We have recently acquired manufacturing and technological capabilities for producing Vanillin by acquiring 51% shareholding in CFS Wanglong through, and going forward we expect this to complement our Aroma product portfolio.

The key raw material used for manufacturing a large part of our products is Hydroquinone and Catechol. Our Company manufactures both these products as a part of our Diphenols business. While we use a large part of the Diphenols we produce for captive consumption, we also sell Diphenols to external customers. Our Shelf-life Extension Solutions include a range of antioxidants, its blends and additives. Antioxidants and its blends are used to increase the shelf life of oils and fats, which in turn is used in processed food products like bakery, fried snack foods, confectionery, animal feed, pet food, bio-diesel and printing inks. Our additives are adsorbents, acidifying agents, energy products, bactericides, binders and mould inhibitors which are primarily used in animal feed and pet food. Our Performance Chemicals vertical includes production of amongst others, Guaiacol, Guethol, CME, Veratrole, TBC and MEHQ, which are derivatives of either Catechol or Hydroquinone. These chemicals have wide application in sectors such as food flavouring, pharmaceuticals intermediate, agrochemicals, dyes, pigments, energy storage and fragrance industry. Our Aroma vertical primarily includes production of Vanillin and Ethyl Vanillin ("**Vanillin Products**") which are marketed under the brands Vanesse and Evanil. The key raw materials used to manufacture our Vanillin Products are Guaiacol and Guethol, respectively, which in turn are derived from Catechol. Our Vanillin Products are used to give food and beverages a flavour of vanilla, to enhance other flavours or to mask unwanted flavours and are used in food, flavour and fragrance, incense sticks, pharma and cattle feed segments.

Our manufacturing facility in Italy, situated at Ravenna, provides captive requirements of key raw materials Hydroquinone and Catechol, making most of our business segments vertically integrated. While we consume a large part of Hydroquinone and Catechol internally for our manufacturing processes in India, we also buy and sell these Diphenols in global markets, subject to market conditions, our internal requirements and prices in global markets and in India. The proposed new manufacturing facility at Dahej SEZ, upon commissioning would significantly increase our capacities to produce Diphenols and will also enable us to optimise logistics and inventory costs through establishing an alternate source of Diphenols in India. We believe that Dahej Facility will fulfil our internal requirement of Diphenols thereby protecting us from relying on imports for our key raw materials. This would also reduce the risk of unfavourable terms of supply such as high pricing and long delivery time. Our Shelf-life Extension Solution products are manufactured at Tarapur Facility. Further, our blending and additives business is conducted in (i) Tarapur Facility; (ii) Brazil Facility; and (iii) Mexico Facility. We have a contractual arrangement in USA with a third party to outsource the manufacturing of our anti-oxidants blends and additives products. We also outsource anti-oxidant blends products from third parties in Belgium and Italy. In respect of our Performance Chemicals business, various derivatives of Diphenols are manufactured at the Tarapur Facility and Chemolutions Facility. Derivatives of Diphenols are also manufactured at third party manufacturing facilities in Khopoli and Mahad, on a contractual basis. Our Vanillin Products are currently manufactured at the Tarapur Facility and in China Facility.

We are focused on R&D and innovation and have R&D units in Tarapur and in Ravenna. Our R&D units are focused on developing chemical compounds, new manufacturing processes, improving existing processes and new chemistry with a focus on developing new derivatives of Diphenols or improving the commercial viability thereof. We also have a pilot plant in Tarapur. New processes which are developed in our R&D units are implemented in small scale in our pilot plant to understand the efficacy and challenges before commercially manufacturing such products. Our R&D units have advanced technological equipment to develop, test and evaluate our products. Our Company also has application laboratories ("**Application Labs**") in Mumbai - India, Urbandale - USA, Mexico City -Mexico and Indaiatuba - Brazil. Application Labs are primarily involved with customising blends for various applications across our Shelf-life Extension Solutions. Application Labs also provide technical assistance and development support to customers, test the efficacy of various products that are produced by our customers and conduct stability studies for determining the shelf life of various products. We have a dedicated R&D team comprising of 40 employees.

We have a wide sales and marketing network, spread across the globe. We have our own sales and marketing team in various jurisdictions including India, China, Italy, Brazil, Peru, Columbia, Guatemala, Mexico, Cuba and USA, headed by experienced professionals. Our established sales and marketing department has separate teams focusing on each of our business verticals. Further, we have contractual market development arrangements with third parties in United Kingdom and Denmark. In certain jurisdictions such as Indonesia, Vietnam, Thailand, Middle East and in certain parts of India, we market and sell our products through third parties, with whom we have sales and distribution arrangements. We have a team of 73 employees in our sales and marketing team across the globe.

Our gross revenue from operations for Fiscal 2017 stood at Rs. 54,686.90 lakh as against Rs. 50,422.83 lakh in Fiscal 2016 and Rs. 57,057.68 lakh in Fiscal 2015 (on a consolidated basis). Our EBITDA for Fiscal 2017, 2016 and 2015 was Rs. 4,789.42 lakh, Rs. 9,606.34 lakh and Rs. 9,254.91 lakh, respectively. Our loss for the Fiscal 2017 stood at Rs. 1425.53 lakh as against profit of Rs. 3,582.37 lakh in Fiscal 2016 and Rs.5,502.73 lakh in Fiscal 2015.

Strengths

We believe that the following are our competitive strengths:

1) Integration across value chain

We are a vertically integrated company. Diphenols are the key raw materials for all our business segments. Our Italy Facility provides captive requirements of key raw materials Hydroquinone and Catechol, making most of our business segments vertically integrated. Our Company is also in process of setting up of a manufacturing facility in Dahej SEZ, India which will manufacture Hydroquinone and Catechol. The commissioning of Dahej Facility, would significantly increase our capacities to produce Diphenol and will also enable us to optimise logistics and inventory costs through the establishment of an alternate source of Diphenols in India. We believe that the Dahej Facility will enable us to meet our internal requirement of Diphenols for the next few years.

It is our endeavour to develop new value-added products, especially new derivatives of Diphenols, identify new applications, and look for opportunities to vertically integrate them. Consistent and steady availability of key raw materials at reasonable cost leads to efficiency and effectiveness in terms of both resources and operations. Our vertical integration model of business helps us reduce cost and thereby increase profit margin and timely delivery of raw materials of desired quality and quantity. It further protects us from relying on external sources for our raw materials, thereby reducing risk of unfavourable terms of supply such as high pricing and long delivery time.

With the strategic forward integration into anti-oxidant blends (including human food, animal feed, pet food and biodiesel) and additives and Vanillin in the recent years, our Company now has a presence across the value chain of Shelf-life Extension Solutions (Hydroquinone to anti-oxidants to blends and additives) and Aroma businesses (Catechol to Guaiacol to Vanillin). Forward integration shall help us in widening our customer base and enter different market segments, efficient supply chain coordination and reduction in cost of supply and distribution.

2) Global outreach and diversified customer base

We are present in various geographic locations. We have manufacturing facilities and blending units in India, China, Brazil, Italy and Mexico. We have a contractual arrangement in USA with a third party to outsource the manufacturing of our anti-oxidants blends and additives products. We are also in the process of setting up a new manufacturing facility in Dahej SEZ. The presence of manufacturing units across geographies enables us to effectively market our products in our target markets situated at Europe, Asia Pacific (including India) North Africa, Middle East, South, Central and North America.

Our strategic manufacturing facilities are supplemented by a wide sales and marketing network, spread across the globe. We have our own sales and marketing team in various jurisdictions including India, China, Italy, Brazil, Peru, Columbia, Guatemala, Mexico, Cuba and USA, headed by experienced professionals. Our established sales and marketing department has separate teams focusing on each of our business verticals. Further, we have contractual market development arrangements with third parties in United Kingdom and Denmark. In certain jurisdictions such as Indonesia, Vietnam, Thailand, Middle East and in certain parts of India, we market and sell our products through third parties, with whom we have sales and distribution arrangements. We have team of 73 employees in our sales and marketing team across the globe.

We believe that our global outreach and wide customer base sets us apart from other players and enables us to compete effectively with global players in our industry.

3) Strong R&D capabilities and multiple Application Laboratories

We believe in innovation and our Company has a focused R&D unit. Our R&D leads to benefits such as product development, product improvement, cost reduction, developing new technologies and innovations that help improve the commercial viability of various products in our segments. Our R&D units are focused at developing chemical compounds, new processes, improvement of existing processes and new chemistry with a special focus on developing commercially viable derivatives of Diphenols and additives. Our R&D capabilities have been instrumental in developing our products. We have R&D units at the Tarapur Facility and Italy Facility. We also have a pilot plant in Tarapur. New processes which are developed in our R&D units are implemented in small scale in our pilot plant to understand the efficacy and challenges before commercially manufacturing such products.

Our R&D units have advanced technological equipment to develop, test and evaluate our products. Most of our products have been developed in-house by our R&D units. Our focus on research and development has been instrumental in enabling the number of products we have introduced over the years, which we believe improves the performance of our business. Further, our R&D units are continuously working to create value added products from wastes and by-products of our primary products. Our R&D unit and Application Lab in Mumbai has been recognised by the Government of India's Department of Scientific and Industrial Research as an in-house research and development unit. In addition to our R&D units, our Company also has Application Labs in in Mumbai - India, Urbandale - USA, Mexico City -Mexico and Indaiatuba - Brazil. Application Labs are primarily involved with customising blends for various applications across our Shelf-life Extension Solutions. We have a strong and dedicated research team of 40 employees in our various R&D units and Application Labs.

We believe that with our strong research, development and creative capabilities, we will be able to further expand our product offerings and improve our product quality. We further believe that with our continuous focus on process improvements we will be able to achieve improved efficiencies in our production process. We believe that our focus on innovation facilitates the growth of our customer base as well as our customers' market share in their respective product categories.

5) Experienced promoters and management team

We are led by a dedicated senior management team with several years of industry experience. Our Promoters have played a key role in developing our business and we benefit from their significant experience in the industry we operate in. We also have a qualified senior management team with experience in the domestic and international shelf life extension, performance chemical and aroma industry. Our Promoters and senior management team have been instrumental in our successful implementation of various process improvements, successful integration of our acquisition in Ravenna, Mexico and China, expansion of our geographical reach and the growth in our operations over the last decade.

We believe that our domain knowledge and experience of our Promoters and our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies. We believe our senior management team is able to leverage our market position and their collective experience and knowledge in the speciality chemicals industry, to execute our business strategies and drive our future growth. In addition, we have an experienced and qualified team of employees. Our personnel policies are also aimed towards recruiting qualified and talented individuals, facilitating their integration into our Company, providing a conducive work environment, and promoting the development of their skills, including through in-house and external training programmes.

Our Strategies

Our key strategies are as follows:

1) Continue to grow our Vanillin business

The basic raw material for our Vanillin and Ethyl Vanillin compound are Guaiacol and Guethol, respectively, which are produced from the raw material Catechol. Certain publicly available information state that there have been health hazards and regulatory scrutiny of Vanillin produced from certain raw materials other than Catechol. This has resulted in higher demand for Vanillin derived from Catechol. As per our understanding of the Catechol industry, we believe that Catechol as a raw material is manufactured by only a few players. Since we manufacture Catechol at our own manufacturing facilities, this provides us with a significant competitive advantage to streamline supply chain and control our Vanillin production. Globally the Vanillin market, on the whole, has been valued at USD 642.33 million in 2014 and is expected to grow at a CAGR of 5.54 percent to reach USD 885.09 million by 2020. (*Source: TechNavio Report*). This represents a huge opportunity for future growth.

Pursuant to the Wanglong Acquisition, we now have capabilities to manufacture larger quantities of Vanillin and Ethyl Vanillin in-house. The Wanglong Acquisition increases our Vanillin manufacturing capabilities and makes us one of the leading Vanillin manufacturers in the world. Our increased production capability of Vanillin will help us capitalise on the demand for this product and market the same by leveraging on our global reach.

2) Shift in focus from antioxidant solutions to antioxidant blends and additives

As the food, feed and pet food industry evolves, there is a strong demand for antioxidant blends and additives which help increase the shelf life of these products. We believe that, being one of the leading manufacturers of Shelf-life Extension Solutions such as food grade antioxidants, TBHQ and BHA, it enables us to capitalise on the demand of this industry. We are leveraging our capabilities of manufacturing bulk antioxidants by blending these anti-oxidants with other products to provide customised solutions to increase the shelf life of oils and fats, which in turn are used in processed food products like bakery, animal feed, pet food, confectionery, fried snack foods and dairy. Further, due to our vertically integrated manufacturing processes, our customers will be able to trace our blends from raw material stage to the finished product stage, which is a very critical aspect to ensure food safety. We are also currently developing natural shelf life extension products, some of which are already commercialised and sold under our brand NaSure.

Pursuant to our acquisitions of 65% shareholding in Dresen Mexico (an established blender targeting animal feed and pet food) in Fiscal 2017, our business has expanded to the animal feed and pet food blend segment from just human food blends and provided us access to the markets of Mexico, Central America and parts of South America. Dresen manufactures a portfolio of additive products, which are sold in the aforesaid markets.

Accordingly, in addition to our existing liquid blending unit at Brazil Facility, we have set up a dry blending unit at the Brazil Facility, which will further help to leverage our products from Dresen. We also propose to set up of a dry blending unit in Ravenna, Italy to address the demand in the European market.

A shift in focus from just producing antioxidant solutions to providing value added products as well such as antioxidant blends and additives will enable us to increase our revenues from our Shelf-Life Extension Solutions business vertical.

3) Increase revenue contribution from Performance Chemicals business

Increase in sales of our Performance Chemicals over last few years was primarily driven through sales from Guaiacol, Veratrole, TBC and MEHQ which are derivatives of Diphenols. We also intend to better leverage our distribution hubs and maintain stocks locally for supply in key markets such as Asia Pacific (including India) and South America to increase our customer base and reduce our transportation cost and time. We continuously strive to introduce new products in our Performance Chemical business vertical through our in-house research and development activities.

In addition to the above, our specific strategies for increasing sales from our key performance chemical products are as follows:

- *Guaiacol*: Currently, Guaiacol is primarily produced through contract manufacturing in Mahad, Maharashtra. Once the proposed manufacturing facility for Catechol in Dahej SEZ, is commissioned, we believe our production capabilities through third party manufacturer of Guaiacol would increase substantially, since Guaiacol is derived from Catechol. We intend sell Guaiacol and Vanillin, which is produced from Guaiacol, in Indian and overseas markets;

- *MEHQ*: Manufacturing of MEHQ commenced at the Tarapur Facility at the end of the second quarter of 2015. We intend to increase our capacity to produce MEHQ at the Tarapur Facility, which we believe will help us in capitalising growing demands and expand our market reach;

- *TBC*: This is an important polymerization inhibitor for the petrochemicals industry. We currently manufacture TBC through contract manufacturing in Khopoli. We also intend to continue to sell TBC to our customers in

Europe, South America, China, Middle East, Japan, Korea and South East Asia. We have set up a warehouse in USAs to address the local market demand of TBC;

- *Veratrole*: This product is an important intermediate for the pharmaceutical and agrochemical industry. We intend to increase our market share for this product and become a preferred supplier for this product.

Our Company, through its continuous R&D activities, is at advanced stages of commercialising certain other derivatives of Diphenols, which will enable us to increase revenue from Performance Chemicals business vertical.

4) Integrate the strategic acquisitions and pursue new acquisition opportunities for long term value growth

While continuing to maintain our business focus on antioxidants and its growth, we have pursued strategic acquisitions to extend our existing portfolio of products, strengthen our technological capabilities, broaden our business segments and increase our market share in the blends, Vanillin and performance chemical verticals.

Our acquisition of CFS Europe in Fiscal 2011 has been successfully integrated with our business and we have grown the revenues from this business over a period of time. This acquisition has enabled us to backward integrate its antioxidant ingredients business that was dependent on external hydroquinone. Our forward integration initiatives towards antioxidant blends, Vanillin and performance chemicals were achieved through our strategic acquisition of Dresen Mexico in Fiscal 2017, CFS Wanglong in Fiscal 2018 and Chemolutions in Fiscal 2017, respectively. For details of these acquisitions, see " – *Our Recent Acquisitions*" on page 80.

We believe continuing to integrate such acquisitions and targeting future acquisitions which would enable us to integrate our business, enable us to launch new products, provide us with an increased market penetration in our existing markets or enable us to establish an immediate presence in new markets.

Our History

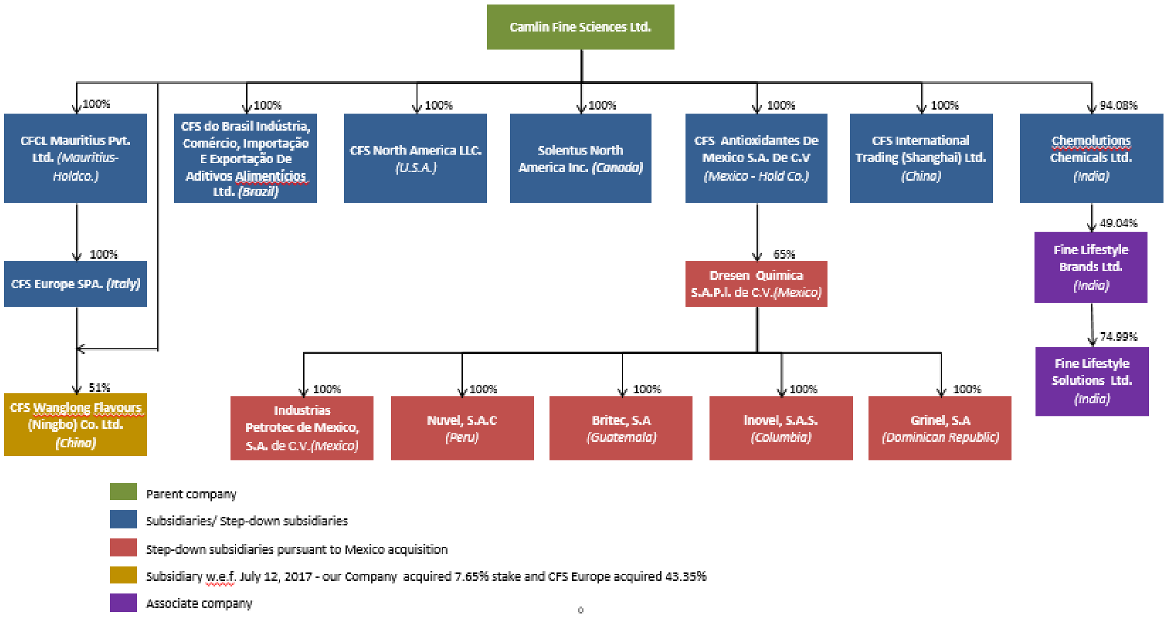
Our Company was incorporated on November 30, 1993 pursuant to certificate of incorporation issued by RoC, as a private limited company under the name of "Camlicon Consultants Private Limited". The name of our Company was changed to "Camlin Fine Chemicals Private Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on June 1, 2006. The name of our Company was changed to "Camlin Fine Chemicals Limited" and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the RoC on August 11, 2006. In 2006, the "Fine Chemical Division" of Kokuyo Camlin Limited (erstwhile Camlin Limited) was de-merged into Camlin Fine Chemicals Limited in terms of the scheme of arrangement sanctioned by the Bombay High Court pursuant to its order dated November 17, 2006. Pursuant to the aforesaid de-merger, our Company was listed on BSE in 2007. In 2011, our Company amalgamated with our erstwhile wholly owned subsidiary, Sangam Laboratories Limited pursuant to a scheme of amalgamation approved by the Bombay High Court by its order dated April 21, 2011. The name of our Company was changed to "Camlin Fine Sciences Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on August 27, 2011. In 2015, our Company got listed on NSE.

Some of the key milestones of our Company since then are as follows:

Year	Key Milestones
2007	Listed on BSE pursuant to de-merger of "Fine Chemical Division" of Kokuyo Camlin Limited (erstwhile Camlin Limited)
2011	Acquired CFS Europe and became an integrated manufacturer of Diphenols
	Launched a wide range of performance chemicals like MEHQ, TBC, Veratrole, Guaiacol etc.
2012	Launched aroma and flavoring compounds - Vanillin/ Ethyl Vanillin
2014	Set up food application laboratories with fully supported technical team
	Commenced manufacturing and marketing of value added customized antioxidants blends in Tarapur and Brazil manufacturing facilities
2015	Forayed into antioxidants blends business in USA
	Got listed on NSE
2016	CFS Mexico acquired 65% stake in Dresen Mexico
2017	Acquired 94.08% shareholding in Chemolutions
	Acquired 51% shareholding in CFS Wanglong

Our Group

We conduct our business through our group, which includes our Subsidiaries. Except Chemolutions, all our Subsidiaries are incorporated in foreign jurisdictions. Below is a structural representation of our group:



Our Recent Acquisitions

CFS Wanglong Acquisition

CFS Europe and our Company have acquired 51% shareholding in CFS Wanglong from Ningbo Wanglong Technology Limited (the "**Seller**") pursuant to a share purchase agreement dated April 28, 2017 and an addendum thereof, for a consideration of USD 6.28 million. Subsequently, CFS Europe, our Company and the Seller, which presently holds 49% shareholding in CFS Wanglong, have entered into a joint venture contract dated April 29, 2017 in relation to governance of CFS Wanglong. CFS Wanglong is engaged in the business of research, development and manufacture of flavour and fragrances, particularly Vanillin. CFS Wanglong owns a Vanilin manufacturing facility in Ningbo, China, which has a capacity of 4,800 MT per year.

Chemolutions Acquisition

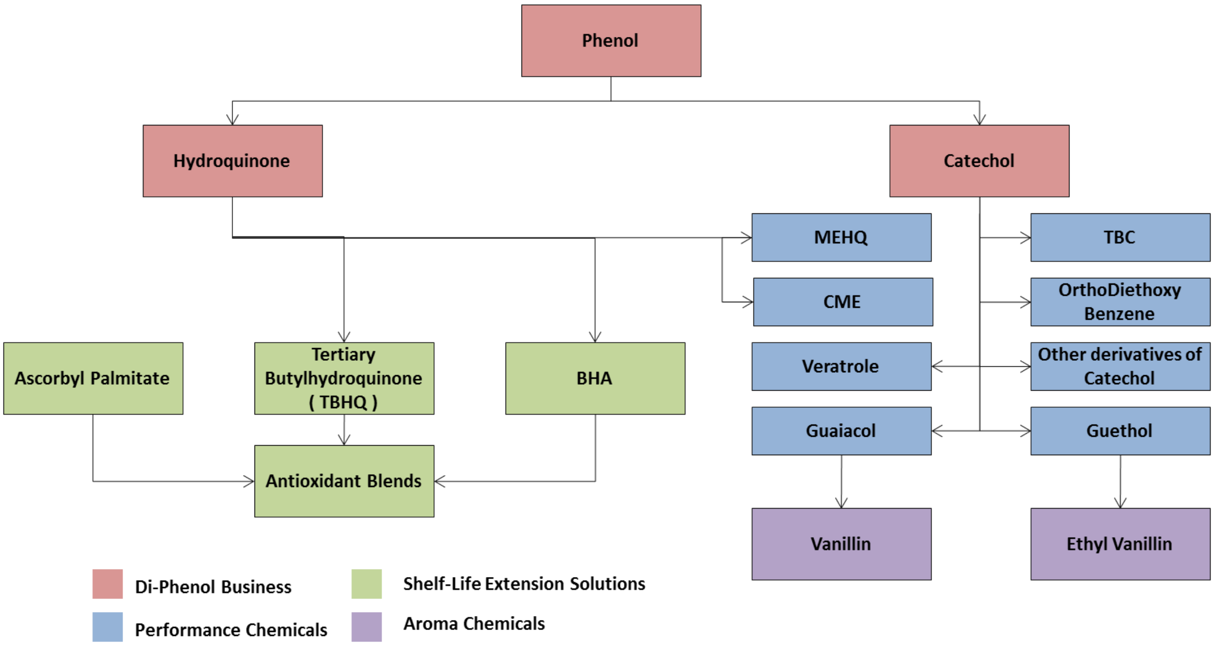
Our Company acquired 62,67,003 equity shares of Chemolutions, pursuant to a preferential allotment by Chemolutions to our Company in Fiscal 2017 (the "**Chemolutions Allotment**"). The Chemolutions Allotment was made through conversion of a portion of outstanding intercorporate deposits with Chemolutions by our Company, along with accrued interest amounting to Rs. 940.05 lakh. The issue price of the Chemolutions Allotment was at Rs. 15 per equity share of Chemolutions. Prior to the Chemolutions Allotment, our Company held 99,500 equity shares of Chemolutions, aggregating to 19.90% of the then paid-up equity share capital of Chemolutions. Post Chemolutions Allotment, our Company holds 63,66,503 equity shares of Chemolutions, aggregating to 94.08% of the paid-up equity share capital of Chemolutions. Chemolutions is engaged in the business of manufacturing of speciality chemicals and operates the Chemolutions Facility on lease-hold basis.

Dresen Mexico Acquisition

Our Company, through CFS Mexico, acquired an aggregate of 65% of stake in Dresen Mexico pursuant to a stocks purchase agreement dated February 2, 2016 entered into with Vicente Sánchez Enriquez, and another stocks purchase agreement dated February 2, 2016 entered into with Controladora De Servicios riso, S.A.P.I. De C.V. ("**Controladora**"). The acquisition was completed on May 4, 2016. Further, CFS Mexico and Controladora had proportionately subscribed to further stocks of Dresen Mexico in Fiscal 2017. The aggregate cost incurred in respect of Dresen Acquisition and further subscription of stocks in Dresen Mexico was USD 7.80 million. Dresen Mexico has five wholly owned subsidiaries in Mexico, Peru, Guatemala, Columbia and Dominican Republic. Further, CFS Mexico, Controladora and Dresen Mexico have entered into a shareholders' agreement dated May 4, 2016 for providing a mechanism of governance of certain affairs of Dresen Mexico.

Our Business Verticals

We categorise our business into four different verticals based on our product portfolio, namely: (i) Diphenols; (ii) Shelf-life Extension Solutions; (iii) Performance Chemicals, and (iv) Aroma. Below is a graphical representation of value chain of our key products:



Diphenols

Our Diphenols business includes manufacturing of Hydroquinone and Catechol, key raw materials for manufacturing of our various products in different business segment. While we use a large part of the Diphenols we produce for captive consumption, we also sell Diphenols to external customers. Diphenols are key raw materials for chemicals used in industries such as petrochemicals, pharmaceuticals, flavours and fragrances, agrochemicals, dyes and pigments. Further, Hydroquinone by itself has application as polymerisation inhibitor in petrochemical industry.

Manufacturing

Our Italy Facility provides captive requirements of key raw materials Hydroquinone and Catechol, making most of our business segments vertically integrated. The proposed new manufacturing facility at Dahej,SEZ, upon commissioning would significantly increase our capacities to produce Diphenols and will also enable us to optimise logistics and inventory costs through establishing an alternate source of Diphenols in India.

Markets

We primarily market our Diphenols in Europe and Asia.

Customers

Our customers include large multi-national companies, regional companies and local manufactures of speciality chemicals, pharmaceuticals, agro-chemicals, aroma chemicals and petrochemicals.

Shelf-life Extension Solutions

Our Shelf-life Extension Solutions include a range of antioxidants, its blends and additives. Our Shelf-life Extension solutions are used to delay certain types of cell damage, by stopping the chain reaction of oxidation, thereby extending shelf life of various products. Our Shelf-life Extension Solutions primarily include anti-oxidants chemicals and antioxidant blends, which could be sourced from natural or synthetic substances, and are available both in liquid and dry solutions. Our Shelf-life Extension Solutions portfolio of blends consists of traditional antioxidant solutions, which we brand and market as Xtendra and also natural shelf-life extension solutions, which we brand and market as Nasure. Traditional antioxidant solutions are primarily sourced from Diphenols, while natural shelf-life extension solutions are sourced from rosemary extracts, green tea and mixed tocopherols. Our additives are adsorbents, acidifying agents, energy products, bactericides, binders and mould inhibitors which are primarily used in animal feed and pet food. Feed additives play an important role in animal nutrition as it helps in enhancing animal performance and health, ensures feed safety, optimizes feed conversion and improves profitability of customer's business. Some of the common feed additives used are mycotoxin binders, mold inhibitors, antibacterials, antioxidant blends, glucose precursors in ruminants etc. Below is a tabular representation of our Shelf-life Extension Solutions portfolio:

Products	Application
BHA	Food and feed antioxidant to extend shelf life of products. It is used amongst other applications in oils, fats, butter, pet food and margarine
TBHQ	Food antioxidant to extend shelf life of products. It is used amongst other applications in oils, fats, butter and margarine. Also, technical applications like printing inks and paints
Ascorbyl Palmitate	Anti-oxidant in for sensitive products like baby food, instant milk formula, premium bakery, fats and speciality oils
Blends	Food, feed, pet food and biodiesel antioxidants to extend shelf life of products
Additives	Food, feed and pet food industry

Manufacturing

We are one of the leading manufacturers of food grade antioxidants TBHQ, BHA and Ascorbyl Palmitate, which are manufactured at the Tarapur Facility. The basic raw material required for manufacturing TBHQ and BHA is Hydroquinone, which is primarily sourced from Italy Facility. Post commissioning of our manufacturing facility at Dahej SEZ, we will source Hydroquinone from therein as well.

We develop and offer products to our existing and new customers based on customer requirements. We blend antioxidants and additives to meet customer needs. We consider customer requirements to be an important manufacturing factor. We rely on our R&D unit to customise products as per customer needs. Further, our blending and additives business is conducted in (i) Tarapur Facility; (ii) Brazil Facility; and (iii) Mexico Facility. We have a contractual arrangement in USA with a third party to outsource the manufacturing of our anti-oxidants blends and additives products. We also outsource anti-oxidant blends products from third parties in Belgium and Italy.

Markets

We primarily market our Shelf-life Extension Solutions products in North America, Central America, South America, Europe, Asia Pacific (including India) and Middle East. The global antioxidants market was valued at USD 3.18 billion in 2013 and is expected to reach US$4 billion by 2018, growing at a CAGR of 4.70% (*Source: TechNavio Industry Report*).

Customers

Our customer include large multi-national companies, regional companies and local manufactures of anti-oxidant formulators and blending companies, food processing and oil and fat producing companies, pet food, feed and animal nutrition segments.

Performance Chemicals

Our Performance Chemicals products are speciality chemicals, which are derivatives of either Catechol or Hydroquinone and have wide applications in sectors such as food flavouring, pharmaceuticals intermediate, petrochemicals, agrochemicals, dyes, pigments, energy storage andfragrance industry. Below is a tabular representation of few products from our Performance Chemicals product portfolio:

Products	Application
Guaiacol	Intermediate for flavours and fragrances and pharma products
Veratrole	Building blocks for other compounds in agrochemicals, consumer goods and healthcare
TBC	Stabilization of monomers

Products	Application
PDMB	Intermediate for dyes and colours
CME	Intermediate for dyes, pigment and colours
MEHQ	Stabilization of monomers

Manufacturing

Our Performance Chemicals products are manufactured at the Tarapur Facility and Chemolutions Facility, as well as at third party manufacturing facilities in Khopoli and Mahad, Maharashtra, on a contractual basis. Performance chemicals products are generally derivatives of either Catechol or Hydroquinone, which are primarily sourced from the Italy Facility. Post commissioning of the Dahej Facility, we will source Hydroquinone and Catechol from therein as well.

Markets

We primarily market performance chemicals in Europe, Asia, South America and Middle East.

Customers

Our customers include large multi-national companies, regional companies and local manufactures, operating primarily in petrochemical, energy storage, agrochemical, dyes and pigments, pharmaceutical, energy storage, aroma and fragrance segment.

Aroma

Our Aroma business involves production of (i) Vanillin, and (ii) Ethyl Vanillin. Our brands Vanesse® (Vanillin) and Evanil® (Ethyl Vanillin) has grown its customer base not only from food and flavour industry, but also manufacturers of fragrances, incense sticks, pharmaceutical industries and perfumeries. We have expanded our bouquet of fragrance application products to cater to the growing needs of our customers. For instance, we launched floral booster, specially developed for incense stick industry to sustain burning and spread aroma. We also recently launched Vetigreen, an aromatic chemical for home cleaning solutions, personal care products, cosmetics and incense sticks. The CFS Wanglong Acquisition has increased our capacity of production and will enable us to supply of high quality ofVanillin, which we believe will meet the growing demands of our customers.

Manufacturing

Our Vanillin Products are currently manufactured at the Tarapur Facility. With the CFS Wanglon Acquisition, we also manufacture Vanillin in the China Facility. The basic raw materials required for manufacturing of Vanillin and Ethyl Vanillin are Guaiacol and Guethol, derivatives of Catechol which is primarily sourced from the Italy Facility. Post commissioning of Dahej Facility, we will source Catechol and Guaiacol from therein as well.

Markets

We primarily market Vanillin Products in Europe, Asia, South America, North America and Middle East. Globally the Vanillin market, on the whole, has been valued at USD 642.33 million in 2014 and is expected to grow at a CAGR of 5.54 percent to reach USD 885.09 million by 2020. (*Source: TechNavio Industry Report*)

Customers

Our customers include large multi-national companies, regional companies and local manufactures, operating primarily in food and beverage, feed, pharmaceutical and flavours and fragrance segment.

Other Business

Our Company is also engaged into manufacturing and marketing of hardware and decorative accessories for door and window locks, handles etc. on behalf of Hardware Renaissance, USA, pursuant to a licensing agreement (the "**H&R Agreement**"). Under the H&R Agreement, our Company is authorised to manufacture and market hardware and decorative accessories for door and window locks, handles etc. under the brand name "Hardware Renaissance" and as a consideration, pay royalty to Hardware Renaissance, USA. We also make direct sales to Hardware Renaissance, USA. We outsource the manufacturing to third parties on job work basis.

Our Company has forayed into pre-harvest agro products which are growth enhancers and have antimicrobial properties and have launched few products. We have also launched a few products on pilot project basis for post-harvest shelf-life enhancement.

Manufacturing Facilities

We have manufacturing and blending facilities in India, Brazil and Italy. With the Dresen Acquisition, we also have a manufacturing unit and blending facility in Mexico. Further, with the CFS Wanglong Acquisition, we have a manufacturing facility in the coastal city of Yuyao, Zhejiang province for Vanillin production. Our manufacturing facilities are either operated by our Company or our Subsidiaries. We are also in the process of commission of a new manufacturing facility in Dahej SEZ. Below is a tabular representation of our manufacturing facilities:

Manufacturing facility	Location	Capacity (MT/year)
Tarapur, Facility	Maharashtra, India	7,200
Italy Facility	Ravenna, Italy	12,000
Brazil Facility	Indaiatuba, Brazil	4,382.40
Mexico Facility	Mexico City, Mexico	12,000
China Facility	Zhejiang, China	4,800
Chemolutions Facility	Maharashtra, India	264
Dahej SEZ	Gujarat, India	10,000*

**Estimated. Yet to be commissioned*

Outsourced Manufacturing

We undertake certain manufacturing through contractual arrangement with third parties, whereby the manufacturing of our products are undertaken by such third parties. Under such aforesaid contractual arrangement for third party manufacturing, our Company typically provides the production plan, technical, engineering, quality assurance and control support including additional machinery and manpower, if need be. Raw materials for production are provided by our Company either through internal sources or third-party suppliers. We manufacture our various products through third party manufacturing units at Khopoli and Mahad in Maharashtra, India and, Iowa, USA, on contractual basis. All our outsourced manufactured products are marketed by us in our brand names.

Research and Development

We have R&D units in Tarapur, India and in Ravenna, Italy. We also have a pilot plant in Tarapur, India. Our R&D units are focused on developing chemical compounds, new manufacturing processes and improving existing processes and new chemistry with a focus on developing new derivatives of Diphenols or improve the commercial viability thereof. New processes which are developed in our R&D units are implemented in small scale in our pilot plant to understand the efficacy and challenges before commercially manufacturing such products.

Our Company also has Application Labs in Mumbai - India, Urbandale - USA, Mexico City -Mexico and Indaiatuba - Brazil. Application Labs are primarily involved with customising blends for various applications across our Shelf-life Extension Solutions. Application Labs also provide technical assistance and development support to our customers, test the efficacy of various products that are produced by our customers on defined parameters relevant to our products and conduct studies to determine the shelf life of various products.

Our R&D units have advanced technological equipment to develop, test and evaluate our products. We have a strong and dedicated research team of 40 employees in our various R&D units and Application Laboratories. Our focus on research and development has been instrumental in enabling the number of products we have introduced over the years, which we believe improves the performance of our business. Most of our products have been developed in-house by our R&D units. Our research and development abilities have led to grant of four patents. We have also applied for a process patent for generating a mixed multicomponent vapour for preparation of Monoalkyl Ethers of Diphenols in India, and for solid-liquid separation method of oxidation liquid in process of employing guaiacol process to prepare vanillin, in China

Our R&D unit in India has been recognised by the Government of India’s Department of Scientific and Industrial Research as an in-house research and development unit.

Quality Control and Testing

We believe that maintaining high standard of quality of our products is critical to our brand and continued growth. Across our various manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Through our regular internal audits, we ensure that our manufacturing facilities are in compliance with local and international regulatory requirements.

We implement and maintain best industry practices including for, adequate premises and space, suitable equipment and services, appropriate materials, approved procedures and instructions, and equipped laboratories. Our employees are required to undergo thorough training programs designed to update them on latest quality norms and standards periodically.

Our quality function monitors all stages of product development. Various in-process quality checks are performed to monitor product quality during manufacturing process. Final finished products are tested as per the predetermined quality specifications before release in the market. Each batch of the manufactured products is dispatched to our quality control and testing laboratories where they go through different levels of testing to test the physical properties, purity and quality of the end products to ensure traceability and repeatability for each batch. We employ trained and experienced members to conduct evaluation procedures for quality control and testing. In addition to our in-house quality testing of our products, we conduct periodic quality audits of our manufacturing units to verify and ascertain effective implementation of quality management systems. We have an independent, fully equipped quality laboratory where the manufactured products are tested with respect to their application. All of our manufacturing facilities also have waste management and environment protection systems designed to comply with laws on environmental pollution.

Our Company has achieved various manufacturing certifications such as ISO 9001:2008, FAMIQS, Kosher, Food Safety System Certification 22000 and Halal.

Environment, Health and Safety

Manufacturing is subject to a number of national and regional laws and regulations. These include in particular, regulations on technical safety and environment protection, including, among others, restriction of air pollution and noise, discharge of waste products into water above and below the ground and other occupational health and safety regulations. Further, our offices and manufacturing plants in India are required to comply with several laws governing every aspect of our operations, including compliance with building regulations, consumer protection, occupational health, safety and protection of labourers and food safety and standards. For further details, see "*Regulations and Policies*" on page 107.

Sales and Marketing

We primarily market our products through our own sales team. Our established sales and marketing department has separate teams focusing on each of our business verticals. We have a wide sales and marketing network, spread across the globe. We have our own sales and marketing team in various jurisdictions including India, China, Italy, Brazil, Peru, Columbia, Guatemala, Mexico, Cuba and USA, headed by experienced professionals. Our established sales and marketing department has separate teams focusing on each of our business verticals.

In certain jurisdictions such as Indonesia, Vietnam, Thailand, Middle East and in certain parts of India, where we do not have our own sales team, we typically enter into distribution arrangements with our business partners in such jurisdictions to market and distribute our products. We have a team of 73 employees in our sales and marketing team across the globe.

Human Resource

We place importance on developing our human resources. Through internal trainings and workshops, our human resources team tracks the progress of our employees through systematic individual development plans. As of October 31, 2017, we employed a total of 566 individuals, out of which 300 employees work in India and rest are employed in other jurisdiction. We also employ labourers on contracts through third parties, primarily at our manufacturing facilities. The breakdown of our employees in different functionalities has been provided below:

Function	Number of Employees	
	In India	Overseas
Manufacturing	135	135
Sales and Marketing	29	44
Research and Development	28	12
Quality Control	26	20
Finance, Human Resources and Operations	80	55
Legal and secretarial	2	-

Competition

Our competitors include large speciality chemical companies abroad.

We believe that the key competitive factors that will affect the development and commercial success of our current products and any future products that we may develop are price, reliability of supply and quality.

Many of our competitors are larger than us and have greater financial, manufacturing, R&D and other resources. For additional information, see "*Risk Factors – We face intense competition from both global and local speciality chemicals companies, which could significantly limit our growth and materially adversely affect our financial results.*" on page 46.

Information Technology

Our information technology systems provide support to all aspects of our business, from manufacturing, sales, planning, operations and documentation to accounts and customer service. Our internal information technology division supports our various business lines operations. We have a dedicated information technology team in our Company. Our Company has implemented enterprise resource planning system to leverage business value by centralising accounting systems across all locations, in India and abroad, leading to cost optimization. We have also developed an in-house web-portal and mobile based application integrated with our enterprise resource planning system to monitor the performances of our representatives. Our information technology team does regular inspection and audits of all our network systems and servers to prevent them from external threats. Our Company believes that its advanced information technology systems not only enhance the Company's operational efficiency and customer service quality, but also reduce operating costs of the Company, enable the Company to respond to the market promptly and enhance its ability to handle emergency situations, making it more competitive in the market. For additional details see "*Risk Factors – Any failure of our information technology systems could adversely affect our business and our operations.*" on page 48.

Insurance

We have industrial all risk policy, boiler and pressure plant insurance and standard fire policy for our manufacturing facilities and office premises insuring substantially all of our assets such as buildings, plant and machinery, furniture, fixtures and fittings, from risks such as fire, earthquake and machinery breakdown. We also have fire floater policy and burglary policy insuring our stocks and stocks in progress from various risks of theft and damage. We also maintain a product liability insurance to reduce our risk of product liability claims. In addition, we maintain commercial general liability insurance, marine cargo annual turnover policy, public liability policy, electronic equipment insurance and money insurance. We also maintain workmen compensation policy, medical insurance policies, personal accident insurance policies, and business travel and accident insurance for our employees. Our manufacturing facilities and other assets in other jurisdiction are insured from various risks, through our respective Subsidiaries in such jurisdictions. Our policies are subject to customary exclusions and customary deductibles. We believe that our insurance coverage is consistent with industry standards for companies in India. For additional details see "*Risk Factors – Our insurance coverage is limited; if we experience uninsured losses, it could adversely affect our financial condition and results of operations*" on page 44.

Intellectual Property

We have been granted three patents, each in India, Europe and China. In addition, we have been granted a patent in South Africa, Europe and Mexico. We have also applied for a process patent for generating a mixed multicomponent vapour for preparation of Monoalkyl Ethers of Diphenols in India, and for solid-liquid separation method of oxidation liquid in process of employing guaiacol process to prepare vanillin, in China. Our Company has registered 40 trademarks, which includes registration of trademark of our logo, and applied for registration of

29 trademarks with the Registrar of Trademarks in India. Further, we have applied for registration of certain trademarks in jurisdictions such as China, USA and Canada. For additional details see "*Risk Factors – If we are unable to adequately protect our intellectual property, or if the scope of our intellectual property fails to sufficiently protect our proprietary rights, other pharmaceutical companies could compete against us more directly, which may have a material adverse impact on our business and results of operations.*" on page 44.

Property

Our registered office is situated at WICEL, Plot No. F/11 and F/12, Central Road, Opposite SEEPZ Main Gate, Andheri (East), Mumbai 400 093. We do not own our registered office premises. We have entered into a lease agreement dated November 9, 2014 with Texport Industries Private Limited for leasing of our registered office for a period till October 31, 2019. the Tarapur Facility and Dahej Facility are on leasehold premises on long term basis. The Chemolutions Facility was availed by Chemolutions on a leasehold basis and is currently under certain legal disputes. For details, see "*Our registered office, corporate office and some of our manufacturing facilities are not owned by our Company*" on page 49. The Mexico Facility and Brazil Facility are owned by the respective Subsidiaries in such jurisdiction on leasehold basis. The Italy Facility is owned by CFS Europe on freehold basis. The China Facility is on leasehold premises on long term basis.

Legal Proceeding

We are involved in various lawsuits, claims, investigations and proceedings, which arise in the ordinary course of our business. In terms of Policy for Determination of Materiality of Events or Information, as adopted by the Board on February 12, 2016, our Company is not involved in any material outstanding litigation. For details, see "*Legal Proceedings*" on page 150.

Corporate Social Responsibility

Our Company endeavors to make CSR a key business process for sustainable development and welfare of the needy sections of the society. Our Company engages in CSR activities in the areas of education including special education and employment enhancing vocation skills especially among children, women and differently abled, healthcare, sanitation and hygiene, promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward classes, sustainable livelihood and right social causes. In the Fiscal 2017, our Company spent Rs. 72.15 lakhs towards CSR activities, through various trusts and non-governmental organisations, such as Akhil Bharatiya Vanvasi Kalyan Ashram, Sangopita –A shelter for care, Vivekananda Kendra, Shushrusha Hospital and Gosports Foundation, working in sectors such as upliftment of tribal backward class, special education for differently abled, youth empowerment, promotion of sports, education and empowerment of economically backward groups. Our board has constituted a CSR committee which comprises of three members namely, Abeezar E. Faizullabhoy, Dilip D. Dandekar and Ashish S. Dandekar.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations as of and for the fiscal years ended March 31, 2015, 2016 and 2017 and the six month period ended September 30, 2017.

Prior to April 1, 2017, we prepared our financial statements in accordance with Indian GAAP and the Companies Act. With effect from April 1, 2017, we adopted Ind AS as notified under the Companies Act and, accordingly, our financial statements as of the quarter and six month period ended September 30, 2017 and its comparable period have been prepared in accordance with Ind AS and the Companies Act.

The following discussion of our financial condition and results of operations should be read in conjunction with our Company's Financial Statements and the notes thereto and the other information included elsewhere in this Placement Document.

This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under the sections "Forward-looking Statements" and "Risk Factors" on pages 13 and 35.

Overview

We are a vertically integrated company, 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, fragrance, pharma and industrial products. We market our products globally including in Europe, Asia Pacific (including India) North Africa, Middle East, South, Central and North America. We categorise our business into four different verticals based on our product portfolio, namely: (i) Diphenols; (ii) Shelf-life Extension Solutions (which include anti-oxidants, its blends and additives); (iii) Performance Chemicals; and (iv) Aroma. We have recently acquired manufacturing and technological capabilities for producing Vanillin by acquiring 51% shareholding in CFS Wanglong through, and going forward we expect this to complement our Aroma product portfolio.

The key raw material used for manufacturing a large part of our products is Hydroquinone and Catechol. Our Company manufactures both these products as a part of our Diphenols business. While we use a large part of the Diphenols we produce for captive consumption, we also sell Diphenols to external customers. Our Shelf-life Extension Solutions include a range of antioxidants, its blends and additives. Antioxidants and its blends are used to increase the shelf life of oils and fats, which in turn is used in processed food products like bakery, fried snack foods, confectionery, animal feed, pet food, bio-diesel and printing inks. Our additives are adsorbents, acidifying agents, energy products, bactericides, binders and mould inhibitors which are primarily used in animal feed and pet food. Our Performance Chemicals vertical includes production of amongst others, Guaiacol, Guethol, CME, Veratrole, TBC and MEHQ, which are derivatives of either Catechol or Hydroquinone. These chemicals have wide application in sectors such as food flavouring, pharmaceuticals intermediate, agrochemicals, dyes, pigments, energy storage and fragrance industry. Our Aroma vertical primarily includes production of Vanillin and Ethyl Vanillin ("**Vanillin Products**") which are marketed under the brands Vanesse and Evanil. The key raw materials used to manufacture our Vanillin Products are Guaiacol and Guethol, respectively, which in turn are derived from Catechol. Our Vanillin Products are used to give food and beverages a flavour of vanilla, to enhance other flavours or to mask unwanted flavours and are used in food, flavour and fragrance, incense sticks, pharma and cattle feed segments.

Our manufacturing facility in Italy, situated at Ravenna, provides captive requirements of key raw materials Hydroquinone and Catechol, making most of our business segments vertically integrated. While we consume a large part of Hydroquinone and Catechol internally for our manufacturing processes in India, we also buy and sell these Diphenols in global markets, subject to market conditions, our internal requirements and prices in global markets and in India. The proposed new manufacturing facility at Dahej SEZ, upon commissioning would significantly increase our capacities to produce Diphenols and will also enable us to optimise logistics and inventory costs through establishing an alternate source of Diphenols in India. We believe that Dahej Facility will fulfil our internal requirement of Diphenols thereby protecting us from relying on imports for our key raw materials. This would also reduce the risk of unfavourable terms of supply such as high pricing and long delivery time. Our Shelf-life Extension Solution products are manufactured at Tarapur Facility. Further, our blending and additives business is conducted in (i) Tarapur Facility; (ii) Brazil Facility; and (iii) Mexico Facility. We have a contractual arrangement in USA with a third party to outsource the manufacturing of our anti-oxidants blends and additives products. We also outsource anti-oxidant blends products from third parties in Belgium and Italy. In respect of our Performance Chemicals business, various derivatives of Diphenols are manufactured at the Tarapur Facility and Chemolutions Facility. Derivatives of Diphenols are also manufactured at third party manufacturing facilities in Khopoli and Mahad, on a contractual basis. Our Vanillin Products are currently manufactured at the Tarapur Facility and in China Facility.

We are focused on R&D and innovation and have R&D units in Tarapur and in Ravenna. Our R&D units are focused on developing chemical compounds, new manufacturing processes, improving existing processes and new chemistry with a focus on developing new derivatives of Diphenols or improving the commercial viability thereof. We also have a pilot plant in Tarapur. New processes which are developed in our R&D units are implemented in small scale in our pilot plant to understand the efficacy and challenges before commercially manufacturing such products. Our R&D units have advanced technological equipment to develop, test and evaluate our products. Our Company also has application laboratories ("**Application Labs**") in Mumbai - India, Urbandale - USA, Mexico City -Mexico and Indaiatuba - Brazil. Application Labs are primarily involved with customising blends for various applications across our Shelf-life Extension Solutions. Application Labs also provide technical assistance and development support to customers, test the efficacy of various products that are produced by our customers and conduct stability studies for determining the shelf life of various products. We have a dedicated R&D team comprising of 40 employees.

We have a wide sales and marketing network, spread across the globe. We have our own sales and marketing team in various jurisdictions including India, China, Italy, Brazil, Peru, Columbia, Guatemala, Mexico, Cuba and USA, headed by experienced professionals. Our established sales and marketing department has separate teams focusing on each of our business verticals. Further, we have contractual market development arrangements with third parties in United Kingdom and Denmark. In certain jurisdictions such as Indonesia, Vietnam, Thailand, Middle East and in certain parts of India, we market and sell our products through third parties, with whom we have sales and distribution arrangements. We have a team of 73 employees in our sales and marketing team across the globe.

Our gross revenue from operations for Fiscal 2017 stood at Rs. 54,686.90 lakh as against Rs. 50,422.83 lakh in Fiscal 2016 and Rs. 57,057.68 lakh in Fiscal 2015 (on a consolidated basis). Our EBITDA for Fiscal 2017, 2016 and 2015 was Rs. 4,789.42 lakh, Rs. 9,606.34 lakh and Rs. 9,254.91 lakh, respectively. Our loss for the Fiscal 2017 stood at Rs. 1425.53 lakh as against profit of Rs. 3,582.37 lakh in Fiscal 2016 and Rs.5,502.73 lakh in Fiscal 2015.

Significant Factors Affecting Our Results of Operations and Financial Condition

Our financial condition and results of operations have been affected and will continue to be affected by various factors including the following factors of particular importance:

Price Pressure

To a certain degree, we are affected by the price pressure to which our customers are subject, because they try to pass this pressure on to their suppliers, including us. This effect is moderated by the fact that, our shelf life extension products make up only a relatively small proportion of the total cost of our customers' finished products. We try to offset the effects of this price pressure on our margins by increasing the productivity of our operations and focusing on cost efficiency in our procurement of raw materials. In addition, we try to use our technological and innovative strength in various areas to lay greater emphasis on innovative products, which generally achieve higher margins and are less susceptible to price pressure.

There is strong competition between manufacturers of chemical products. Customers value the technological and innovative strength of the manufacturers, rather than on the basis of price. As a result, for our blends and additives business face lesser price pressures as compared to our standardized products which are also produced by other manufacturers as well.

Fluctuations in the Prices of Raw Materials

A large portion of our production costs are attributed to the price of our raw materials and consumption of raw materials accounted for a significant portion of our total expenses. The prices of raw materials which we commonly use in our manufacturing process are Diphenols, which has witnessed volatility in the past. The prices of these raw materials depend on market developments, which are influenced by factors such as the market prices of base substances, for example crude oil, in the case of our synthetic raw materials. We may not be able to pass on such price increases to our customers.

Exchange Rate Risk

We generate a significant portion of our sales internationally through export and sales outside of India. Further, a large portion of our raw materials consumed are imported. These sales and imports are denominated in foreign currencies such as United States Dollars, Euro, Brazilian Real and Mexican Peso. Consequently, our results of operation are influenced by exchange rate fluctuations between foreign currencies of the market in which we sell our products and the Indian Rupee. Our foreign exchange exposure is mitigated to the extent of our revenues from our overseas operations and costs of operations which are also denominated in foreign currencies. Given the complex global political and economic dynamics that affect exchange rate fluctuations, it is difficult to predict future fluctuations and the effect these fluctuations may have upon or our overall financial condition. Significant currency exchange rate fluctuations and currency devaluations could have an adverse effect on our results of operations from period to period. In addition, our financial statements are denominated in Indian Rupees and our material subsidiaries report their earnings in foreign currency. For these reasons, our financial condition and results of operations are influenced by fluctuations in the relative values of the relevant currencies.

Research, Product Development and Product Portfolio

Our business depends to a significant degree on our ability to successfully conduct research and development with respect to our products and to adapt our existing product offering to customer requirements. Innovation from our research and development and creation activities is a basic prerequisite for sustainable success. Our R&D units are focused on developing chemical compounds, new manufacturing processes, improving existing processes and new chemistry with a focus on developing new derivatives of Diphenols or improving the commercial viability thereof. As a result of our research and development efforts and operating history, we are able to produce products across our four verticals, namely (a) Diphenols; (b) shelf life solutions; (c) performance chemicals; and (d) aroma. This process is both time consuming and costly, and involves a high degree of business risk. To develop our product portfolio, we commit substantial time, funds and other resources. We expect our research and development expenses to increase in line with our business and operations. In addition, our research staff is critical to the success of our research and development efforts. Our investment in research and development for future products and to bring about efficiencies in our manufacturing processes could result in higher costs without a proportionate increase in income. In addition, we must adapt to rapid changes in our industry due to technological advances and scientific discoveries. If our existing products become obsolete, and we are unable to effectively introduce new products, our business and results of operations could be adversely affected. Although we strive to keep our technology, facilities and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our research staff could be significant and could adversely affect our profitability.

Significant Income from Our Top Ten Customers

We have historically derived, and may continue to derive, a significant portion of our income from our top ten customers. For Fiscals 2017, 2016, and 2015, 44.06%, 47.89% and 48.69% respectively, of our consolidated total income were derived from our top ten customers. Any reduction in orders from our top ten customers would adversely affect our income.

Government and Other Regulatory Approvals

We have focused on broadening our income base to cover India as well as several other countries. As a result, our products are subject to regulation by numerous Indian and foreign regulatory agencies and similar agencies in other jurisdictions. Each of these agencies requires us to comply with laws and regulations governing the development, testing, manufacturing, marketing and distribution of our products and we are required to maintain various approvals, licenses, registrations and permissions for our business activities which are lengthy and expensive.

Our business, prospects, results of operations and financial condition could be adversely affected if we fail to obtain, or comply with applicable conditions that may be attached to, our approvals, licenses, registrations and permissions. Further, even if we obtain all necessary approvals and licenses to sell a product in a particular market, regulatory agencies may reassess the safety of our products which may result in the withdrawal of the existing approvals, which in turn could result in loss of income.

Industry Competition and Consolidation

Our products face intense competition from products commercialized or under development by competitors in our product verticals. Our business, prospects, results of operations and financial condition could be adversely affected if our competitors gain significant market share in areas in which we are focused. Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining approvals, greater geographic reach, broader product ranges and stronger sales forces. We also operate in a rapidly consolidating industry. Our competitors are consolidating, and the strength of the combined companies could affect our competitive position in all of our business areas.

Accordingly, our results of operations depend significantly on various factors such as the demand for our products in the markets we operate in, our ability to manage our growth strategy and expansion plans, including our ability to grow our exports and our ability to grow and manage our distribution network in India.

Presentation of Financial Information

Basis of Preparation

(a) Audited Financial Statements

The Financial Statements of our Company have been prepared in accordance with the historical cost convention and on accrual basis 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 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Companies Act, 2013.

The Financial Statements are prepared and presented in the form set out in Schedule III of the Companies Act, 2013 so far as they are applicable thereto. All assets and liabilities have been classified as current or non-current as per our Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and their realisation in cash and cash equivalents, our Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

For a description of our significant accounting policies adopted in the preparation of the Financial Statements, see "*Financial Information*" on page 155.

Segment Information

Our Company operates primarily in the segment of speciality chemicals and hence has only one reportable product segment.

Income and Expenditures

Our income and expenditures are determined and reported in the following manner:

Income

Total income consists of income from operations, other operating income and other income.

Revenue from Operations: Income from operations primarily comprises sale of our finished goods, traded goods and services.

- *Sale of products:* Sale of products comprises of sales of finished goods that we manufacture at our manufacturing facilities and trading sales; and

- *Sale of services*: Sale of services comprises of income from job works.

Other Operating Income: Other Operating income comprises primarily of export incentives and scrap sales.

Other Income: Other Income comprises primarily of interest income and gain on foreign exchange fluctuations.

Expenditures

Our expenditure consists of cost of materials consumed, purchase of stock in trade, changes in inventory of finished goods/ work-in-progress ("**WIP**")/ stock in trade, employee benefits expenses, finance costs, depreciation and amortization expenses, research and development expenses, other expenses and tax expenses.

Cost of raw materials consumed: Cost of raw materials consumed include consumption of raw materials such as Tertiary Butyl Alcohol, Phenol, Hydrogen Peroxide, Toluene and various other raw materials used for manufacturing our products, trading as well as packing.

Purchase of stock-in-trade: Purchase of stock-in trade primarily BHT, Hydroquinone and Catechol.

Changes in inventories of finished goods and work-in-progress and stock-in-trade: Changes in inventories of finished goods and work-in-progress and stock-in-trade comprises of net increases or decreases in inventory levels of finished goods, stock-in-trade, and goods which are work-in-progress.

Employee benefit expenses: Employee benefits expense comprise salaries and wages, contributions to provident fund and gratuity fund, expense on Employee Stock Exchange Option Scheme and staff welfare expenses.

Finance Costs: Our finance costs primarily comprise interest paid on term loans and working capital loans from banks and financial institutions and other costs incurred in connection with our borrowings.

Depreciation and amortisation expenses: Depreciation and amortisation expenses include depreciation on tangible assets and amortisation of intangible assets.

Research and development expenses: Research and development expenses comprise of salaries and incentives, travelling and conveyance expenses, professional fees, laboratory expenses and other related expenses.

Other expenses: Other expenses include consumption of stores and spare parts, power and fuel, rent, repairs and maintenance of building, insurance, rates and taxes, sub-contracting charges, labour charges, advertisement and sales promotion, transport and forwarding charges, commission/discount/service charge on sales, traveling and conveyance, directors sitting fee, auditor's remuneration, CSR contribution, legal and professional fees, provision for doubtful debt/advances and bad debts written-off.

Results of Operations

The following table sets forth the break-down of our results of operations for the periods indicated:

(*Rs. in lakh*)

Particulars	**Fiscal 2017**	**Fiscal 2016**	**Fiscal 2015**
Income			
Revenue from operations (gross)	54,686.90	50,422.83	57,057.68
Less: Excise Duty	1293.85	1,488.61	1,230.23
Revenue from operations (net)	53,393.05	48,934.22	55,827.45
Other income	1,480.27	426.89	837.63
Total Income	**54,873.32**	**49,361.11**	**56,665.08**
Expenses			
Cost of raw materials consumed, Purchases of stock-in-trade, Changes in Inventories of finished goods and WIP and stock-in trade	26,050.40	20,310.07	27,049.64
Cost of raw materials consumed, Purchases of stock-in-trade, Changes in Inventories of finished goods and WIP and stock-in trade as a % of total income (including packing material consumed)	*47.47%*	*41.15%*	*47.74%*

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Employee benefits expense	5,842.29	4,005.21	4,058.29
Employee benefits expense, as a % of total income	*10.65%*	*8.11%*	*7.16%*
Finance costs	3,037.62	2,444.25	2,382.46
Finance costs, as a % of total income	*5.54%*	*4.95%*	*4.20%*
Depreciation and amortisation expense	2,180.29	1,705.52	1,624.62
Depreciation and amortisation expense, as a % of total income	*3.97%*	*3.46%*	*2.87%*
Research and development expense	255.59	210.08	247.89
Research and development expense, as a % of total income	*0.47%*	*0.43%*	*0.44%*
Other expenses	17,935.62	15,229.41	16,054.35
Other expenses, as a % of total income	*32.69%*	*30.85%*	*28.33%*
Total expenses	**55301.81**	**43,904.54**	**51,417.25**
Total expenses, as a % of total income	*100.78%*	*88.95%*	*90.74%*
Profit before exceptional items and tax	(428.49)	5,456.57	5,247.83
Exceptional item	-	(454.73)	35.52
Profit before tax	(428.49)	5,001.84	5,283.35
Current tax	754.72	987.96	1,053.51
Prior period Tax Adjustment	36.20	24.71	-
MAT credit entitlements	(14.04)	144.49	(144.49)
Deferred tax expense /(benefit)	(451.64)	262.69	(1,129.81)
Profit after tax	**(753.73)**	**3,582.00**	**5,504.14**
Add: Share of profit/ loss of Associates	**1.71**	**0.37**	**(1.41)**
Profit for the period	**(1,425.53)**	**3,582.37**	**5,502.73**

Our Results of Operations

Fiscal 2017 compared to Fiscal 2016

Income

Total Income: Our total income increased by Rs. 5,512.21 lakh, or 11.17%, from Rs. 49,361.11 lakh in Fiscal 2016 to Rs. 54,873.32 lakh in Fiscal 2017. This was primarily due to consolidation of revenue from Dresen and on reinstatement of advance given to Chemolutions written off in earlier years pursuant to the Chemoultions Acquisition.

Revenue from operations (net): Our income from operations (net) increased by Rs. 4,458.83 lakh, or 9.11% , from Rs. 48,934.22 lakh in Fiscal 2016 to Rs. 53,393.05 lakh in Fiscal 2017. This was primarily due to consolidation of revenue from Dresen.

Other income: Our other income increased by Rs. 1053.38 lakh or 246.76%, from Rs. 426.89 lakh in Fiscal 2016 to Rs. 1,480.27 lakh in Fiscal 2017. This increase was principally due to inclusion of Rs. 867.80 lakh under the head 'Other Income' on reinstatement of advance given to Chemolutions written off in earlier years pursuant to the Chemolutions Acquisition.

Expenses

Total expenses: Our total expenses increased by Rs. 11,397.27 lakh, or 25.96%, from Rs. 43,904.54 lakh in Fiscal 2016 to Rs. 55,301.81in Fiscal 2017. As a percentage of total income, our total expenses increased from 88.95% in Fiscal 2016 to 100.78% in Fiscal 2017.

Cost of raw materials consumed, Purchases of stock-in-trade, Changes in Inventories of finished goods and WIP and stock-in trade: Our expenses in relation to cost of raw material consumed, purchases of stock-in trade, changes in inventories of finished goods, work-in-progress and stock-in-trade increased by Rs. 5,740.33 lakh or 28.26% % from Rs. 20,310.07 lakh in Fiscal 2016 to Rs. 26,050.40 lakh in Fiscal 2017. This increase was primarily on account of addition to cost of raw material consumed and purchases of stock-in trade, pursuant to consolidation of Dresen. As a percentage of total income, expenses in relation to cost of raw materials consumed, purchases of stock-in-trade, changes in inventories of finished goods and WIP and stock-in trade increased from 41.15% in Fiscal 2016 to 47.47%in Fiscal 2017.

Employee benefits expense: Employee benefits expense increased by Rs. 1837.08 lakh, or 45.87% from Rs. 4,005.21 lakh in Fiscal 2016 to Rs. 5,842.29 lakh in Fiscal 2017. The overall increase in employee benefits expense was primarily due to increment paid to employees and addition of new employees, particularly pursuant to consolidation of Dresen. As a percentage of total income, employee benefits expense increased from 8.11% in Fiscal 2016 to 10.65% in Fiscal 2017.

Finance costs: Our finance costs increased by Rs. 593.37 lakh, or 24.28% from Rs. 2,444.25 lakh in Fiscal 2016 to Rs. 3,037.62 lakh in Fiscal 2017. This increase was mainly attributable to increase in working capital borrowings and term loans.

Depreciation and amortisation expense: Depreciation and amortisation expenses increased by Rs. 474.77 lakh or 27.84% from Rs. 1,705.52 lakh for Fiscal 2016 to Rs. 2,180.29 lakh for Fiscal 2017. This was primarily on account of additional capital expenditure incurred at our different facilities. Depreciation and amortisation charges represented 3.97% and 3.46% of our total income for Fiscal 2017 and 2016, respectively.

Research and development expense: Research and development expenses increased by Rs. 45.51 lakh or 21.66% from Rs. 210.08 lakh in Fiscal 2016 to Rs. 255.59 lakh in Fiscal 2017. Research and development charges represented 0.47% and 0.43% of our total income for Fiscal 2017 and 2016, respectively.

Other expenses: Our other expenses increased by Rs. 2,706.21 lakh, or 17.77% from Rs. 15,229.41 lakh in Fiscal 2016 to Rs. 17,935.62 lakh in Fiscal 2017. The overall increase was principally due to addition of rent and transportation cost in respect of the Mexico Facility, repair of machinery at Italy Facility and professional and legal expenses. As a percentage of total income, our other expenses increased from 30.85% in Fiscal 2016 to 32.69% in Fiscal 2017.

Tax expenses: Our tax expense decreased by Rs. 1,094.60 lakh, or 77.09% from Rs. 1,419.84 lakh in Fiscal 2016 to Rs. 325.24 lakh in Fiscal 2017, primarily due to loss incurred by our Company, CFS Brazil and CFS Europe.

Fiscal 2016 compared to Fiscal 2015

Income

Total Income: Our total income decreased by Rs. 7,303.97 lakh, or 12.89%, from Rs. 56,665.08 lakh in Fiscal 2015 to Rs. 49,361.11 lakh in Fiscal 2016. This was primarily due to a decrease in our income from operations.

Revenue from operations (net): Our income from operations (net) decreased by Rs. 6,893.23 lakh, or 12.35%, from Rs. 55,827.45 lakh in Fiscal 2015 to Rs. 48,934.22 lakh in Fiscal 2016. This was primarily due to lower realisation from sales due to a reduction in product prices as a result of a fall in crude oil, and lower volumes which was partially offset by an increase in export benefits.

Other income: Our other income decreased by Rs. 410.74 lakh or 49.04%, from Rs. 837.63 lakh in Fiscal 2015 to Rs. 426.89 lakh in Fiscal 2016. This decrease was principally due to decrease in income in terms of an agreement entered into between CFS Europe and a third party.

Expenses

Total expenses: Our total expenses decreased by Rs. 7,512.72 lakh, or 14.61%, from Rs. 51,417.26 lakh in Fiscal 2015 to Rs. 43,904.54 in Fiscal 2016. As a percentage of total income, our total expenses decreased from 90.74% in Fiscal 2015 to 88.95% in Fiscal 2016.

Cost of raw materials consumed, Purchases of stock-in-trade, Changes in Inventories of finished goods and WIP and stock-in trade: Our expenses in relation to cost of raw material consumed, purchases of stock-in trade, changes in inventories of finished goods, work-in-progress and stock-in-trade decreased by Rs. 6,739.57 lakh or 24.92% from Rs. 27,049.64 lakh in Fiscal 2015 to Rs. 20,310.07 lakh in Fiscal 2016. This decrease was primarily on account of decrease in raw material cost due to fall in crude prices and the consequent impact thereof on sales value. As a percentage of total income, expenses in relation to cost of raw materials consumed, purchases of stock-in-trade, changes in inventories of finished goods and WIP and stock-in trade decreased from 47.74% in Fiscal 2015 to 41.15% in Fiscal 2016.

Employee benefits expense: Employee benefits expense decreased marginally by Rs. 53.08 lakh, or 1.31%, from Rs. 4,058.29 lakh in Fiscal 2015 to Rs. 4,005.21 lakh in Fiscal 2016. The overall increase in employee benefits expense was primarily due to increment paid to employees and addition of new employees. As a percentage of total income, employee benefits expense increased from 7.16% in Fiscal 2015 to 8.11% in Fiscal 2016.

Finance costs: Our finance costs increased by Rs. 61.79 lakh, or 2.59%, from Rs. 2,382.46 lakh in Fiscal 2015 to Rs. 2,444.25 lakh in Fiscal 2016. This increase was mainly attributable to increase in working capital borrowings.

Depreciation and amortisation expense: Depreciation and amortisation expenses increased by Rs. 80.90 lakh or 4.98% from Rs. 1,624.62 lakh for Fiscal 2015 to Rs. 1,705.52 lakh for Fiscal 2016. This was primarily on account of additional capital expenditure incurred at our facilities. Depreciation and amortisation charges represented 3.46% and 2.87% of our total income for Fiscal 2016 and 2015, respectively.

Research and development expense: Research and development expenses decreased by Rs. 37.81 lakh or 15.25% from Rs. 247.89 lakh in Fiscal 2015 to Rs. 210.08 lakh in Fiscal 2016. This was primarily on account of capitalisation of development expenses amounting to Rs. 177. 53 lakh. Research and development charges represented 0.43% and 0.44% of our total income for Fiscal 2016 and 2015, respectively.

Other expenses: Our other expenses decreased by Rs. 824.94 lakh, or 5.14%, from Rs. 16,054.35 lakh in Fiscal 2015 to Rs. 15,229.41 lakh in Fiscal 2016. The overall decrease was principally due to decrease in provisioning and power and fuel costs. As a percentage of total income, our other expenses increased from 28.33% in Fiscal 2015 to 30.85% in Fiscal 2016.

Exceptional items: Exceptional item of Rs. 454.73 lakh in Fiscal 2016 represents short receipt of settlement received from the insurance company as a result of a fire which occurred in Fiscal 2014.

Tax expenses: Our tax expense for Fiscal 2016 was Rs. 1,419.84 lakh on a consolidated basis as against the net tax credit of Rs. 220.79 lakh for Fiscal 2015. The tax benefit during Fiscal 2015 was on account of an extraordinary tax credit available to CFS Europe S.p.A till Fiscal 2015.

Cash Flows

The table below sets forth our cash flows for the periods indicated:

(*In Rs. lakh*)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net cash flow from/ (used in) operating activities	(5861.54)	7157.24	4,625.51
Net cash flow from /(used in) used in investing activities	(7874.09)	(6,577.87)	(2,628.32)
Net cash flow from/ (used in) financing activities	13,643.78	(675.92)	(1,547.70)
Net increase / (decrease) in cash and cash equivalents	(91.85)	(96.55)	449.49

Operating activities

Net cash used in operating activities was Rs. 5861.54 lakh (after deducting direct taxes paid of Rs. 1,070.12 lakh) for Fiscal 2017 while our net loss before exceptional & taxation was Rs. 428.49 lakh. We had an operating profit before working capital changes of Rs. 4,238.65 lakh. The net loss before taxation and operating profit before working capital changes was primarily on account of increase in depreciation/ amortisation on fixed assets, foreign exchange loss, provision for doubtful debts and finance costs. Our working capital adjustments to our cash generated from operating activities for Fiscal 2017 primarily included an increase in inventories of Rs. 2,448.01 lakh, increase in trade receivables of Rs. 4,282.27 lakh, increase in trade payables of Rs. 1,603.49 lakh, increase in long term loans and advances of 395.94 lakh, decrease in other payables of Rs. 32.94 lakh and decrease in other receivables of Rs. 267.42 lakh.

Net cash generated from operating activities was Rs. 7,157.24 lakh (after deducting direct taxes paid of Rs. 1,219.85 lakh) for Fiscal 2016 while our net profit before exceptional & taxation was Rs. 5,456.57 lakh. We had an operating profit before working capital changes of Rs. 9,891.14 lakh. The difference in net profit before taxation and operating profit before working capital changes was primarily on account of adjustments made for depreciation on fixed assets of Rs. 1,705.52 lakh, finance costs of Rs. 2,444.25 lakh, provision of doubtful debts (net) of Rs. 94.75 lakh, provision for leave encashment of Rs. 127.28 lakh, loss on sale of fixed assets of Rs. 30.11 lakh which were marginally offset by interest/dividend received of Rs. 128.12 lakh, foreign exchange loss of Rs. 169.30 lakh and amortised deferred employee compensation expenses of Rs. 8.52 lakh. Our working capital adjustments to our cash generated from operating activities for Fiscal 2016 primarily included an increase in inventories of Rs. 3,690.47 lakh, decrease in trade receivables of Rs. 3673.30 lakh, decrease in trade payables of Rs. 1267.56 lakh, increase in long term loans and advances of 34.49 lakh, increase in other payables of Rs. 82.73 lakh and increase in other receivables of Rs. 343.54 lakh.

Net cash generated from operating activities was Rs. 4,625.51 lakh (after deducting direct taxes paid of Rs. 1,088.24 lakh) for Fiscal 2015 while our net profit before taxation was Rs. 5,247.83 lakh. We had an operating profit before working capital changes of Rs. 9,974.09 lakh. The difference in net profit before taxation and operating profit before working capital changes was primarily on account of adjustments made for depreciation on fixed assets of Rs. 1,624.62 lakh, interest expenses of Rs. 2,382.46 lakh, provision of doubtful debts (net) of Rs. 876.93 lakh which were offset by a foreign exchange gain of Rs. 263.16 lakh, profit on sale of fixed assets of Rs. 47.62 lakh and interest/dividend received of Rs. 142.89 lakh. Our working capital adjustments to our cash generated from operating activities for Fiscal 2015 primarily included an increase in inventories of Rs. 2,717.67 lakh, increase in trade receivables of Rs. 1,902.29 lakh, increase in trade payables of Rs. 733.75 lakh, decrease in other payables of Rs. 136.11 lakh.

Cash flow from investing activities

Net cash used in investing activities was Rs. 7,874.09 lakh for Fiscal 2017, primarily consisting of purchase of fixed assets of Rs. 2,987.98 lakh, acquisition of subsidiaries of Rs. 3,898.01 lakh, purchase of investments (net) of Rs. 1,107.02 lakh.

Net cash used in investing activities was Rs. 6,577.87 lakh for Fiscal 2016, consisting of purchase of fixed assets of Rs. 6,708.12 lakh which was marginally offset by interest received of Rs. 128.12 lakh and sale of fixed assets of Rs. 2.13 lakh.

Net cash used in investing activities was Rs. 2,628.32 lakh for the Fiscal 2015, consisting of purchase of fixed assets of Rs. 2,824.86 lakh and which was marginally offset by interest and dividend received of Rs. 141.78 lakh and Rs. 0.03 lakh respectively and sale of fixed assets of Rs. 54.73 lakh.

Cash flow from financing activities

Net cash generated from financing activities was Rs. 13,643.78 lakh for Fiscal 2017, consisting of proceeds from borrowings (net of repayments) of Rs. 8,727.58 lakh, fresh term loan of Rs. 4,164.96 lakh, proceeds from issue of share capital of Rs. 5,759.74 lakh, maturity of margin fixed deposit of 32.23 lakh, which was partially offset by interest paid of Rs. 2,949.33 lakh, repayment of term loan amounting to Rs. 1,532.47 lakh, dividend and tax on dividend paid amounting to Rs. 464.39 lakh and Rs. 94.54 lakh, respectively.

Net cash used from financing activities was Rs. 675.92 lakh for Fiscal 2016, consisting of proceeds from borrowings (net of repayments) of Rs. 2,475.12 lakh, fresh term loan of Rs. 521.00 lakh, proceeds from issue of share capital of Rs. 270.77 lakh, interest paid of Rs. 2423.37 lakh and receipt of loans and advances of Rs. 10.73 lakh which was partially offset by repayment of term loan amounting to Rs. 955.00 lakh, investment in margin fixed deposit of 54.38 lakh, dividend and tax on dividend paid amounting to Rs. 432.69 lakh and Rs. 88.10 lakh, respectively.

Net cash used from financing activities was Rs. 1,547.70 lakh for Fiscal 2015, consisting of interest paid amounting to Rs. 2,436.82 lakh, dividend paid and tax on dividend of Rs. 335.97 lakh and Rs. 56.65 lakh respectively which was partially offset by proceeds from borrowings (net of repayments) of Rs. 1,010.76 lakh, proceeds from issue of share capital of Rs. 134.04 lakh, maturity of margin fixed deposit amounting to Rs. 110.21 lakh and movement in loans and advances of Rs. 26.73 lakh.

Indebtedness

Our total consolidated indebtedness as of March 31, 2017, is set out below:

(*Rs. in lakh*)

Particulars	Fiscal 2017
Short term debt:	
- Secured	23,298.07
- Unsecured	-
Long-term debt (including current maturities)	
- Secured	6,095.93
- Unsecured	-
Total	**29,394.00**

Contingent liabilities and commitments

As at March 31, 2017 we had the following contingent liabilities and commitments:

(*Rs. in lakh*)

Particulars	Fiscal 2017
Commitments:	
- Value of contracts (net of advance) remaining to be executed on capital account not provided for	725.00
Contingent liabilities:	
- Bills of exchange / cheque discounted with the bankers	3,746.72
- In respect of bank guarantees issued to VAT, excise and customs authorities	393.26
- In respect of VAT/CST matter	732.44

Off-balance sheet arrangements

We do not have any off-balance sheet arrangements or relationships with unconsolidated entities that have been established for the purpose of facilitating off-balance sheet arrangements.

Interest Service Coverage Ratio

The following table details the Company's interest coverage ratio as per its audited standalone financial statements as of March 31, 2017, 2016 and 2015:

(*In Rs. lakh*)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Profit for the year	3.70	2,575.22	2,581.76
Interest Expense*	2,583.32	2,182.93	2,115.11
Interest Coverage Ratio**	1.45	2.85	2.69

**Finance Costs as per Profit & Loss Statement is considered Interest Expense. This will include loan processing charges.*
*** Interest Coverage Ratio = Profit for the year plus finance costs plus depreciation and amortization divided by finance cost*

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including exchange rate risk, interest rate risk, inflation risk and commodity price risk. We are exposed to exchange rate risk, interest rate risk, inflation risk and commodity price risk in the normal course of our business.

Exchange Rate Risk

We face exchange rate risk because a significant portion of our revenues, expenditure and certain of our obligations are denominated in foreign currencies. Some of our assets and liabilities are also denominated in foreign currencies. While the diversity of our business and operations provides a natural hedge, exchange rate fluctuations may, in any event, affect the amount of income and expenditure we realize or our ability to service debt repayments in a foreign currency. See "*Risk Factors – Volatility in exchange rate fluctuations may adversely affect our results of operations.*" on page 42.

Interest Rate Risk

Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations.

Inflation Risk

India has experienced inflation in the past, which has historically contributed to an increase in interest rates, adversely affecting both our sales and margins.

Commodity Price Risk

As a chemical manufacturer, we are exposed to the risk that prices for raw materials used to manufacture our products will increase. These materials are linked to global commodities and their prices are cyclical in nature and fluctuate in accordance with global market conditions. See "Risk Factors – *The competitive nature of our markets may delay or prevent us from passing increases in raw material costs on to our customers. In addition, certain of our suppliers may be unable to deliver products or raw materials or may withdraw from contractual arrangements. The occurrence of either event could adversely affect our results of operations.*" on page 38.

Unusual or Infrequent Events or Transactions

To our knowledge, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

Known Trends or Uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "*Significant Factors Affecting Our Results of Operations and Financial Condition*" and the uncertainties described in the section "*Risk Factors*" on pages 89 and 35, respectively. To our knowledge, except as disclosed in this Placement Document, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described in "Risk Factors" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. See "*Risk Factors*" and "*Business*" on pages 35 and 75, respectively.

Changes in accounting policies during last three years and their effect on the profits and reserves of the Company

There are no changes in accounting policies during last three years.

Material developments after March 31, 2017 which could affect future results of operations

CFS Wanglong Acquisition

CFS Europe and our Company have acquired 51% shareholding in CFS Wanglong from Ningbo Wanglong Technology Limited pursuant to a share purchase agreement dated April 28, 2017 and an addendum thereof, for a consideration of USD 6.28 million. For details, see "*Business – Our Recent Acquisitions*" on page 80.

Supply agreement with Lockheed Martin Advanced Energy Storage

Our Company has entered into a preferred supply agreement on November 15, 2017 with Lockheed Martin Advanced Energy Storage, USA, in relation to supply of speciality chemicals for a term which shall be valid through December 31, 2025.

Consolidated Reviewed Financial Results

The Company has disclosed to the Stock Exchanges its Consolidated Reviewed Financial Results which have been prepared by our Company pursuant to the requirements of Regulation 33 of the SEBI Listing Regulations. Our Company has adopted Ind AS as notified under the Companies Act with effect from April 1, 2017, and accordingly, our financial results as of and for the quarter and six month period ended September 30, 2017 and their respective comparable period have been prepared in accordance with Ind AS and the Companies Act. See "*Financial Information*" on page 155 for the financial results for the quarter and six- month period ended September 30, 2017 along with their respective comparable period and a reconciliation statement of net profit and equity for the quarter and half year ended September 30, 2016 reported as per Indian GAAP to profit and equity as per Ind AS.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The Audited Consolidated Financial Statements have been prepared and presented in accordance with Indian GAAP. With effect from April 1, 2017, Ind AS have become applicable to the Company. Certain differences exist between Indian GAAP and Ind AS which might be material to the financial information herein. The matters described below summarize certain differences between Indian GAAP and Ind AS that may be material. Such comparative statement has been included for illustrative purposes only and does not imply that all such differences apply, or will apply, to the manner in which our financial statements are prepared and presented under Ind AS or otherwise. No assurance is provided that the following summary of differences between Indian GAAP and Ind AS is complete. In making an investment decision, investors must rely upon their own examination of the Company, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and Ind AS, and how those differences might affect the financial information herein.

Sr. No.	Particulars	Indian GAAP	Ind AS
1	Presentation of financial statements	Financial statements in relation to a Company includes: 1. Balance sheet as at the end of the financial year; 2. Profit & loss account for the financial year; 3. Cash flow statement for the financial year; 4. Explanatory notes annexed to, or forming part of, any document referred to above.	A complete set of financial statements under Ind As comprises: 1. Balance sheet as at the end of the financial year; 2. Statement of profit & loss with profit or loss and other comprehensive income presented in two sections; 3. Statement of changes in equity; 4. Statement of cash flows for the financial year; 5. Notes comprising significant accounting policies and other explanatory information.
	Comparative figures	Comparative figures are presented for one year as per the requirements of Schedule III.	Comparative figures are presented for minimum one year. However, when a change in accounting policy has been applied retrospectively or items in financial statements have been restated / reclassified which has an impact beyond the comparative period, a balance sheet is required as at the beginning of the earliest reporting period.
	Formats for presentation of financial statements	Schedule III of the Companies Act, 2013 prescribes the minimum requirements for disclosure on the face of	Ind AS 1 does not prescribe any rigid format for presentation of financial statements. However, it specifies the

Sr. No.	Particulars	Indian GAAP	Ind AS
		the balance sheet and profit and loss account and notes.	line items to be presented in the balance sheet, statement of profit and loss and statement of changes in equity. Ind AS 7 provides guidance on the line items to be presented in the cash flow statement. In addition to the above, Ind AS compliant Schedule III of the Companies Act, 2013 prescribes the format for presentation of balance sheet and statement of profit and loss which companies need to follow.
	Statement of Other Comprehensive Income ("OCI")	No concept of Other Comprehensive Income prevails.	Among other items, the components of other comprehensive income includes: 1. Changes in revaluation surplus; 2. Foreign exchange translation differences; 3. Re-measurements of post-employment benefit obligations; 4. Gains or losses arising on fair valuation of financial assets; 5. Share of other comprehensive income of associates accounted using equity method; 6. Foreign currency exchange gains and losses arising on translation of foreign operations. These components are grouped into those that: (a) Will not be classified subsequently to profit and loss; (b) Will be classified subsequently to profit and loss when specific conditions are met.

Sr. No.	Particulars	Indian GAAP	Ind AS
	Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period.	Presentation of any items of income or expense as extraordinary is prohibited.
	Disclosure of critical judgements and capital disclosures	There is no such requirement in AS 1 or Schedule III.	Ind AS 1 requires disclosure of critical judgements made by the management in applying accounting policies and key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. It also requires disclosure of information that enables the users of financial statements to evaluate an entity's objectives, policies and processes for managing capital.
2	First time adoption	There is no specific standard dealing with the preparation of first Indian GAAP financial statements.	Ind AS 101 gives detailed guidance on preparation of the first Ind AS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exemptions/voluntary exemptions from full retrospective application.
3	Dividend adjustment	Schedule III requires disclosure of proposed dividend in the notes to accounts. However, as per the requirements of AS 4 which override the provisions of Schedule III, dividends stated to be in respect of the period covered by the financial statements, which are proposed or declared after the balance sheet date but before approval of the financial statements will have to be recorded as a provision. On 30 March 2016, the Ministry of Corporate Affairs issued the Companies (Accounting Standards)	Liability for dividends declared to holders of equity instruments is recognised in the period when declared. It is a non- adjusting event.

Sr. No.	Particulars	Indian GAAP	Ind AS
		Amendment Rules, 2016, and amended Accounting Standard 4, Contingencies and Events Occurring After the Balance Sheet Date with effect from April 1, 2016 to require that provision for proposed dividend shall be accounted in the financial statements, only when approved by shareholders.	
4	Inventories	No specific guidance in AS 2 for reversal of inventory write-downs. However, reversals may be permitted as AS 5 requires this to be disclosed as a separate line item in the statement of profit and loss.	Write-down of inventory is reversed if circumstances that previously caused inventories to be written down below cost no longer exist or where there is clear evidence of increase in net realizable value because of a change in economic conditions. The amount of reversal is limited to the amount of original write-down.
5	Property, Plant and Equipment	For accounting periods beginning April 1, 2016; Company has an option to select either 'Cost Model' or 'Revaluation Model' for an entire class of assets. Under Cost Model, an asset is carried at cost less accumulated depreciation and accumulated impairment losses. Under the Revaluation Model, an asset is carried at the revalued amount, which is the fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. For periods up to March 31, 2016, historical cost is used. Revaluations are permitted, however, no requirement on frequency of revaluation.	If an entity adopts the revaluation model, revaluations are required to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Ind AS mandates entire class of assets to be revalued. An entity can continue using Indian GAAP carrying value of all its Property, plant and equipment at deemed cost at transition date.
	Component Accounting	From Fiscals commencing on or after 1 April 2015, Schedule II mandates fixed assets to be componentised. Also, Component accounting mandatory from 01/04/2016 as per revised AS 10 issued by Ministry of Corporate Affairs (MCA).	Component Accounting: The Entity shall be required to divide the cost of an asset among its' significant parts, if their useful lives are different from that of the asset, and depreciate them separately.
	Replacement cost	Replacement cost of an item of property, plant and	Replacement cost of an item of property, plant and

Sr. No.	Particulars	Indian GAAP	Ind AS
		equipment is generally expensed when incurred. Only expenditure that increases the future benefits from the existing asset beyond its previously assessed standard of performance is capitalised. From Fiscals commencing on or after 1 April 2015, Schedule II mandates fixed assets to be componentised and therefore, the position will be similar to that under Ind AS.	equipment is capitalised if replacement meets the asset recognition criteria. Carrying amount of items replaced is derecognised.
6	Intangible Assets	AS 26 define Intangible assets as 'an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to other, or for administrative purposes'. Intangible assets are measured only at cost.	Ind AS 38 define Intangible assets as 'an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost or revalued amounts.
	Amortisation of intangible assets	The depreciable amount of intangible assets is allocated on a systematic basis over its useful life. There is rebuttable presumption that the useful life of an intangible asset will not exceed ten years from date when the asset is available for use.	The depreciable amount of intangible assets with a finite life is allocated on a systematic basis over its useful life.
	Impairment of intangible assets	Goodwill and other intangibles are tested for impairment only when there is an indication that they may be impaired.	Goodwill, intangible asset not yet available for use and indefinite life intangible assets are required to be tested for impairment at least on an annual basis or earlier if there is an impairment indication.
7	Revenue definition	Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities. Revenue is measured by the charges made to customers for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them. Revenue is disclosed net of excise duty.	Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

Sr. No.	Particulars	Indian GAAP	Ind AS
	Revenue measurement	Revenue is recognised at the nominal amount of consideration receivable.	Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognised as interest revenue using the effective interest method. Any sales incentive, discounts or rebates in any form, including cash discount given to customers will be considered as selling price reductions and accounted as reduction from revenue. Excise duty is not netted from revenue but shown as a part of cost of raw material consumed.
	Revenue recognition	Revenue from sale of goods is recognised when the seller of goods has transferred to the buyer the property in the goods for a price or all significant risks and rewards of ownership have been transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership; and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods.	Revenue from the sale of goods shall be recognized when all the following conditions have been satisfied: (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods; (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of revenue can be measured reliably; (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.
8	Foreign exchange differences	Foreign currency is a currency other than the reporting currency which is	Functional currency is the currency of the primary economic environment in

Sr. No.	Particulars	Indian GAAP	Ind AS
		the currency in which financial statements are presented. There is no specific concept of functional currency under Indian GAAP.	which the entity operates. Foreign currency is a currency other than the functional currency. Foreign currency is any currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India that are applicable to our business. The information detailed below has been obtained from various legislations, including rules, regulations and bylaws that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The Food Safety and Standards Act, 2006 ("FSSA") and the Food Safety and Standards Rules, 2011 ("FSS Rules")

The FSSA provides for the establishment of the "Food Safety and Standards Authority of India" (the "**Food Authority**"), which establishes food safety standards for the manufacture, processing, packaging storage, distribution, sale and import of food. It is also required to provide scientific advice and technical support to the Government of India and Indian state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets forth requirements relating to the license and registration of food businesses, general principles for food safety, responsibilities of food business operators and liability of manufacturers and sellers, and provides for adjudication of such issues by the Food Safety Appellate Tribunal. In exercise of powers under the FSSA, the Food Authority has framed FSS Rules. The FSS Rules provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of 'commissioner of food safety', 'food safety officer' and 'food analyst' and procedures of taking extracts, seizure, sampling and analysis. The Food Authority has also framed various food safety and standards regulations in relation to various food products and additives.

The Legal Metrology Act, 2009

The Legal Metrology Act 2009 ("**Legal Metrology Act"**) replaces the Standard Weights and Measures Act, 1976. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; and (c) more stringent punishment for violation of provisions.

Bureau of Indian Standards Act, 1986

The Bureau of Indian Standards Act, 1986 ("**BIS**") provides for the establishment of bureau for the standardisation, marking and quality certification of goods. The BIS provides for the functions of the bureau which include, among others (a) recognise as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the Bureau of Indian Standards Certification Mark to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

Narcotic Drugs and Psychotropic Substances Act, 1985

The Narcotic Drugs and Psychotropic Substances Act, 1985 ("**NDPS**") makes stringent provisions for the control and regulation of operations relating to narcotic drugs and psychotropic substances, to provide for the forfeiture of property derived from, or used in, illicit traffic of narcotic drugs and psychotropic substances and to implement the provisions of the International Convention on Narcotic Drugs and Psychotropic Substances. The NDPS authorises the Central Government to take all such measures as it deems necessary or expedient for the purpose of preventing and combating abuse of narcotic drugs and psychotropic substances. The NDPS prohibits the production, manufacture, possession, sale, purchase, transportation, warehousing, usage, consumption, import or export of any narcotic drug or psychotropic substance, except for medical or scientific purposes as provided.

The Narcotic Drugs and Psychotropic Substances (Amendment) Act, 2014 ("**Amendment**") broaden the object of the NDPS from containing illicit use to also promoting the medical and scientific use of narcotic drugs and psychotropic substances. Further, they allow for management of drug dependence, thereby legitimising opioid substitution, maintenance and other harm reduction services. The Amendment allows for instituting evidence based and human rights compliant standards for drug treatment facilities, whether public or private, significantly impacting the health and rights of people who use drugs.

Poisons Act, 1919

The Poisons Act, 1919 (the "**PA Act**") restricts the use of poisons. It empowers the Central Government to prohibit the importation into India across any customs frontier defined by the Central Government of any specified poison and regulates the grant of licenses. The PA Act provides for penalty including fines and/ or imprisonment for contravention of its provisions.

Environmental laws

The three major statutes in India, which regulate and protect the environment against pollution are the Environment Protection Act, 1986, as amended, the Water (Prevention and Control of Pollution) Act, 1974, as amended (the "**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981, as amended (the "**Air Act**"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been established at the Central level and in each State. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories which are likely to emit air pollutants and discharge sewage and trade effluents, are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down. These are required to be renewed periodically. The Air Act lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. The Water Act was enacted to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water.

In addition to the above, our Company is also required to comply at all times with the provisions of various other environmental laws, rules and regulations including the Hazardous Wastes (Management and Transboundary Movement) Rules, 2016, the Maharashtra Factories (Control of Industrial Major Accident Hazards) Rules, 2003, the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989, the Chemical Accidents (Emergency Planning Preparedness and Response) Rules, 1996, the Bio-Medical Waste (Management and Handling) Rules, 1998.

The Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the "**PLI Act**") imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

Intellectual Property Legislations

Intellectual property in India enjoys protection under both common law and statute. Under statute, India provides for the patent protection under the Patents Act, 1970, as amended (the "**Patents Act**"). The Patents Act governs the patent regime in India and recognises process patents as well as product patents. The form and manner of application for patents is set out under Chapter III and Chapter VIII deals with the grant of patents. Patents obtained in India are valid for a period of 20 years from the date of filing the application. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Trademark protection is provided under the Trade Marks Act, 1999, as amended (the "**Trade Marks Act**"). The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. It prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. Once a mark it registered, it is valid in India only, for a period of ten years and can be renewed from time to time in perpetuity. In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. Certification marks and collective marks can also be registered under the Trademarks Act. Trademarks are granted to marks capable of being represented graphically and which are capable of distinguishing the goods or services of one person from those of others. While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner. Registered trademarks may be protected by means of an action for infringement and unregistered trademarks may only be protected by means of the common law remedy of passing off.

In May 2016, the cabinet of the Government of India has approved the Intellectual Property Rights Policy, which makes the Department of Industrial Promotion and Policy the agency in charge of regulating intellectual property rights in the country. The Intellectual Property Rights Policy is aimed at simplifying and speeding up the process of registration.

Factories Act, 1948

The Factories Act, 1948, as amended (the "**Factories Act**"), defines a 'factory' to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and covers any premises where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the 'occupier' of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Shops and establishments legislation

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. The Bombay Shops and Establishments Act, 1948, as amended, is applicable to shops and commercial establishments in Maharashtra.

Labour laws

We are subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of our Company. The Industrial Disputes Act, 1947, as amended, provides for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person. In our manufacturing facilities, our Company uses the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20 in respect of each facility. Accordingly, our Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "**CLRA Act**"), and the rules framed thereunder which requires our Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

Our Company is subject to other laws concerning condition of working, benefit and welfare of our labourers and employees such as the Industrial Employment (Standing Orders) Act, 1946, as amended, the Public Liability Insurance Act, 1991, as amended, the Employees State Insurance Act 1948, as amended, the Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended, the Trade Union Act, 1926, as amended, the Payment of Gratuity Act, 1972, as amended, the Payment of Bonus Act, 1965, as amended, the Minimum Wages Act, 1948, as amended, the Payment of Wages Act, 1936, as amended and the Equal Remuneration Act, 1976, as amended.

Importer Exporter Code

The main objective of the Foreign Trade (Development and Regulation) Act, 1992 as amended (the "**FTDR Act**"), is to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. Under the FTDR Act, an importer- exporter code ("**IEC**") granted by the Director General of Foreign Trade is required to be obtained in the event any import or export of the product is envisaged. Failure to obtain the IEC number shall attract penalty under the FTDR Act.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. Our Company is also amenable to various central and state tax laws.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum of Association and Articles of Association of our Company and the requirements of the applicable laws. The Articles of Association set out that the number of Directors in our Company shall be not less than three and not more than 15.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulation. As on date our Company has 11 Directors. Out of the 11 Directors, one is an Executive Directors, four are Non-Executive Director including one woman Director, and six are Independent Directors.

The following table sets forth details regarding the Board at the date of this Placement Document:

Name, Occupation, Term and Nationality	Age	Position	Director Identification Number	Address
Dilip D. Dandekar Occupation: Industrialist Term: Liable to retire by rotation Nationality: Indian	65	Chairman and Non-Executive Director	00846901	6, Govind Sadan, Shivaji Park Road no. 4, Dadar, Mumbai 400 028
Ashish Dandekar Occupation: Business Term: Three years with effect from August 1, 2015 Nationality: Indian	54	Managing Director	01077379	Flat No.9, Concord Apartment, Bullock Road, Bandra (W), Mumbai 400 050
Anagha S. Dandekar* Occupation: Business Term: Until the ensuing annual general meeting Nationality: USA citizen	51	Additional Director	07897205	1885 Camino Mora, Loa Alamos New Mexico 87544, USA
Nirmal V. Momaya Occupation: Business Term: Liable to retire by rotation Nationality: Indian	51	Non-Executive Director	01641934	Horizon View, Flat no. 5, Gen. J. Bhonsle Marg, Mumbai 400 021
Ajit Deshmukh Occupation: Business Term: Liable to retire by rotation Nationality: Indian	48	Non-Executive Director	00203706	Sammarth Krupa, Ram Mandir Road, Vile-Parle (East), Mumbai 400 057

Name, Occupation, Term and Nationality	Age	Position	Director Identification Number	Address
Pramod M. Sapre Occupation: Consultant Term: Five years from August 4, 2014 Nationality: Indian	79	Independent Director	01972457	401 Vaishali Apartment, 15/21 Janki Kutir, Juhu, Mumbai 400 049
Sharad M. Kulkarni Occupation: Business Term: Five years from August 4, 2014 Nationality: Indian	78	Independent Director	00003640	161/A, Twin Towers, V.S.Road, Prabhadevi, Mumbai 400 025
Abeezar E. Faizullabhoy Occupation: Solicitor Term: Five years from August 4, 2014 Nationality: Indian	52	Independent Director	00264422	41, Mereweather Road, Jaiji Mansion, Ground Floor, Mumbai 400 039
Bhargav Patel Occupation: Business Term: Five years from August 4, 2014 Nationality: Indian	53	Independent Director	00318051	Nariman Building, First Floor, 136, Maharshi Karve Road, opposite Cooperage Bus, Mumbai 400 020
Atul R. Pradhan Occupation: Consultant Term: Five years from August 10, 2016 Nationality: Indian	52	Independent Director	00171022	32 Cherrysons, 143-144 St. Cyril Road, Bandra (West), Mumbai 400 050
Nicola Paglietti Occupation: Solicitor Term: Five years from August 10, 2016 Nationality: Italian	52	Independent Director	06904583	Via Italo Panattoni N.93, Rome 00189, Italy

* *Appointed pursuant to the resolution dated August 28, 2017 of the Board, subject to Shareholders' approval.*

Compensation of Directors

The Nomination and Remuneration Committee determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors.

The table below sets forth the details of the remuneration (including sitting fees, salaries, arrears, commission and perquisites) of the existing Directors for the last three Financial Years:

(*in Rs. lakh*)

Name	From April 1, 2017 to September 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Dilip D. Dandekar	20.80	37.15	36.65	33.67
Ashish Dandekar	84.05	185.09	190.45	176.88
Nirmal V. Momaya	4.00	5.00	9.50	4.90
Anagha S. Dandekar	1.00	-	-	-
Ajit Deshmukh	3.00	3.00	9.50	4.90
Pramod M. Sapre	6.10	8.60	14.45	10.08
Sharad M. Kulkarni	7.75	10.00	15.25	7.65
Abeezar E. Faizullabhoy	5.50	8.20	15.95	8.27
Bhargav Patel	5.50	8.25	15.75	7.32
Atul R. Pradhan	4.00	5.25	9.75	5.40
Nicola Paglietti	1.00	2.00	8.75	4.90

Terms and Conditions of employment of the Managing Director

Ashish S. Dandekar

Pursuant to the resolution of the Shareholders' dated August 5, 2015 and agreement dated August 6, 2015 executed between our Company and Ashish S. Dandekar, the remuneration payable to Ashish S. Dandekar from August 1, 2015 to July 31, 2018 is as mentioned below:

Sr. No.	Category	Remuneration
1.	Salary	Rs. 7.81 lakhs per month (entitled to annual increment).
2.	Perquisites	Provident Fund, family pension scheme, superannuation fund, gratuity, encashment of leave including reimbursement of expenses/ allowances for utilities such as rent, gas, electricity, medical reimbursement, leave travel concession, communication facilities, keyman insurance policies, benefit of personal accident insurance scheme.
3.	Commission	To be calculated with reference to the net profit of the Company for a particular Fiscal, subject to compliance with the Companies Act, 2013.

Relationship with other Directors

Dilip D.Dandekar is the paternal uncle of Ashish S. Dandekar and Anagha S. Dandekar. Further, Anagha S. Dandekar is the sister of Ashish S. Dandekar. None of the other Directors on the Board are related to each other.

Borrowing powers of the Board

Our Company has, pursuant to a special resolution dated June 30, 2014, passed under section 180(1)(c) of Companies Act, 2013, authorised the Board of Directors to borrow, from time to time, such sum of monies which together with monies already borrowed by our Company (other than temporary loan obtained in ordinary course of business) may exceed the aggregate paid-up capital and free reserves of the Company, provided that the total amount so borrowed by the Board shall not exceed Rs. 75,000 lakhs.

Interest of Directors

All of the Directors, other than the Executive Directors, may be deemed to be interested to the extent of fees payable to them for attending Board or Board committee meetings and commission as well as to the extent of reimbursement of expenses payable to them. The Executive Directors may be deemed to be interested to the extent of remuneration paid to him for services rendered as the officer of our Company.

Our Directors may also be regarded as interested in the Equity Shares held by them, if any, or that may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as disclosed in this Placement Document, and except to the extent of shareholding in our Company, our Directors do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

For details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to other related party transactions, see "*Financial Information*" on page 155.

As of September 30, 2017, there were no outstanding transactions other than in the ordinary course of business undertaken by our Company in which the Directors were interested parties.

Except as otherwise stated in this Placement Document, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of the Preliminary Placement Document and until the date of this Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on September 30, 2017, no Director has taken any loans from our Company.

Bonus or profit sharing plan of the Directors

The Company does not have any bonus or profit sharing plan with the Directors.

Shareholding of Directors

As on date of this Placement Document, our Directors held the following number of the Equity Shares:

Names of Directors	Number of Equity Shares held*
Ashish S. Dandekar	1,42,86,150
Nirmal V. Momaya	38,79,890
Dilip D. Dandekar	46,14,320
Anagha S. Dandekar	13,32,800
Pramod M. Sapre	1,84,990
Sharad M. Kulkarni	1,61,400
Abeezar E. Faizullabhoy	1,63,000
Bhargav Patel	1,50,000
Ajit Deshmukh	40

* *Includes Equity Shares jointly held, if any*

Corporate Governance

Our Company has in place processes and systems whereby it complies with the requirements to the corporate governance provided under Listing Regulations. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

Our Company believes that its Board is constituted in compliance with the Companies Act, 2013 and the Listing Regulations. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of Board of Directors

1. Audit Committee

Audit Committee was last reconstituted on January 8, 2009. The terms of reference of this committee were last amended on August 10, 2016. The Audit Committee comprises of four members: Sharad M. Kulkarni, Pramod M. Sapre, Abeezar E. Faizullabhoy, Bhargav Patel. Sharad M. Kulkarni is the Chairman of the Audit Committee.

2. Stakeholders Relationship Committee ("SRC")

SRC was last constituted on May 29, 2014. The terms of reference of this committee were last amended on May 29, 2014. The SRC comprises of three members: Abeezar E. Faizullabhoy, Dilip D. Dandekar, Ashish S. Dandekar. Abeezar E. Faizullabhoy is the chairman of the SRC.

3. Nomination and Remuneration Committee ("NRC")

NRC was last reconstituted on May 12, 2014. The terms of reference of this committee were last amended on May 12, 2014. NRC comprises of four members: Pramod M. Sapre, Sharad M. Kulkarni, Abeezar E. Faizullabhoy, Bhargav Patel. Pramod M. Sapre is the chairman of the NRC.

Key managerial personnel

Our operations are overseen by a professional management team. The following are the key managerial personnel of the Company, in addition to our Company's Managing Director, in terms of the Companies Act:

Santosh Parab, Chief Financial Officer

Santosh Parab is the Chief Financial Officer of our Company. He is a fellow member of the Institute of Chartered Accountants of India.

Rahul Sawale, Company Secretary

Rahul Sawale is the Group Company Secretary of our Company. He is an associate member of the Institute of Company Secretaries of India.

Bonus or profit sharing plan of the key managerial personnel

The Company does not have any bonus or profit sharing plan with the key managerial personnel.

Interest of key managerial personnel

None of our key managerial personnel has been paid any consideration of any nature from our Company, other than their remuneration. Except to the interest of their shareholding in the Company, our key managerial personnel do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interest of other persons.

Payment or Benefit to Officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any other benefit upon termination of his/her employment in our Company.

Shareholding of our Company's key managerial personnel

As on date of this Placement Document, the key managerial personnel of the Company holding Equity Shares in the Company are as mentioned below:

Sl. No.	Name of the Key Managerial Personnel	No. of Shares held by them(1)
1.	Ashish S. Dandekar	1,42,86,150
2.	Rahul Sawale	10,000
3.	Santosh Parab	994

(1) Includes Equity Shares jointly held, if any

Other Confirmations

Except to the extent of shareholding of the Promoters in the Company, none of the Promoters of our Company has any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals, see "*Financial Information*" on page 155.

Employee Stock Option Schemes

Our Company has formulated three employee stock option schemes namely ("**ESOP Schemes**"); (i) Camlin Fine Sciences Employees Stock Option Scheme, 2008 ("**ESOP 2008**") pursuant to a special resolution passed by the shareholders of the Company on August 8, 2008; (ii) Camlin Fine Sciences Employees Stock Option Scheme, 2012 ("**ESOP 2012**") pursuant to a special resolution passed by the shareholders of the Company on August 1, 2012; and (iii) Camlin Fine Sciences Employees Stock Option Scheme, 2014 ("**ESOP 2014**") pursuant to a special resolution passed by the shareholders of the Company on August 4, 2014. The purpose of the ESOP Schemes is to provide the employees with an additional incentive in the form of options to receive the Equity Shares of the Company at a future date. The ESOPs are aimed to reward employees of our Company for their continuous hard work, dedication and support.

All options have been granted, vested, exercised or lapsed/forfeited under ESOP 2008 and ESOP 2012.

Details with respect to ESOP 2014 as on date of this Placement Document are provided in the table below:

Sl. No.	Particulars	Number of Equity Shares/ Options
1.	Total number of options outstanding at the beginning of the year	6,75,760
2.	Total number of options granted under ESOP 2014 during the year	-
3.	Options vested	-
4.	Options exercised	1,28,625
5.	Options lapsed or forfeited	-
6.	Total number of options outstanding	5,47,135
7.	Total number of options available for grant	Nil

PRINCIPAL SHAREHOLDERS AND OTHER INFORMATION

The following table presents information regarding the ownership of Equity Shares by the Shareholders as of September 30, 2017:

Summary statement holding of Equity Shares

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of equity shares held in dematerialised form
(A) Promoter & Promoter Group	12	4,24,25,819	4,24,25,819	40.88	4,24,25,819
(B) Public	29,755	6,13,59,876	6,13,59,876	59.12	5,88,74,176
(C1) Shares underlying DRs				0.00	
(C2) Shares held by Employee Trust				0.00	
(C) Non Promoter-Non Public				0.00	
Grand Total	29,767	10,37,85,695	10,37,85,695	100.00	10,12,99,995

Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of equity shares held in dematerialised form
A1) Indian				0.00	
Individuals/Hindu undivided Family	8	31,320,169	31,320,169	30.67	31,829,719
Vivek A. Dandekar		5,573,937	5,573,937	5.37	5,573,937
Subhash Digambar Dandekar		848,000	848,000	0.82	848,000
S D Dandekar (HUF)		968,000	968,000	0.93	968,000
Rajani Subhash Dandekar		524,800	524,800	0.51	524,800
Leena Ashish Dandekar		3,696,495	3,696,495	3.56	3,696,495
D P Dandekar (HUF)		1,008,000	1,008,000	0.97	1,008,000
Ashish Subhash Dandekar		13,636,550	13,636,550	13.14	13,636,550
Abha A. Dandekar		5,573,937	5,573,937	5.37	5,573,937
Any Other (specify)			9,423,300	9.08	9,423,300
Vibha Agencies Pvt. Ltd.	1	2,606,340	2,606,340	2.51	2,606,340
Camart Agencies Ltd	1	5,319,360	5,319,360	5.13	5,319,360
Cafco Consultants Limited	1	1,497,600	1,497,600	1.44	1,497,600
Sub Total A1	11	41,253,019	41,253,019	39.75	41,253,019 89
A2) Foreign				0.00	
Individuals (NonResident Individuals/ Foreign Individuals)	1	1,172,800	1,172,800	1.13	1,172,800
Anagha S. Dandekar		1,172,800	1,172,800	1.13	1,172,800
Sub Total A2	1	1,172,800	1,172,800	1.13	1,172,800
A=A1+A2	12	42,425,819	42,425,819	40.88	42,425,819

Statement showing shareholding pattern of the Public shareholder

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting Right	Number of equity shares held in dematerialised form(Not Applicable)
B1) Institutions	0	0		0.00		0.00	
Mutual Funds/	8	6,849,798	6,849,798	6.60	6,849,798	6.60	6,849,798
ICICI Prudential Multicap Fund	1	3,559,603	3,559,603	3.43	3,559,603	3.43	3,559,603
SBI Magnum Comma Fund	1	1,100,001	1,100,001	1.06	1,100,001	1.06	1,100,001
Foreign Portfolio Investors	12	2,639,119	2,639,119	2.54	2,639,119	2.54	2,639,119
India Capital Fund Limited	1	1,206,656	1.16	1,206,656	1,206,656	1.16	1,206,656
Financial Institutions/ Banks	6	119,083	119,083	0.11	119,083	0.11	1,16,083
Any Other (specify)	1	1,300	1,300	0.00	1,300	0.00	1,300
Sub Total B1	27	9,609,300	9,609,300	9.26	9,609,300	9.26	9,609,300
B2) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00	
B3) Non-Institutions	0	0		0.00		0.00	
Individual share capital upto Rs. 2 Lacs	27,383	24,872,214	24,872,214	23.96	24,872,214	23.96	22,391,514
Individual share capital in excess of Rs. 2 Lacs	7	3,131,350	3,131,350	3.02	3,131,350	3.02	31,31,350
Any Other (specify)	2338	23,747,012	23,747,012	22.88	23,747,012	22.88	23,747,012
Foreign Individuals	612	1,037,115	1,037,115	1.00	1,037,115	1.00	1,035,115
HUF	843	1,178,569	1,178,569	1.14	1,178,569	1.14	1,178,569
Clearing Members	444	2,808,094	2,808,094	2.71	2,808,094	2.71	2,808,094
Bodies Corporate	421	9,117,994	9,117,994	8.79	9,117,994	8.79	9,117,994
Director or Director's Relatives	18	9,605,240	9,605,240	9.25	9,605,240	9.25	9,605,240
Dilip Digambar Dandekar	1	1,211,200	1,211,200	1.17	1,211,200	1.17	1,211,200
Aditi Dilip Dandekar	1	1,129,600	1,129,600	1.09	1,129,600	1.09	1,129,600
Ketki Dilip Dandekar	1	1,129,600	1,129,600	1.09	1,129,600	1.09	1,129,600
Rahul D. Dandekar	1	1,129,600	1,129,600	1.09	1,129,600	1.09	1,129,600
Nirmal V. Momaya	1	3,601,520	3,601,520	3.47	3,601,520	3.47	3,601,520
Nizar Securities LLP	1	1,341,585	1,341,585	1.29	1,341,585	1.29	1,341,585
Sub Total B3	29,728	51,750,576	51,750,576	49.86	51,750,576	49.86	4,92,67,876
B=B1+B2+B3	29755	61,359,876	61,359,876	59.12	61,359,876	59.12	58,874,176

Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders(I)	No. of shareholder(III)	No. of fully paid up equity shares held(IV)	Total no. shares held(VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)(VIII)	Number of equity shares held in dematerialised form(XIV)(Not Applicable)
C1) Custodian/DR Holder	0	0		0.00	
C2) Employee Benefit Trust	0	0		0.00	

Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the company

Sl. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	Nil	Nil	Nil	Nil	Nil

ISSUE PROCEDURE

Below is a summary intended to present a general outline of the procedure relating to the bidding, payment, Allocation and Allotment of the Equity Shares. The procedure followed in this Issue may differ from the one mentioned below and the prospective investors are assumed to have appraised themselves of the same from our Company or the BRLM.

The prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and the BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares. Also see "Selling Restrictions" and "Transfer Restrictions" on pages 132 and 137, respectively.

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, through the mechanism of a QIP wherein a listed company in India may issue and allot equity shares to QIBs on a private placement basis provided *inter alia* that:

- a special resolution approving the QIP is passed by shareholders of the issuer. Such special resolution must specify (a) that the allotment of equity shares is proposed to be made pursuant to a QIP; and (b) the relevant date;

- equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, have been listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;

- the aggregate of the proposed issue and all previous QIPs made by the issuer in the same Fiscal does not exceed five times the net worth (as defined in the SEBI ICDR Regulations) of the issuer as per the audited balance sheet of the previous Fiscal;

- the issuer shall be in compliance with the minimum public shareholding requirements set out in the SCRR;

- the issuer shall have completed allotments with respect to any offer or invitation made earlier by the issuer or shall have withdrawn or abandoned any invitation or offer previously made by the issuer;

- the issuer shall offer to each allottee such number of equity shares in the issue which would aggregate to at least Rs. 20,000 calculated at the face value of the equity shares; and

- at least 10% of the equity shares issued to QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other QIBs.

Bidders are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement for pricing the equity shares offered in a QIP under the SEBI ICDR Regulations. The floor price shall not be less than the average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the two weeks preceding the relevant date. Provided however that an issuer may offer a discount of not more than 5% on the price calculated for the QIP as above, subject to the approval of the shareholders by a special resolution pursuant to Regulation 82(a) of the SEBI ICDR Regulations.

The "Relevant Date" referred to above, means the date of the meeting in which the board of directors or the committee of directors duly authorized by the board of directors decides to open the proposed issue and the "Stock Exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such equity shares has been recorded during the two weeks immediately preceding the relevant date.

Equity shares must be allotted within 12 months from the date of the shareholders resolution approving the QIP and also within 60 days from the date of receipt of application money from the successful applicants. The equity shares issued pursuant to the QIP must be issued on the basis of a placement document that shall contain all material information including the information specified in Schedule XVIII of the SEBI ICDR Regulations and Form PAS- 4.

The preliminary placement document and the placement document are private documents provided to only select QIBs, through serially numbered copies and are required to be placed on the website of the concerned stock exchanges and of the issuer with a disclaimer to the effect that they are in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

Securities allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on a recognised stock exchange in India.

The minimum number of allottees for each QIP shall not be less than:

- Two, where the issue size is less than or equal to Rs. 2,500 million; and
- Five, where the issue size is greater than Rs. 2,500 million.

No single allottee shall be allotted more than 50% of the issue size or less than Rs. 20,000 of face value of Equity Shares. QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee for this purpose.

The issuer shall also make the requisite filings with the RoC, Stock Exchanges, and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Our Company has filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

Our Company has received the in-principle approval of the Stock Exchanges on November 16, 2017 in terms of Regulation 28(1) of the Listing Regulations for the Issue. The Board of directors has authorised the Issue pursuant to a resolution passed at its meeting held on May 19, 2017. The shareholders of our Company have authorised the Issue pursuant to a special resolution dated July 21, 2017, passed by means of postal ballot.

The Equity Shares offered hereby have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the laws of any state of the United States, and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. See "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 132 and page 137, respectively.

Issue Procedure

1. Our Company and the Book Running Lead Managers shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic form or physical form, to QIBs and the Application Form shall be specifically addressed to such QIBs. Pursuant to section 42(7) of the Companies Act, 2013, our Company shall maintain complete record of the QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and with SEBI within the stipulated time period as required under the Companies Act, 2013 and the rules made thereunder.

2. The list of QIBs to whom the Application Form is delivered shall be determined by the Book Running Lead Managers at their sole discretion. **Unless a serially numbered Preliminary Placement Document along with the Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed**

to have been made to such QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such other person and any application that does not comply with this requirement shall be treated as invalid.

3. QIBs may submit the Application Form, including any revisions thereof, during the Bidding Period to the Book Running Lead Managers.

4. Bidders shall submit Bids for, and our Company shall issue and allot to each successful Allottee at least such number of Equity Shares in the Issue which would aggregate to Rs. 20,000 calculated at the face value of the Equity Shares.

5. QIBs will be required to indicate the following in the Application Form:

   (a) name of the QIB to whom Equity Shares are to be Allotted;

   (b) number of Equity Shares Bid for;

   (c) price at which they offer to apply for the Equity Shares provided that QIBs may also indicate that they are agreeable to submit a bid at "Cut-off Price" which shall be any price as may be determined by our Company in consultation with the Book Running Lead Managers at or above the Floor Price, net of such discount as approved in accordance with SEBI ICDR Regulations and decided by the Board as approved in accordance with SEBI ICDR Regulations and decided by the Board. Our Company may offer a discount up to 5% to the Floor Price in accordance with the proviso of Regulation 85(1) of the SEBI ICDR Regulations;

   (d) a representation that it is outside the United States and is acquiring the Equity Shares in an offshore transaction in reliance on Regulation S under the U.S. Securities Act and it has agreed to all the representations set forth in the Application Form; and

   (e) the details of the depository account(s) to which the Equity Shares should be credited.

NOTE**:** *FPIs are required to indicate the SEBI FPI registration number in the Application Form. Each sub-account of an FPI other than a sub-account which is a foreign corporate or a foreign individual will be considered an individual QIB and separate Application Forms would be required from each such sub-account for submitting Bids. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

6. Once a duly filled in Application Form is submitted by the QIB, such Application Form constitutes an irrevocable offer and the same cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after the receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Under the current regulations, the following restrictions are applicable for investments by Mutual Funds: No mutual fund scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

8. Based on the Application Forms received, our Company shall, after closure of the Issue, in consultation with

the Book Running Lead Managers, determine the final terms including the Issue Price and the number of Equity Shares to be issued pursuant to the Issue. We shall notify the Stock Exchanges of the Issue Price. Our Company shall also intimate the Stock Exchanges about the meeting to decide the Issue Price, two working days in advance (excluding the date of the intimation and the date of the meeting). On determining the Issue Price and the QIBs to whom Allocation shall be made, the Book Running Lead Managers, shall on behalf of our Company, send the CANs along with a serially numbered Placement Document to the QIBs who have been Allocated Equity Shares either in electronic form or by physical delivery. The dispatch of the CANs shall be deemed a valid, binding and irrevocable contract for the QIBs to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB, payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIBs.

Following the receipt of the CAN, each QIB would have to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price through electronic transfer to the Escrow Account by the Pay-in Date as specified in the CAN sent to the respective QIB. **Please note that the allocation shall be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers.**

9. No payment shall be made by QIBs in cash. Please note that any payment of application monies for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013.

10. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CAN to the QIBs. Our Company will intimate the details of the Allotment to the Stock Exchanges.

11. After passing the resolution for Allotment, our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the Eligible QIBs.

12. After receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the Depository Participant accounts of the respective QIB in accordance with the details submitted by the QIBs in the Application Forms.

13. Our Company shall then apply to Stock Exchanges for the final trading and listing permission.

14. The Equity Shares that have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approval from Stock Exchanges.

15. Upon receipt of the final listing and trading approval from the Stock Exchanges, our Company shall inform the QIBs who have received Allotment of the receipt of such approval.

16. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approval granted by the Stock Exchanges is also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of Chapter VIII of the SEBI ICDR Regulations are eligible to invest in the Issue. Under Regulation 86(1)(b) of the SEBI ICDR Regulations, no Allotment shall be made, either directly or indirectly, to any QIB who is a Promoter or any person related to the Promoters. Currently QIBs include:

- Alternate investment funds registered with SEBI;
- Eligible FPIs;

- Foreign venture capital investors registered with SEBI;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- Multilateral and bilateral development financial institutions;
- Mutual funds registered with SEBI;
- Pension Funds with minimum corpus of Rs. 250 million;
- Provident Funds with minimum corpus of Rs. 250 million;
- Public financial institutions as defined in section 2(72) of the Companies Act, 2013;
- Scheduled commercial banks;
- State industrial development corporations;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- Venture capital funds registered with SEBI; and
- Systemically Important Non- Banking Financial Company having a net-worth of more than five hundred crore rupees as per the last audited financial statements.

Foreign Portfolio Investors are permitted to participate in the Issue subject to compliance with applicable law and such that the shareholding of the Foreign Portfolio Investors does not exceed specified limits as prescribed under applicable law in this regard.

All non-resident QIBs shall ensure that the investment amount is paid as per RBI's notification no. Notification No. FEMA 20(R)/ 2017-RB dated November 7, 2017, as amended from time to time.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10.00% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of our paid-up Equity Share capital. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company. The existing limit for FPIs in our Company is 24% of the paid-up capital of our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Under Regulation 86(1)(b) of the SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being our Promoter or any person related to our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

(i) Rights under a shareholders' agreement or voting agreement entered into with our Promoter or persons related to our Promoter;

(ii) Veto rights; or

(iii) A right to appoint any nominee director on the Board.

Provided however that a QIB which does not hold any Equity Shares in our Company and who has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be a person related to the Promoter.

Neither our Company nor the Book Running Lead Managers nor any of their respective directors, officers, counsels, advisors, representatives, agents or affiliates are liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Preliminary Placement

Document and this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single Application Form from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document and this Placement Document. Further, QIBs are required to satisfy themselves that any requisite compliance pursuant to this Allotment such as public disclosures under applicable laws is complied with. QIBs are advised to consult their advisers in this regard. Furthermore, QIBs are required to satisfy themselves that their Application Form would not eventually result in triggering a tender offer under the Takeover Regulations.

Note: Affiliates or associates of the Book Running Lead Managers who are QIBs may participate in the Issue subject to compliance with applicable laws.

Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other QIBs.

Bid Process

Application Form

QIBs are permitted to only use the serially numbered Application Forms (which is addressed to the QIB) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including any revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including revisions thereof) for Equity Shares pursuant to the terms of the Preliminary Placement Document, each QIB will be deemed to have made the following representations and warranties, and the representations, warranties, acknowledgements and agreements made under "*Representations by Investors*". The representations listed in this section shall be included in the Application Form:

1. The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI ICDR Regulations and has a valid and existing registration under the applicable laws of India and is eligible to participate in the Issue and is not excluded under Regulation 86 of the SEBI ICDR Regulations;

2. The QIB confirms that it is not a Promoter of our Company and is not a person related to the Promoter of our Company, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or a person related to the Promoter of our Company;

3. The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board of our Company other than such rights acquired in the capacity of a lender (not holding any Equity Shares) which shall not be deemed to be a person related to the Promoters;

4. The QIB acknowledges that it has no right to withdraw its Bid after the Bid/Issue Closing Date;

5. The QIB confirms that if Equity Shares are Allotted pursuant to the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

6. The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The QIB further confirms that its holding of the Equity Shares does not, and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The QIB confirms that the Bids will not eventually result in triggering an open offer under the Takeover Regulations;

8. The QIB confirms that, to the best of its knowledge and belief, together with other QIBs in the Issue that belongs to the same group or are under common control, the Allotment to the QIB shall not exceed 50% of the Issue Size. For the purposes of this statement:

    (a) The expression "belongs to the same group" shall derive meaning from the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act, 1956;

and

(b) "Control" shall have the same meaning as is assigned to it by Clause 1(e) of Regulation 2 of the Takeover Regulations.

9. The QIBs shall not undertake any trade in the Equity Shares credited to its Depository Participant account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges;

10. The QIB acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, your "**Holding**"), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5.00% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the Takeover Regulations. In case such QIB is an existing shareholder who, together with persons acting in concert, holds 5.00% or more of the underlying paid up share capital of, or voting rights in our Company a disclosure will have to be made under the Takeover Regulations in the event of a change of 2% or more in the existing Holding of the QIB and persons acting in concert;

11. The QIB represents that it is outside the United States and is acquiring the Equity Shares in an offshore transaction in reliance on Regulation S under the U.S. Securities Act and it has agreed to certain other representations set forth in the Application Form; and

12. It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of the Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 3, 132 and 137, respectively.

QIBs MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE. IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as an address and a bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by the QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for its share of Allotment (as indicated by the CAN) and becomes a binding contract on the QIB, upon issuance of the CAN by the Issuer in favour of the QIB.

Submission of Application Form

All Application Forms shall be required to be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied. The Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at the following addresses:

Name of the BRLM	Address	Contact Person	Email	Phone
Equirus Capital Private Limited	12th Floor, C Wing, Marathon Futurex, NM Joshi Marg, Lower Parel Mumbai 400 013	Pavan Naik	project.cinnamon @equirus.com	Tel: (91 22) 4332 0600 Fax: (91 22) 4332 0601

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the same.

Permanent Account Number or PAN

Each QIB should mention its Permanent Account Number ("**PAN**") allotted under the IT Act. **The copy of the PAN card is required to be submitted with the Application Form.** Bids without this information will be considered incomplete and is liable to be rejected. It is to be specifically noted that applicant should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build-up of the book

The QIBs shall submit their Bids (including the revision thereof) through the Application Form within the Bidding Period to the Book Running Lead Managers. The book shall be maintained by the Book Running Lead Managers.

Price discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price for the Equity Shares, which shall be at or above the Floor Price. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed the same with Stock Exchanges as this Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VIII of the SEBI ICDR Regulations.

Bids received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Application Form being received at or above the Issue Price.

THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBs. QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASONS FOR SUCH NON-ALLOCATION.

All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the Book Running Lead Managers as per the details provided in the respective CAN.

CAN

Based on the Application Forms received, our Company, in consultation with the Book Running Lead Managers, will, in its sole and absolute discretion, decide the list of QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of the same in their respective names shall be notified to such QIBs. Additionally, the CAN would include details of Escrow Account into which such payments would need to be made, Pay-In Date as well as the probable designated date ("**Designated Date**"), being the date of credit of the Equity Shares to the QIB's account, as applicable to the respective QIBs.

The QIBs who have been Allotted Equity Shares pursuant to the Issue, would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the CAN to the QIB shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the Book Running Lead Managers and our Company and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOCATED / ALLOTTED TO THEM PURSUANT TO THE ISSUE.

Bank Account for the Payment of Bid Money

Our Company has opened an escrow account titled "CFS – QIP 2017 Escrow Account" (the "**Escrow Account**") with the Escrow Bank in terms of the arrangements amongst our Company, the Book Running Lead Managers and (acting as the Escrow Bank). The QIBs will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in their respective CAN.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques are liable to be rejected.

If the payment is not made favouring the Escrow Account within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

In case of cancellations or default by the QIBs, our Company and the Book Running Lead Managers have the right to re-allocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion, subject to the compliance with the requirements of the Companies Act, 2013 and the SEBI ICDR Regulations.

Our Company undertakes to utilise the amount in the Escrow Account only for the purposes of: (i) adjustments against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

Designated Date and Allotment of Equity Shares

1. The Equity Shares will not be Allotted unless the QIBs pay the Issue Price to the Escrow Account as stated above.
2. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN for the QIBs who have paid the aggregate subscription amounts as stipulated in the CAN.
3. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.
4. Our Company reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.
5. Post receipt of the listing approval of the Stock Exchanges, the Issuer shall credit the Equity Shares into the Depository Participant account of the QIBs.
6. Following the Allotment and credit of Equity Shares pursuant to the Issue into the QIBs Depository Participant account, our Company will apply for final listing and trading approval for trading on the Stock Exchanges.
7. In the event our Company is unable to Issue and Allot the Equity Shares or on cancellation of the Issue, within 60 days from the date of receipt of application money, in accordance with section 42 of the Companies Act, 2013 our Company shall repay the application money within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% per annum from expiry of the 60^{th} day. The application money to be refunded by us shall be refunded to the same bank account from which application money was remitted by the QIBs.
8. The Escrow Bank shall release the monies lying to the credit of the Escrow Bank Account to our Company after the receipt of the final listing and trading approval from the Stock Exchanges.

9. In case of QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to Stock Exchanges and Stock Exchanges shall make the same available on their website.

Other Instructions

Our Right to Reject Bids

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reasons whatsoever. The decision of our Company and the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding.

Equity Shares in dematerialised form with NSDL or CDSL

1. The Allotment of the Equity Shares in the Issue shall be only in dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).
2. A QIB applying for Equity Shares must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid.
3. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.
4. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.
5. The trading of the Equity Shares would be in dematerialised form only for all QIBs in the demat segment of BSE.
6. Our Company will not be responsible or liable for the delay in the credit of the Equity Shares due to errors in the Application Forms or on part of the QIBs.

Compliance officer

Rahul Sawale
Group Company Secretary and Compliance Officer
Plot No. F/11 & F/12, WICEL
Opp. Seepz Main Gate, Central Road, Andheri (East)
Mumbai 400093
Tel: (91 22) 6700 1000
Fax: (91 22) 2832 4404
Email: secretarial@camlinfs.com

PLACEMENT AGREEMENT

Placement Agreement

The Book Running Lead Manager has entered into a placement agreement dated November 16, 2017 with our Company (the "**Placement Agreement**"), pursuant to which the Book Running Lead Manager has agreed to manage the Issue and act as placement agent in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis pursuant to Chapter VIII of SEBI ICDR Regulations and the Companies Act, 2013 read with rules thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Manager, and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares issued pursuant to the Issue will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Manager (or their affiliates) may, for its own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager (or its affiliates) may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase Equity Shares and be allocated Equity Shares. See "*Representations by Investors — Off-shore Derivative Instruments (P-Notes)*" on page 7.

From time to time, the Book Running Lead Manager and its affiliates may engage in transactions with and perform services for our Company, Subsidiaries, group companies or affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, Subsidiaries and group companies or affiliates, for which they have received compensation and may in the future receive compensation.

Lock-up

Our Company undertakes that it will not for a period of 45 days from the date of Allotment under the Placement, without the prior written consent of the Book Running Lead Manager, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing, or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Provided that the foregoing restriction shall not apply to an issuance of Equity Shares or options pursuant to any employee stock option scheme formulated by the Company.

Subhash Digambar Dandekar, S. D. Dandekar (HUF), Rajani S. Dandekar, D. P. Dandekar (HUF), Ashish S. Dandekar; Anagha Dandekar, Vibha Agencies Private Limited, Camart Industries Limited and Cafco Consultants Limited, forming part of the Promoter and Promoter Group, severally agree that they shall not without the prior written consent of the Book Running Lead Manager, during the period commencing on the date hereof and ending

90 days after the date of allotment of the Equity Shares (the "**Lock-up Period**"), directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Lock-up Shares, or any securities convertible into or exercisable or exchangeable for Lock-up Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Lock-up Shares or any securities convertible into or exercisable or exchangeable for Lock-up Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Lock-up Shares or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

SELLING RESTRICTIONS

The distribution of the Preliminary Placement Document or this Placement Document or any offering material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of the Preliminary Placement Document or this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. The Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document or this Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 3, 132 and 137.

Australia

The Preliminary Placement Document or this Placement Document is not a disclosure document under Chapter 6D of the Corporations Act 2001 (the "**Australian Corporations Act**"), has not been lodged with the Australian Securities & Investments Commission and does not purport to include the information required of a disclosure document under the Australian Corporations Act. (i) The offer of Equity Shares under the Preliminary Placement Document and this Placement Document is only made to persons to whom it is lawful to offer Equity Shares without disclosure to investors under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in Section 708 of the Australian Corporations Act; (ii) the Preliminary Placement Document and this Placement Document is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Share sold to the offeree within 12 months after their transfer to the offeree under the Preliminary Placement Document and this Placement Document.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. The Preliminary Placement Document and this Placement Document have been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. Our Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and the Preliminary Placement Document or this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, the Preliminary Placement Document or this Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

Cayman Islands

No offer or invitation to purchase Equity Shares may be made to the public in the Cayman Islands.

Dubai International Financial Centre

The Preliminary Placement Document and this Placement Documentrelate to an exempt offer (an "**Exempt Offer**") in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"). The Preliminary Placement Document and this Placement Document are intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers.

The DFSA has not approved the Preliminary Placement Document or this Placement Document nor taken steps to verify the information set out therein, and has no responsibility for it. The Equity Shares to which the Preliminary Placement Document and this Placement Document relate may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Preliminary Placement Document or this Placement Document, you should consult an authorized financial adviser. For the avoidance of doubt, the Equity Shares are not interests in a "fund" or a "collective investment scheme" within the meaning of either the Collective Investment Law (DIFC Law No. 2 of 2010) or the Collective Investment Rules Module of the Dubai Financial Services Authority Rulebook.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") the Equity Shares will not be offered to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of Equity Shares may be made to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Book Running Lead Manager for any such offer; or
- in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of common shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Hong Kong

No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to the Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended; the "FIEL") and the Book has represented and agreed that it will not offer or sell any Equity Shares, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Korea

The Equity Shares have not been and will not be registered under the Financial Investment Business and Capital Markets Act of Korea and none of the Equity Shares may be offered or sold, directly or indirectly, in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its Enforcement Decree) except pursuant to an exemption from the registration requirements of the Financial Investment Business and Capital Markets Act of Korea available thereunder and/or in compliance with applicable laws and regulations of Korea.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of the Preliminary Placement Document and this Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Luxembourg

The Equity Shares offered in the Preliminary Placement Document and this Placement Document may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This document is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Equity Shares. Distribution of the Preliminary Placement Document and this Placement Document to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without prior written consent of the Company, is prohibited.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia pursuant to the Securities Commission Act, 1993 as the offer for purchase of, or invitation to purchase the Equity Shares is meant to qualify as an "excluded offer or excluded invitation" within the meaning of Section 38 of the Securities Commission Act, 1993. The Equity Shares will not be offered, sold, transferred or otherwise disposed, directly or indirectly, nor any document or other material in connection therewith distributed, in Malaysia, other than to persons falling within any one of the categories or person specified in Schedule 2 and/or Schedule 3 of the Securities Commission Act, 1993 who are also persons to whom any offer or invitation to purchase or sell would be an excluded offer or invitation within the meaning of Section 38 of the Securities Commission Act, 1993.

Mauritius

The Equity Shares may not be offered, distributed or sold, directly or indirectly, to the public in Mauritius. Neither the Preliminary Placement Document nor and this Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares, may be released or issued to the public in Mauritius or used in connection with any such offer. The Preliminary Placement Document and this Placement Document do not constitute an offer to sell the Equity Shares to the public in Mauritius. The Preliminary Placement Document or this Placement Document is not a prospectus.

New Zealand

The Preliminary Placement Document or this Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "New Zealand Securities Act"). The Preliminary Placement Document and this Placement Document are being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("Habitual Investors"). By accepting the Preliminary Placement Document and this Placement Document, each investor represents and warrants that if they receive the Preliminary Placement Document or this Placement

Document in New Zealand they are a Habitual Investor and you will not disclose the Preliminary Placement Document or this Placement Document to any person who is not also a Habitual Investor.

Qatar

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. The Preliminary Placement Document and this Placement Document have not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, the Preliminary Placement Document and this Placement Document are strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of the Preliminary Placement Document and this Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the Preliminary Placement Document and this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of the Preliminary Placement Document and this Placement Document, you should consult an authorised financial adviser.

Saudi Arabia

The offer and sale of the Equity Shares will only take place within the Kingdom of Saudi Arabia in accordance with the capital market law, including the "Offer of Securities Regulations" issued thereunder. The Equity Shares will be offered to investors in the Kingdom of Saudi Arabia pursuant to an "exempt offer" as defined in the Offer of Securities Regulations. Prior to any offer of Equity Shares in the Kingdom of Saudi Arabia, the Capital Market Authority will be notified of this offering in accordance with the offer of Securities Regulations. The Equity Shares have not been and will not be approved or disapproved by the Capital Market Authority nor will the Capital Market Authority comment upon the accuracy or adequacy of the Preliminary Placement Document and the Placement Document. Furthermore, the capital market authority takes no responsibility for the accuracy or adequacy of the information contained in the Preliminary Placement Document and this Placement Document.

Singapore

The Preliminary Placement Document and this Placement Document have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Preliminary Placement Document and this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") pursuant to Section 274 of the SFA, (ii) to a relevant person as defined in Section 275(2) of the SFA, pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased pursuant to an offer made in reliance on Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Equity Shares under Section 275 except: (1) to an institutional investor pursuant to Section 274 of the SFA or to a relevant person pursuant to Section 275(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (2) where no consideration is given for the transfer; (3) by operation of law; (4) pursuant to Section 276(7) of the SFA or (5) as specified in Regulation 32 of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The Equity Shares may be offered in Switzerland on the basis of a private placement, not as a public offering. The Equity Shares will neither be listed on the six Swiss Exchange nor are they subject to Swiss law. The Preliminary Placement Document and this Placement Document do not constitute a prospectus within the meaning of Art. 1156 of the Swiss Federal Code of Obligations or Arts. 32 *et seq.* of the Listing Rules of the six Swiss Exchange, and does not comply with the Directive for Equity Shares of Foreign Borrowers of the Swiss Bankers Association. We will not apply for a listing of the Equity Shares on any Swiss stock exchange or other Swiss regulated market and the Preliminary Placement Document and this Placement Document may not comply with the information required under the relevant listing rules. The Equity Shares have not and will not be registered with the Swiss Federal Banking Commission or any other Swiss authority for any purpose, whatsoever.

United Arab Emirates (excluding Dubai International Financial Centre)

The Equity Shares have not been, and are not being publicly offered, sold, promoted or advertised in the United Arab Emirates ("U.A.E.") other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Centre should have regard to the specific notice to prospective investors in the Dubai International Financial Centre set out above. The information contained in the Preliminary Placement Document and this Placement Document do not constitute a public offer of securities in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer.

The Company and the Equity Shares have not been approved or licensed by or registered with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the U.A.E. The Preliminary Placement Document and the Placement Document have not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority. The Preliminary Placement Document and this Placement Document is being issued to a limited number of selected institutional and sophisticated investors, is not for general circulation in the U.A.E. and may not be provided to any person other than the original recipient or reproduced or used for any other purpose. If you do not understand the contents of the Preliminary Placement Document and the Placement Document, you should consult an authorised financial adviser. The Preliminary Placement Document and this Placement Document are provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

United Kingdom

The Book Running Lead Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

No person may communicate or cause to be communicated any invitation or inducement to engage in any investment activity (within the meaning of section 21 of FSMA) received by it in connection with this Offer or sale of the Equity Shares other than in circumstances in which section 21(1) of FSMA does not apply to the Company.

United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable United States state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales occur. Each purchaser of the Equity Shares offered by the Preliminary Placement Document and this Placement Document will be deemed to have made the representations, agreements and acknowledgements as described under "*Transfer Restrictions*" in this Placement Document.

TRANSFER RESTRICTIONS

Allottees are not permitted to sell the Equity Shares for a period of one year from the date of Allotment except through the Stock Exchanges. In addition to the above, allotments made to QIBs, including FVCIs, VCFs and AIFs in the Issue, may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. Accordingly, purchasers are advised to consult their own legal counsel prior to making any offer, re-sale, pledge or transfer of the Equity Shares.

Due to the following restrictions, investors are advised to consult legal counsel prior to making any resale, pledge or transfer of the Equity Shares.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable United States state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S, in each case in compliance with the applicable laws of the jurisdictions where those offers and sales occur.

If you purchase the Equity Shares in this Issue, by accepting delivery of the Preliminary Placement Document, submitting a bid to purchase the Equity Shares and accepting delivery of the Equity Shares, you will be deemed to have represented to and agreed with the Company and the Book Running Lead Manager as follows:

- you will comply with all laws, regulations and restrictions (including the selling restrictions contained in the Preliminary Placement Document and this Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of the Equity Shares, and you acknowledge and agree that none of the Company, the Book Running Lead Manager or any of their respective affiliates shall have any responsibility in this regard;

- the Equity Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

- you and the person, if any, for whose account or benefit you are acquiring the Equity Shares, were located outside the United States at the time the buy order for the Equity Shares was originated and continue to be located outside the United States and have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

- you are not an affiliate (as defined in Rule 405 of the U.S. Securities Act) of our Company or a person acting on behalf of such affiliate; and you are not in the business of buying and selling securities or, if you are in such business, you did not acquire the Equity Shares from our Company or an affiliate (as defined in Rule 405 of the U.S. Securities Act) thereof in the initial distribution of the Equity Shares;

- you are aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in the Preliminary Placement Document and the Placement Document and that neither BSE nor NSE is a "designated offshore securities market" within the meaning of Regulation S of the U.S. Securities Act;

- the Equity Shares have not been offered to you by means of any "directed selling efforts" as defined in Regulation S; and

you acknowledge that our Company, the Book Running Lead Manager and their respective affiliates (as defined in Rule 405 of the U.S. Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, you will promptly notify our Company and the Book Running Lead Manager, and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of such accounts.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchange and has not been prepared or independently verified by our Company or the BRLM or any of its respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"). On June 20, 2012, SEBI, in exercise of its powers under the SCRA and the Securities and Exchange Board of India Act, 1992, as amended from time to time (the "**SEBI Act**"), notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (the "**SCR (SECC) Rules**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FIIs, FPIs, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

All listed companies are required to ensure a minimum public shareholding at 25%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the S&P CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of NSE. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” and the “derivatives” segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading (or “BOLT”) facility in 1995. This totally automated screen based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or “NEAT”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**"), which provides specific regulations in relation to substantial acquisition of shares and takeover. The Takeover Regulations came into effect on October 22, 2011 and replaced the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("**Takeover Code 1997**"). Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

The key changes from the Takeover Code 1997 under the Takeover Code include:

- the trigger for making a public offer upon acquisition of shares or voting rights has been increased from 15% to 25%;
- every public offer has to be made for at least 26% of all the shares held by other shareholders;
- creeping acquisition of up to 5% is permitted up to a limit of 75% of the shares or voting rights of a company;
- acquisition of control in a target company triggers the requirement to make a public offer regardless of the level of shareholding and the acquisition of shares; and
- if the indirect acquisition of a target company is a predominant part of the business or entity being acquired, it would be treated as a direct acquisition.

Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations, 2015 have been notified by SEBI to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing either on his own behalf or on behalf of any other person, in the securities of a listed company or a company proposed to be listed when in possession of unpublished price sensitive information.

The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a predefined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person who has a connection with the company that is expected to put him in possession of unpublished price sensitive information.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association, and the provisions of the Companies Act, 2013. Prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

As on date of the Placement Document, our Company's authorised Share Capital is Rs.15,00,00,000 divided into 15,00,00,000 Equity Shares of Rs.1 each and the issued subscribed and paid up share capital is Rs. 10,38,38,195 divided into 10,38,38,195 Equity Shares of Re. 1 each. For further details on our Company's share capital, see "*Capital Structure*" on page 60.

Dividends

Under Indian law, a company pays final dividend upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM of shareholders held each financial year. Under the Companies Act, 2013 unless the board of directors of a company recommends the payment of final dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions specified under Section 123 of the Companies Act, 2013 and the rules made thereunder no dividend can be declared or paid by a company for any financial year except (a) out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013; or (b) out of the profits of the company for any previous financial year(s) arrived at in accordance with the Companies Act, 2013 and remaining undistributed; or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by the Company in pursuance of a guarantee given by that Government.

The profits of our Company, subject to provisions of the Articles of Association, shall be divisible among the members in proportion of the amount of capital paid up on the shares held by them respectively.

Our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities in respect of which the lien exists. Our Board may deduct from any dividend payable to any member all sums of money, if any, payable by him to the Company on account of calls or otherwise in relation to the Equity Shares of the Company. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid but if any Equity Share is issued on terms providing that it shall rank for dividends as from a particular date, such Equity Share shall rank for dividend accordingly. Our Board may deduct from any dividend payable to any member all sums of money, if any, payable by him to the Company on account of calls or otherwise in relation to the Equity Shares of the Company. No member shall be entitled to receive payment of interest and dividend in respect of his Equity Shares while any money may be due or owing from him to our Company and our Board may deduct from the interest or dividend to any member all such sums of money so due from him to our Company. A transfer of Equity Shares shall not pass the right to any dividend declared therein before the registration of the transfer unless the registered holder of the Equity Shares authorises the Company to pay the dividend to the transferee.

Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

The Memorandum and Articles of Association provide that our Company in its general meeting may declare dividends to be paid to the members according to their respective rights and interest in the profits. The dividend shall not exceed the amount recommended by our Board. Further, our Board may from time to time pay the member's interim dividend as may appear to them to be justified. No dividend shall bear interest against the Company.

Capitalisation of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise the company's profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act, 2013 permits the issue of fully paid up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalizing reserves created by revaluation of assets. These bonus Equity Shares must be distributed to shareholders in proportion to the number of Equity Shares owned by them as recommended by the board of directors.

Any issue of bonus shares by a listed company would be subject to the SEBI ICDR Regulations. The relevant SEBI ICDR Regulations prescribe that no company shall make a bonus issue of equity shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the equity shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the equity shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

Our Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves. Such reserves shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends. Such reserves may also, at the discretion of the Board, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

Our Company may by a resolution passed in a general meeting of the shareholders, upon a recommendation by the Board, resolve to capitalise whole or any part of the amount for the time being standing to the credit of any of our Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and distribute amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions and that all or any part of such capitalised fund shall be applied on behalf of such shareholders in paying up any amounts for the time being unpaid on any Equity Shares held by such Shareholders and/or in paying up in full, unissued shares of our Company to be allotted and distributed, credited as fully paid up in the proportion aforesaid, provided that a share premium account and a capital redemption reserve fund may, for the purposes of the Article, be applied in the paying of any unissued shares to be issued to members of our Company as fully paid bonus shares.

Alteration of Share Capital

Subject to the provisions of the Companies Act, 2013, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the paid up share capital on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date or on receipt of earlier intimation from the persons to whom such notice is given that they decline to accept the shares offered, the Board may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Private placement and public issues shall be undertaken pursuant to Chapter III the Companies Act, 2013.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, new shares may be offered to any persons whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by our Company's shareholders in a general meeting. Our Company may, by a resolution passed in a general meeting, from time to time, increase the share capital by the creation of new Equity Shares of such amount as may be deemed expedient and specified in the resolution. Such increase in the share capital shall be subject to compliance with the provision of the

Companies Act, 2013 and of any other laws that may be in force. New Equity Shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as are consistent with provisions of the Companies Act, 2013 and which the general meeting, resolving upon the creation thereof shall direct and if no direction be given, as our Board shall determine, and in particular such Equity Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our Company, subject to the conditions prescribed under the Companies Act, 2013.

Our Company may by ordinary resolution taken in a general meeting of shareholders:

(i) increase its authorised share capital by such amount as it thinks expedient;

(ii) consolidate and divide its share capital into shares of larger amount than its existing Equity Shares;

(iii) convert all or any of its fully paid-up Equity Shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(iv) sub-divide its existing Equity Shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, nevertheless, subject to the provisions of Section 61 of the Act;

(v) Cancel Equity Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Equity Shares so cancelled; or

(vi) Classify Equity Shares which may determine that as between the holders of the Equity Shares resulting from such classification, one or more of such Equity Shares shall have some preference or special advantage over others as regards dividend, capital, voting rights, or otherwise, subject to the provisions of sections 43, 47 and 48 of the Act.

Further, our Company may, from time to time, by special resolution taken in a general meeting of shareholders, reduce its share capital, any capital redemption reserve account or any share premium account in any manner, subject to any incident authorised and consent required by law.

General Meetings of Shareholders

Every year our Company is required to hold an annual general meeting in addition to any other meetings. Further, our Board may, whenever it thinks fit, call an extraordinary general meeting and shall, on the requisition of a number of shareholders who constitute not less than one-tenth of the paid-up capital of our Company, proceed to call an extraordinary general meeting. Not less than 21 days' clear notice in writing of the general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the shareholders entitled to vote and in case of any other meetings, with the consent of shareholders holding not less than 95 per cent of such part of the paid-up Share capital of our Company which gives a right to vote at the meeting. An explanatory statement shall be annexed to every notice of a general meeting and notice of every meeting of the Company shall be given to every member of the Company, to the auditors of the Company, to any legal representative of any deceased member or assignee of any insolvent member, and every director of the Company in accordance with Section 101 of the Companies Act, 2013. The accidental omission to give any such notice to or its non-receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting. The quorum requirements for a general meeting are as prescribed under Section 103 of the Companies Act, 2013, and no business is to be transacted at the general meeting unless the requisite quorum is present at the commencement of the same. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place, or such other day and at such time and place as the Board may by notice appoint. The Articles of Association further provide that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

A resolution put to vote at a meeting of the shareholders shall be decided by a show of hands unless the voting is carried out electronically or a poll has been demanded under Section 109 of the Companies Act, 2013.

Voting Rights

Subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association, votes may be given either personally or by proxy, or in the case of a body corporate, by a duly authorised representative under Section 113 of the Companies Act, 2013.

Every member present in person shall have one vote on a show of hands, and on poll, the member present in person or by proxy shall have one vote for each Equity Share of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of Equity Shares. Further, in terms of Companies (Management and Administration) Rules, 2014, a member shall have the right to exercise its vote at any general meeting by electronic means.

No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or regard to which the Company has exercised any right of lien.

The instrument appointing a proxy is required to be lodged at the registered office at least 48 hours before the time of the meeting. No proxy shall be entitled to vote on a show of hands unless such proxy is present on behalf of a company or corporation. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the Equity Share in respect of which the vote is given provided no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office of our Company before the general meeting. Provided that the chairman of any general meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked. A person can act as proxy on behalf of the members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. The Companies Act, 2013 provides that to amend the Articles of Association a special resolution is required to be passed in a general meeting.

Directors

The Articles of Association provide that the number of Directors shall be not less than three and not more than fifteen. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act, 2013 and the Articles of Association. The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day those to retire shall in default of being subject to any agreement among themselves, be determined by lot.

The Directors have the power to appoint any other persons as an additional Director on our Board but any Director so appointed shall hold office only up to the date of the next following annual general meeting of our Company and the total number of Directors shall not at any time exceed the maximum strength prescribed under the Articles of Association. Our Board shall also have the power to appoint any person to act as an alternate Director for a Director during the latter's absence for a period of not less than three months from India.

In terms of the Companies Act, 2013, our Board is required to meet at least four times in a year not exceeding more than 120 days between two meetings, for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit. The quorum for a meeting of our Board is one-third of the total number of Directors (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher.

Transfer of Equity Shares

An application for registration of a transfer of the Equity Shares in our Company may be made either by the transferor or the transferee. Where the application is made by the transferor and relates to partially paid Equity Shares, the transfer shall not be registered unless our Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. No fee may be charged for registration of transfer of Equity Shares. Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI.

Our Company is required to comply with the rules, regulations and requirements of BSE Limited or the rules made under the Companies Act, 2013 or the rules made under the Securities Contracts (Regulation) Act, 1956, as amended ("**SCRA**"), or any other law or rules applicable, relating to the transfer or transmission of Equity Shares.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI guidelines issued in connection therewith.

Liquidation Rights

In the event that our Company is wound up, the holders of Equity Shares shall be entitled to have the assets available for distribution amongst the members so that the losses shall be borne by the holders of the Equity Shares as nearly as may be in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the Equity Shares held by them. If the assets available for distribution are more than sufficient to repay the whole of the paid-up capital at the commencement of the winding up, the surplus shall be distributed amongst the holders of Equity Shares in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up.

INDEPENDENT AUDITORS

Our Company's Financial Statements and notes thereto have been included in this Placement Document. Our Audited Consolidated Financial Statements were prepared in accordance with Indian GAAP, the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013. Our Consolidated Reviewed Financial Results are prepared in accordance with Ind AS and Companies Act, 2013.

B. K. Khare & Co., Chartered Accountants, who were our previous statutory auditors, have audited our Audited Consolidated Financial Statements which have been included in this Placement Document.

Kalyaniwalla & Mistry LLP, Chartered Accountants, our Statutory Auditors, have issued review reports in respect of the Consolidated Reviewed Financial Results, which have been included in this Placement Document.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
Camlin Fine Sciences Limited
Plot No F/11 & F/12, WICEL
Opp SEEPZ Main Gate,
Central Road, Andheri(East)
Mumbai 400 093

and

Equirus Capital Private Limited
12th floor, C Wing
Marathon Futurex
N. M. Joshi Marg, Lower Parel
Mumbai 400 013
(the "**Placement Agent**")

Dear Sirs,

Sub: Statement of possible special tax benefits available to Camlin Fine Sciences Ltd. (the "Company") and its shareholders prepared in accordance with requirements under Schedule XVIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued in connection with Qualified Institutions Placement (QIP) of equity shares of face value Re.1 each ("Equity Shares") by the Company.

1. We, Kalyaniwalla & Mistry LLP, Chartered Accountants, the independent statutory auditors of the Company, hereby certify that the enclosed **Annexure I** sets forth the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961, as amended ("**Act**") presently in force in India. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

2. This statement is intends to provide general information to the investors and is not designed to be a substitute for professional tax advice. In view of the distinct nature of tax consequences in each case and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of its participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. While all reasonable care has been taken in the preparation of this statement, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

3. Terms used herein shall have the same meaning as ascribed to them in the preliminary placement document and placement document of the Company prepared in connection with the Issue to be filed with the Stock Exchanges on which the Equity Shares of the Company are listed (the "**Stock Exchanges**"), the Securities and Exchange Board of India, and the Registrar of Companies, and any other authority in relation to the Issue (together the "**Placement Documents**").

4. We consent to the inclusion of the above information in the Placement Documents to be filed by the Company with the Stock Exchanges, the Securities and Exchange Board of India, and the Registrar of Companies, and any other authority in relation to the Issue and such other documents as may be prepared in connection with the Issue.

5. We hereby confirm that the information in **Annexure I** herein above is true, complete and not misleading. The aforesaid information may be relied upon by the Placement Agent and legal counsel appointed pursuant to the Issue and may be submitted to the Stock Exchanges, the Securities and Exchange Board

of India, and the Registrar of Companies, and any other authority, in respect of the Issue and for the records to be maintained by the Placement Agent in connection with the Issue. We undertake to immediately inform the Placement Agent and legal counsel in case of any changes to the above until the date when the Equity Shares pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

6. We do not express any opinion or provide any assurance as to whether:
   (i) Company or its shareholders will continue to obtain these benefits in future; or
   (ii) The conditions prescribed for availing the benefits has been / would be met with; or.
   (iii) That the revenue authorities / appellate authorities / courts will concur with the views expressed in the enclosed statement.
   (iv) The benefits discussed in Annexure I are exhaustive.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is intended solely for information and for inclusion in the offer documents in connection with the proposed QIP of the company and is not to be circulated or referred to for any other purpose without our prior written consent.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

AKRAM KHAN
PARTNER
Membership Number: 109065

Place: Mumbai
Date: November 16, 2017

STATEMENT OF POSSIBLE SPECIAL TAX BENEFIT AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS UNDER THE INCOME TAX LAWS IN INDIA

I. SPECIAL TAX BENEFITS

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

The following special tax benefits are available to the company after fulfilling conditions as per the respective provision of the Income-tax law:

(i) Under Section 35(1)(i) of the Act, the Company is eligible for deduction in respect of revenue expenditure incurred on scientific research related to the business carried on by the company.

(ii) Under Section 35(1)(iv) of the Act read with section 35(2) of the Act, the Company is eligible for deduction in respect of capital expenditure (other than expenditure on the acquisition of any land) incurred on scientific research related to the business carried on by the company.

(iii) Under Section 35(2AB) of the Act, weighted deduction of 150% in respect of capital and revenue expenditure incurred on scientific research (excluding cost of land or building) in an approved in-house research and development facility is allowable to Companies engaged in the business of bio-technology or in the business of manufacturing articles or things, not being items mentioned in the Eleventh Schedule, subject to certain terms and condition. The company has two research and development facilities approved by the Department of Scientific and Industrial Research till the financial year 2018-2019. The Income-tax Act provides that weighted deduction under this section will not be available from assessment year 2021-22 onwards. Thus, from the assessment year 2021-2022, deduction under section 35(2AB) in respect of capital and revenue expenditure in an in-house R&D facility will be restricted to the actual expenditure incurred.

B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

There are no special tax benefits available to the shareholders of the Company.

Notes:

1. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law. The above statement of possible special tax benefits are as per the current direct tax laws relevant for the assessment year 2018-19. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

2. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her subscription.

LEGAL PROCEEDINGS

Our Company, from time to time, is involved in various legal proceedings in the ordinary course of business, which involve matters pertaining to, amongst others, civil proceedings including tax related disputes. In terms of Policy for Determination of Materiality of Events or Information, as adopted by the Board on February 12, 2016, our Company is not involved in any material outstanding civil (including tax) litigation. Other than as disclosed herein below, our Subsidiaries are not involved in any outstanding litigation, whether civil or criminal proceedings. Our Company believes that the number of proceedings and disputes in which the Company is involved are not unusual for a company of its size in the context of doing business in India and in international markets. There is no outstanding criminal proceeding involving our Company. There is no outstanding legal proceeding involving our Directors and Promoter and Promoter Group.

Criminal proceedings against Subsidiaries

1. A criminal proceeding has been initiated before the Criminal Court of Ravenna, Italy by the public prosecutor against three employees including the chief executive officer of CFS Europe charging manslaughter, in relation to a fatal accident that took place in the manufacturing facility at Ravenna of CFS Europe. The hearing date of this matter is not fixed yet. The matter is currently pending.

Except as stated below, there are no litigation or legal action pending or taken by any ministry or government department or statutory authority against our promoter or promoter group during the last three years and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action, as on date of this Placement Document

Nil

Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

Nil

Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:

As of date of this Placement Document, there are no outstanding default in payment of statutory dues, repayment of debentures and interest thereon, repayment of deposits and interest thereon and repayment of loan from any bank or financial institution and interest thereon.

Except the following, as on March 31, 2017, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of disputes:

Statute name	Nature of dues	Amount (Rs. in lakh)	Period to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax Act, 2002	Value added tax	72.16	2010-2011	Joint Commissioner Appeals
Central Sales Tax, 1956	Sales tax	630.35	2010-2011	Joint Commissioner Appeals

Summary of reservations, emphasis of matters, qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this offer letter and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark

Fiscal	Reproduction of auditors remark from the audit report	Management's response
2017	*We draw attention to Note No. 11 of the standalone financial statements in respect of the Company's investment of Rs. 56.01 lakhs in and loans of Rs. 199.66 lakhs given to its*	Adequate amount was accounted in the books of accounts based on our

Fiscal	Reproduction of auditors remark from the audit report	Management's response
	subsidiary company recoverability of which is based on successful implementation of management's future plans in respect of the subsidiary.	estimate of the recoverability of loan and value of investment.
2016	*We draw attention to Note No. 12 of the financial statements in respect of the Company's investment of Rs. 56.01 lakhs in and loans of Rs. 160.33 lakhs given to its subsidiary company recoverability of which is based on successful implementation of management's future plans in respect of the subsidiary.*	Adequate amount was accounted in the books of accounts based on our estimate of the recoverability of loan and value of investment.
2015	*We draw attention to Note No. 12 of the financial statements in respect of the Company's investment of Rs. 56 Lacs in and loans of Rs. 122.89 Lacs given to its subsidiary company recoverability of which is based on successful implementation of management's future plans in respect of the subsidiary.* *The Company has granted unsecured loans to 8 companies covered in the register maintained under Section 189 of the Act which aggregated Rs. 1,481.59 Lacs at March 31, 2015. The Company has written off Rs. 65.41 Lacs of loans given to two companies listed under Section 189 of the Act. Other than this except for a loan to a company aggregating Rs. 390.40 Lacs outstanding towards principal and interest, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.* *In respect of the aforesaid loans, in the cases where the overdue amount is more than Rs. 1 lakh, in our opinion, except for loans and interest thereon aggregating Rs. 390.40 Lacs (a provision of* Rs. *160 Lacs has been made in respect of the loan upto March 31, 2015), reasonable steps have been taken by the Company for the recovery of the principal amounts and interest. In respect of this loan of Rs. 390.40 Lacs, the Company is in discussions with the borrower for recovery of the amount.*	Adequate amount was accounted in the books of accounts based on our estimate of the recoverability of loan and value of investment.
2014	*The Company has granted unsecured loans, to 5 parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to Rs. 3,564.86 lacs and Rs. 2,735.67 lacs, respectively.* *The Company has written off Rs. 708.32 lakhs of a loan given to a company listed under Section 301 of the Act. Other than this except for 385.23 lakhs outstanding towards principal and interest, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.* *In respect of the aforesaid loans, in the cases where the overdue amount is more than Rupees One Lakh, in our opinion, except for loans and interest thereon aggregating Rs. 385.23 lakhs, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest.*	Adequate amount was accounted in the books of accounts based on our estimate of the recoverability of loan and value of investment.
	The Company had not specifically earmarked the available free liquid assets of Rs. 1.05 crores as required under the Companies (Acceptance of Deposits) Rules, 1975 within the specified period. However, on the date of approval of	Though the assets were not specifically earmarked, the Company had adequate available free liquid assets as required as on

Fiscal	Reproduction of auditors remark from the audit report	Management's response
	financial statements, the management had initiated steps for earmarking these available investments as required under the said rules.	the balance sheet date. This procedural anomaly was duly rectified in the subsequent financial year.
	In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were obtained except in respect of the proceeds of a foreign currency term loan of Rs. 167 lakhs obtained for onward lending to the Company's subsidiary in Europe for part financing that subsidiary's capital expenditure and Rs. 305 lakhs out of a Rupee term loan taken during the year.	The foreign currency term loan can be lent to the subsidiary within a specified period after the drawdown of such loan as per the agreed terms with the lenders and that it has initiated steps for the same and that the Company's subsidiary has incurred the necessary capital expenditure prior to March 31, 2014. In respect of the term loan of Rs. 305 lakhs, management has represented that Rs. 141 lakhs has been applied post year-end for the purposes for which it was borrowed and that the balance of Rs. 164 lakhs would be applied within the period specified with the lenders, pending which it has been deposited in the overdraft accounts of the Company.
2013	*Except for an amount aggregating Rs. 1138.64 lacs outstanding towards principal and interest, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.* *In respect of the aforesaid loans, in the cases where the overdue amount is more than Rs. One Lakh, in our opinion, except for loans overdue aggregating Rs. 963.32 lacs, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest.*	Adequate amount was accounted in the books of accounts based on our estimate of the recoverability of loan and value of investment.

Other Confirmations

There are no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of circulation of the Preliminary Placement Document and until the date of this Placement Document.

Further, except as disclosed below, there are no prosecutions filed, fines imposed or compounding of offences against our Company and our Subsidiaries in the last three years immediately preceding the year of circulation of the Preliminary Placement Document and until the date of this Placement Document.

Our Company was issued an order dated October 28, 2016 by the Development Commissioner, SEEPZ Special Economic Zone (the "**Commissioner**"), in respect of failure to follow certain guidelines pertaining to fulfilment of export obligation under advance authorization scheme, whereby the Commissioner had imposed a penalty of Rs. 5.00 lakh. Our Company has paid the said penalty amount.

GENERAL INFORMATION

1. Our Company was incorporated on November 30, 1993 pursuant to certificate of incorporation issued by RoC, as a private limited company under the name of "Camlicon Consultants Private Limited". The name of our Company was changed to "Camlin Fine Chemicals Private Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on June 1, 2006. The name of our Company was changed to "Camlin Fine Chemicals Limited" and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the RoC on August 11, 2006. The name of our Company was changed to "Camlin Fine Sciences Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on August 27, 2011. The CIN of our Company is L74100MH1993PLC075361. For further details in relation to the change of the name of the Company, please see "*Business – Our History*" on page 79.

2. The Registered Office and corporate office of our Company is situated at "WICEL, Plot No. F/11 and F/12, Central Road, Opposite SEEPZ Main Gate, Andheri (East), Mumbai 400 093, Maharashtra".

3. As on date of this Placement Document, our Company's authorised Share Capital is Rs.15,00,00,000 divided into 15,00,00,000 Equity Shares of Re.1 each and the issued subscribed and paid up share capital is Rs. 10,38,38,195 divided into 10,38,38,195 Equity Shares of Re. 1 each.

4. In 2006, the "Fine Chemical Division" of Kokuyo Camlin Limited (erstwhile Camlin Limited) was de-merged into Camlin Fine Chemicals Limited in terms of the scheme of arrangement sanctioned by the Bombay High Court pursuant to its order dated November 17, 2006. Pursuant to the de-merger, our Company was listed on BSE. Our Company was listed on NSE in 2015.

5. The Issue was approved by the Board on May 19, 2017. The Shareholders of our Company have authorised the Issue pursuant to a special resolution dated July 21, 2017. The Company has been authorised to raise funds up to Rs. 25,000 lakh by way of issue of securities including Equity Shares, pursuant to the Issue.

6. Our Company has received in-principle approvals under Regulation 28(1) of the Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, both on BSE and NSE on November 16, 2017. We will apply for final listing and trading approvals of such Equity Shares on the Stock Exchanges.

7. Copies of Memorandum and Articles of Association were available for inspection between 11:00 am to 1:00 pm on all working days, except Saturdays during the Bidding/Issue Period at the Registered Office.

8. Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorisations required in connection with the Issue.

9. There has been no material change in the financial or trading position of our Company since September 30, 2017, the date of the Consolidated Reviewed Financial Results, included in this Placement Document, except as disclosed in this Placement Document.

10. Except as disclosed in this Placement Document, there are no outstanding legal or arbitration proceedings against or affecting our Company or its assets or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which is material in terms of Policy for Determination of Materiality for Disclosure of Events/Information, as adopted by the Board on February 12, 2016. For further details, see "*Legal Proceedings*" on page 150.

11. Our Company's previous statutory auditors, B. K. Khare & Co., Chartered Accountants, Firm registration no. 105102W, have audited the Auditied Consolidated Financial Statements as of and for the financial year ended 2017, 2016 and 2015, which have been included in this Placement Document. Kalyaniwalla & Mistry LLP, Chartered Accountants, Firm registration no. 104607W/W100166, our Statutory Auditors, have issued review reports in respect of the Consolidated Reviewed Financial Results, which have been included in this Placement Document.

12. Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the Listing Regulations.

13. The Floor Price for the Equity Shares under the Issue is Rs. 88.26 per Equity Share which has been calculated in accordance with Chapter VIII of the SEBI ICDR Regulations.

14. Our Company has offered a discount of 1.43% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.

15. Details of the Compliance Officer:

    Rahul Sawale
    Group Company Secretary and Compliance Officer
    WICEL, Plot No. F/11 and F/12
    Central Road
    Opposite SEEPZ Main Gate, Andheri (East)
    Mumbai 400 093
    Tel: (91 22) 6700 1000
    Fax: (91 22) 2832 4404
    Email: secretarial@camlinfs.com

FINANCIAL INFORMATION

B. K. KHARE & CO.
CHARTERED ACCOUNTANTS

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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, 2017, 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.

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KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

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. 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, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

8.

a) We did not audit the financial statements of 11 subsidiaries whose financial statements (before consolidation adjustments) reflect total assets of Rs. 32,987.18 lakhs as at 31st March, 2017, total revenues of Rs. 35,990.94 lakhs and net cash flows amounting to Rs. 2,495.79 lakhs for the year then ended. The consolidated financial statements also include the Group's share of net profit of Rs. 1.71 lakhs for the year ended 31st March, 2017, 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. K. KHARE & CO. MUMBAI

(b) We did not audit the financial statement of 2 subsidiaries whose financial statement (before consolidation adjustments) reflect total assets of Rs. 44.74 lakhs as at 31st March, 2017, and which has earned no revenue and net cash flows amounting to Rs.22.55 lakhs 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 these subsidiaries 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) The subsidiaries referred to in paras (a) and (b) above which are located outside India whose consolidated financial statements and consolidated interim financial statements and other financial information have been prepared in accordance with International Financial Reporting Standards and/or the accounting principles applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion, in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(d) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

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 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);

B. K. KHARE & CO. MUMBAI

e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017taken 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, 2017 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 35, to the consolidated 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.

iv. The Company has provided requisite disclosures in Note 39 to the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Group and its associates and as produced by to us by the management.

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

HChapsey

Himanshu Chapsey
Partner

B. K. KHARE & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Membership Number: 105731
Mumbai: May 19, 2017

ANNEXURE A TO OUR REPORT OF EVEN DATE ON THECONSOLIDATED 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, 2017 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 efforts, 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.

B. K. KHARE & CO. MUMBAI

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, its subsidiary 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, 2017, 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.

B. K. KHARE & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

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 a subsidiary and two associate companies, which are companies 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 19, 2017

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

CAMLIN FINE SCIENCES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 March 2017

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

	Note	2017	2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,037.10	966.66
Reserves & surplus	3	20,085.05	16,654.90
		21,122.15	**17,621.56**
Minority Interest		**1,761.48**	-
Non-current liabilities			
Long term borrowings	4	5,131.61	2,144.80
Deferred tax liabilities (net)	5	394.97	324.51
Long-term provision	6	214.43	185.26
		5,741.01	**2,654.57**
Current liabilities			
Short-term borrowings	7	23,298.07	14,570.49
Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	40	49.70	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,848.67	9,531.43
Other current liabilities	8	2,480.46	2,739.52
Short-term provisions	9	576.25	1,152.90
		34,253.15	**27,994.34**
TOTAL		**62,877.79**	**48,270.47**
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	10	15,369.73	12,788.89
Intangible assets	10	926.95	1,238.49
Capital work-in-progress		738.24	2,506.46
		17,034.92	**16,533.84**
Goodwill (on consolidation)	41	**3,791.71**	-
Non-current investments	11	**101.19**	**109.42**
Deferred tax Assets (net)	12	**1,945.62**	**1,485.23**
Long- term loans and advances	13	**774.63**	**169.61**
Current assets			
Current investments	14	1,115.25	-
Inventories	15	19,779.55	17,331.54
Trade receivables	16	11,287.12	7,548.06
Cash and bank balances	17	3,123.59	1,889.64
Short-term loans and advances	18	421.32	219.88
Other current assets	19	3,502.89	2,983.25
		39,229.72	**29,972.37**
TOTAL		**62,877.79**	**48,270.47**

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 : 105730

Mumbai

Dated : 19 May 2017

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

D.D.Dandekar
Chairman

A.S.Dandekar
Managing Director

Santosh Parab
Chief Financial Officer

R.D.Sawale
Company Secretary

Mumbai

Dated : 19 May 2017

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

CAMLIN FINE SCIENCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH ,2017

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

	Note	2017	2016
INCOME			
Revenue from operations (Gross)		54,686.90	50,422.83
Less: Excise Duty		(1,293.85)	(1,488.61)
Revenue from operations (Net)	20	53,393.05	48,934.22
Other Income	21	1,480.27	426.89
Total Revenue		**54,873.32**	**49,361.11**
EXPENDITURE			
Cost of materials consumed	22	29,283.59	24,275.40
Purchase of stock in trade	23	141.80	750.76
Changes in inventories of finished goods/WIP/stock in trade	24	(3,374.99)	(4,716.09)
Employee benefits expense	25	5,842.29	4,005.21
Finance costs	26	3,037.62	2,444.25
Depreciation and amortisation expense	10	2,180.29	1,705.52
Research and development expenses	27	255.59	210.08
Other expenses	28	17,935.62	15,229.41
		55,301.81	**43,904.54**
Profit / (Loss) before exceptional items and tax		**(428.49)**	**5,456.57**
Exceptional item	29	-	(454.73)
Profit / (Loss) before tax		**(428.49)**	**5,001.84**
Less : Tax expense			
- Current Tax		754.72	987.95
- Prior period Tax Adjustment		36.20	24.71
- MAT credit utilised/(entitlement)		(14.04)	144.49
- Deferred tax charge/(credit)		(451.64)	262.69
Profit /(Loss) for the year		**(753.73)**	**3,582.00**
Add: Share of profit of associate for the year		1.71	0.37
Less: Minority interest		(673.51)	-
Profit / (Loss) for the year		(1,425.53)	3,582.37
Earnings/(Loss) per equity share of face value of Re 1/- each	30		
Basic (in Rs.)		(1.40)	3.73
Diluted (in Rs.)		(1.40)	3.71

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 : 19 May 2017

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

D.D.Dandekar
Chairman

A.S.Dandekar
Managing Director

Santosh Parab
Chief Financial Officer

R.D.Sawale
Company Secretary

Mumbai

Dated : 19 May 2017

CAMLIN FINE SCIENCES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

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

		2017	2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before exceptional item and taxation	(428.49)	5,456.57
	Adjustments for:		
	Recovery of Bad Debts	(867.80)	-
	Depreciation / Amortisation on Fixed Assets	2,180.29	1,705.52
	Deferred employee compensation expenses amortised	-	(8.52)
	Foreign Exchange loss/(gain) (Unrealised)	452.83	169.30
	(Profit)/Loss on Sale of Fixed Assets	2.92	30.11
	Provision for Doubtful Advances written back	(160.00)	-
	Provision for Doubtful Debts (Net)	193.31	94.75
	Provision for leave encashment	(23.42)	127.28
	Finance costs	3,037.62	2,444.25
	Interest Received/Dividend Received	(148.61)	(128.12)
	Operating Profit before Working Capital changes	**4,238.65**	**9,891.14**
	Adjustments for:		
	(Increase) / Decrease in inventories	(2,448.01)	(3,693.47)
	(Increase) / Decrease in trade receivables	(4,282.27)	3,673.30
	(Increase) / Decrease in long term loans and advances	(395.94)	34.49
	(Increase) / Decrease in other receivables	(267.42)	(343.54)
	Increase / (Decrease) in trade payable	(1,603.49)	(1,267.56)
	Increase / (Decrease) in other payable	(32.94)	82.73
	Cash generated from / (used in) operating activities	**(4,791.42)**	**8,377.09**
	Direct taxes paid	(1,070.12)	(1,219.85)
	Net cash generated from / (used in) operating activities	**(5,861.54)**	**7,157.24**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of fixed assets	(2,987.98)	(6,708.12)
	Sale of fixed assets	11.75	2.13
	(Purchase)/Sale of non current investments	8.23	-
	(Purchase)/Sale of current investments	(1,115.25)	-
	Receipt/(Payment) of loans and advances	(41.44)	10.73
	Interest received	148.57	128.12
	Acquisition of subsidiaries (net)	(3,898.01)	-
	Dividend received	0.04	-
	Net cash generated from / (used in) investing activities	**(7,874.09)**	**(6,567.14)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from borrowings (Net of repayments)	8,727.58	2,475.12
	Receipt of term loan	4,164.96	521.00
	Repayment of term loan	(1,532.47)	(955.00)
	Proceeds from issue of share capital	5,759.74	270.77
	Maturity of/(Investment in) Margin Fixed Deposit	32.23	(54.38)
	Interest Paid	(2,949.33)	(2,423.37)
	Dividend Paid	(464.39)	(432.69)
	Tax on Dividend	(94.54)	(88.10)
	Net cash generated from / (used in) financing activities	**13,643.78**	**(686.65)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(91.85)**	**(96.55)**
	Opening Cash and Cash Equivalents	802.90	899.45
	Cash received on acquisition of subsidiary	**1,354.27**	-
	Closing Cash and Cash Equivalents	2,065.32	802.90
	DIFFERENCE	**(0.00)**	**(0.00)**
		(0.00)	

Notes:

(i) The Cash Flow Statement has been prepared under the "indirect Method" as set out in Accounting Standard 3 Cash Flow Statements.

(ii) Previous year's figures have been regrouped to conform with those of the current year.

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 : 19 May 2017

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

D.D.Dandekar
Chairman

A.S.Dandekar
Managing Director

Santosh Parab
Chief Financial Officer

R.D.Sawale
Company Secretary

Mumbai

Dated : 19 May 2017

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 comprise 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 associate as at 31 March 2017. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" and Accounting Standard (AS) 23 "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 consolidated 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 2017.
The excess of the Company's investment in a subsidiary over the subsidiary's net assets is recognized in the consolidated financial statements as "Goodwill (on consolidation)". The excess of the subsidiary's net assets over the Company's investment in a subsidiary is recognized in the financial statement as "Capital reserve (on consolidation)".

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 includes 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 recognized in the consolidated financial statements as "Goodwill (on consolidation)". The excess of the Group's share of net assets in the associate over the cost of its investment is recognized in the financial statement as "Capital reserve (on consolidation)". Goodwill / Capital Reserve is included/adjusted in the carrying amount of the investment.

B. K. KHARE & CO. CHARTERED ACCOUNTANTS MUMBAI

iii. The following entities have been considered in preparation of the consolidated financial statements:

Name of the Entities	Country of Incorporation	% of ownership interest either directly or through subsidiaries	
(a)Subsidiaries		**As on March 31, 2017**	**As on March 31, 2016**
Direct Subsidiaries			
CFCL Mauritius Pvt. Ltd.	Mauritius	100%	100%
CFS DO BRASIL INDÚSTRIA,COMÉRCIO,IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA.	Brazil	100%	100%
Solentus North America Inc.	Canada	100%	100%
CFS North America LLC	USA	100%	100%
CFS Antioxidantes De Mexico S.A.de C.V.(Since 22 January 2016)	Mexico	100%	100%
CFS International Trading (Shanghai) Limited (Since April 15, 2016)	China	100%	N.A.
Chemolutions Chemicals Limited (Since March 22, 2017)	India	94.08%	N.A.
Indirect Subsidiaries			
CFS Europe S.p.A.	Italy	100% held by CFCL Mauritius Pvt. Ltd.	100% held by CFCL Mauritius Pvt. Ltd.
Dresen Quimica, S.A.P.I. de C.V. (Since May 04, 2016)	Mexico	65% held by CFS Antioxidantes De Mexico S.A.de C.V.	N.A.
Industrias Petrotec de Mexico, S.A. de C.V. (Since May 04, 2016)	Mexico	100% held by Dresen Quimica, S.A.P.I. de C.V.	N.A.
Britec, S.A. (Since May 04, 2016)	Guatemala	100% held by Dresen Quimica, S.A.P.I. de C.V.	N.A.
Inovel, S.A.S. (Since May 04, 2016)	Colombia	100% held by Dresen Quimica, S.A.P.I. de C.V.	N.A.
Nuvel, S.A.C. (Since May 04, 2016)	Peru	100% held by Dresen Quimica, S.A.P.I. de C.V.	N.A.
Grinel, S.R.L. (Since May 04, 2016)	Republic of Dominicana	100% held by Dresen Quimica, S.A.P.I. de C.V.	N.A.
(b)Associate			
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.

The minorities share of net profit / (loss) for the year of consolidated subsidiaries is identified and adjusted against the profit / (loss) after tax of the Group in order to arrive at the net profit / (loss) attributable to the shareholders of the Company.

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 consolidated statement of profit and loss as profit or loss on disposal of investment in subsidiary. Similarly deemed divesture 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 consolidated 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 consolidated financial statements. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of consolidated 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 consolidated 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 Group'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 Group 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 consolidated 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 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 consolidated Statement of Profit and Loss.

Intangible assets

a. 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.
Enterprise Resource Planning (ERP) software cost
Capitalised software costs of 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 costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset 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.

MUMBAI
CHARTERED ACCOUNTANTS

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.
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 consolidated 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.

MUMBAI

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 economic 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 Group is reasonably certain of its ultimate realisation.

xi. Expenses

Expenses are accounted for on accrual basis.

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

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 probable that an outflow of resources will be required to settle the obligation. Contingent liabilities are disclosed by way of notes to the consolidated 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 consolidated financial statements.

xiii. Income Tax

Tax expense comprises current and deferred tax.

Current tax is measured on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and provisions of applicable tax laws of the respective jurisdictions where the entities are located.

MAT credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Group will pay normal income tax during the specified period and is created by way of credit to the consolidated statement of profit and loss and shown as MAT Credit Entitlement. The Group 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 Group 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 consolidated cash flow statement comprise of cash at bank and in hand and short term investments with an original maturity of three months or less.

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xvii. Leases

Finance Leases, where substantially all the risks and benefits incidental to ownership of the leased item, are transferred to the Group, 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 Group 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 consolidated statement of profit and loss on a straight-line basis over the lease term.

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

2 Share capital

	2017	2016
Authorised Share Capital		
15,00,00,000 equity shares of Re 1/- each (Previous Year 15,00,00,000 equity shares of Rs. 1/- each)	1,500.00	1,500.00
Issued, subscribed and fully paid up share capital		
10,37,09,570 Equity Shares of Re 1/- each (Previous Year 9,66,65,830 equity shares of Re.1/-each)	1,037.10	966.66
	1,037.10	966.66

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

	2017		2016	
	No. of Shares	Amount	No. of Shares	Amount
Balance, beginning of the year	96,665,830	966.66	95,888,130	958.88
Add:				
Issued pursuant to Qualified Institutions Placement (QIP) (See note below)	6,519,500	65.20	-	-
Stock options exercised (Refer note 25(i))	524,240	5.24	777,700	7.78
Balance, end of the year	103,709,570	1,037.10	96,665,830	966.66

c. Utilisation of proceeds of Qualified Institutions Placement (QIP)
On July 5, 2016, Company has allotted 6,519,500 equity shares of Re.1 each at a premium of Rs.84.40 per share amounting to share proceeds of Rs.5,567.65 lakh pursuant to a Qualified Institutions Placement (QIP) under Securities Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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

Particulars	2017	2016
Share issue expense (adjusted against the Securities Premium Account in terms of Section 52 of the Companies Act, 2013.)	159.16	-
Capital expenditure including capital advances	139.06	-
Investments in subsidiaries	1,451.45	-
Loans to subsidiaries (including advances of Rs.702.40 lakh)	1,969.13	-
Foreign consultant fees	314.22	-
Initial Contribution towards acquisition of Ningbo Wanglong Flavors and Fragrances Company Limited	419.38	-
Amount kept with mutual funds	1,115.25	-
Total funds raised from QIP	5,567.65	-

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

Name of Shareholder	Number	%	Number	%
Ashish S. Dandekar	13,636,550	13.15	13,631,000	14.10
India Capital Fund Ltd.	6,587,107	6.35	3,442,027	3.56
Abha A. Dandekar	5,573,937	5.37	5,573,937	5.77
Vivek A. Dandekar	5,573,937	5.37	5,573,937	5.77
Camart Agencies Ltd.	5,319,360	5.13	5,319,360	5.50
	36,690,891	35.37	33,540,261	34.70

3 Reserves & Surplus

		2017	2016
Capital Reserve			
Balance, beginning of the year		134.52	134.52
Add: Transferred from surplus		-	
Balance, end of the year		134.52	134.52
Capital Reserve (on consolidation)			
Balance, beginning and end of the year		1,080.63	1080.63
Foreign Currency Translation Reserve			
Balance, beginning of the year		113.45	(702.37)
Less: on currency translation during the year (net)		(798.86)	815.82
Balance, end of the year		(685.41)	113.45
Securities Premium			
Balance, beginning of the year		1,066.10	803.10
Received on QIP of equity shares [See Note 2(c) above]		5,502.46	
Received on exercise of stock options (See Note b below)		346.00	
Less: Issue Expenses of QIP [See Note 2(c) above]		(159.16)	263.00
Balance, end of the year		6,755.40	1,066.10
Employee Stock Options Outstanding [(See Note 25(i)]			
a) Employee Stock Option Outstanding-			
Balance, beginning of the year		-	12.36
Add: Fresh grant of options			
Less			
Amount transferred in respect of options lapsed- to consolidated statement of profit and loss		-	-
Transferred to securities premium on account of exercise of option.		-	(12.36)
Balance, end of the year	a	-	-
Less:			
b) Deferred employee compensation expense			
Balance, beginning of the year		-	3.84
Add: Fresh grant of options		-	-
Less: Employee compensation/option lapsed net-to consolidated statement of profit and loss		-	(3.84)
Balance, end of the year	b	-	-
	(a-b)	-	-
General Reserve			
Balance, beginning of the year		2,534.88	2,404.88
Transfer from balance in consolidated statement of Profit and Loss		-	130.00
Balance, end of the year		2,534.88	2,534.88
Balance in Consolidated Statement of Profit and Loss			
Balance, beginning of the year		11,725.32	8,798.35
Profit /(Loss) for the year		(1,425.53)	3,582.37
		10,299.79	12,380.72
Appropriations			
Proposed dividend (See note a below)		(29.30)	(436.36)
Tax on proposed dividend (See note a below)		(5.46)	(89.04)
Transfer to General Reserve		-	(130.00)
		(34.76)	(655.40)
Balance, end of the year		10,265.03	11,725.32
		20,085.05	16,654.90

a) Dividend paid includes Rs.29.30 lakh pertaining to payment of dividend with respect to financial year 2015-16 for equity shares allotted pursuant to QIP issue on July 5, 2016. Correspondingly tax on proposed dividend includes Rs.5.97 lakh related to aforesaid payment of dividend. Tax on proposed dividend also includes reversal of excess provision in earlier year of Rs. 0.51 lakh.

b) During the year, Company has allotted 5,24,240 equity shares of Re.1/- each at a premium of Rs.66 per share ((Previous Year 7,77,700 equity shares of Re. 1/- each at a premium of Rs.66 per share) under the ESOS Scheme, resulting in an increase in securities premium by Rs.346 lakh (Previous Year Rs.263 lakh).

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4 Long term borrowings

	Non current		Current	
	2017	2016	2017	2016
Secured				
Term loan from banks				
In foreign currency (See note a below)	4,026.37	292.10	113.65	500.23
In Rupees (See note b below)	1,105.24	1,852.70	850.67	818.41
	5,131.61	2,144.80	964.32	1,318.64

a Foreign currency term loans

Foreign currency term loan as at 31 March 2017 at subsidary CFS Europe S.P.A is repayable in 20 structured installments commencing from 28 February 2017.The loan is unsecured.The interest rate on this loan is 3M EURIBOR + 1.50%.The current interest rate is 1.25% p.a.

Foreign currency term loan as at 31 March 2017 at subsidary CFS Antioxidantes De Mexico S.A.de C.V. (CFS Mexico) is repayable in 24 quarterly installments commencing after a moratorium of 24 months from the date of first disbursement, i.e. 26 April 2016.
The loans are secured by:
i) Pledge of 100% of equity shares of CFS Mexico held by the Company.
ii) Pledge of 65% of equity shares of Group Dresen held by CFS Mexico.
iii) Corporate Guarantee of the Company.
The interest rate on this loan is 6M LIBOR + 3.75%. The current interest rate is 4.65% p.a.

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.

Term loan from EXIM Bank is repayable in 28 & 21 equal quarterly installments commencing after a moratorium period of one year and two year from 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 the Company. (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 11.00 % to 11.50%.

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 11.65%.

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

5 Deferred tax liabilities (net)

The components of the deferred tax liabilities (net) are as follows

	2017	2016
Liability		
Depreciation	625.20	548.42
Gratuity (Prepaid)	28.11	15.78
Lease Payments	-	-
	653.31	564.20
Asset		
Provision for doubtful debts and advances	128.57	157.86
Leave encashment	85.40	72.74
Carried forward business losses	39.00	-
Other disallowances under the Income-Tax Act	5.37	9.09
	258.34	239.69
	394.97	324.51

6 Long term provision

The long term provision comprises entirely of provision for leave encashment. [See note 25(iii)].

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7 Short term borrowings

	2017	2016
Loans repayable on demand		
From Banks		
Secured		
Working Capital Loans	21,194.83	12,963.03
Other		
From Banks		
Secured		
Foreign Currency Loans (Buyers Credit)	2,103.24	1,607.46
	23,298.07	14,570.49

The facilities are secured by primary charge over Company's current assets both present and future
Collateral: Second pari passu charge on all movable and immovable fixed assets of the Company both present and future.
The working capital loans at subsidary at Brazil are secured against receivables of the subsidiary.
The working capital loan at subsidiary at Italy are secured by a Standby Letter of Credit issued by an Indian bank which in turn is secured by corporate guarantee of the Company.

8 Other current liabilities

	2017	2016
Current maturities of long-term debt and foreign currency debt	964.32	1,318.64
Interest accrued but not due on borrowings	138.90	50.62
Unpaid dividends (See note a below)	26.77	22.90
Unclaimed Interest on public deposit	2.68	2.68
Unclaimed public deposit (See note b below)	5.35	5.35
Provision for taxation	402.80	454.55
Share Application money received for allotment of securities and due for refund	0.38	0.38
Deposits	7.58	7.88
TDS Payable	149.83	120.71
Other statutory dues	42.03	35.04
Commission to Director	-	92.40
Commission on Sales	19.22	120.52
Payable on purchase of fixed assets	87.80	-
Other outstanding liabilities	632.80	507.85
	2,480.46	2,739.52

a Does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

b The unclaimed fixed deposits of Rs 5.35 lakh outstanding at March 31, 2017 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.

9 Short-term provisions

	2017	2016
Provisions for		
Employee benefits - leave encashment	576.25	628.84
Proposed dividend	-	435.00
Tax on proposed dividend	-	89.06
	576.25	1,152.90

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

10 - FIXED ASSETS

(Rs.in Lakh)

PARTICULARS	Gross Block						Accumulated Depreciation						Net Block
	As at April 1, 2016	Additions during the year	Assets acquired in business combinations	Other Adjustments **	Disposal/Adjustment	As at March 31, 2017	As at April 1, 2016	Depreciation charge for the year	Relating to assets acquired in business combinations	Adjustments On disposals	Other Adjustments**	As at March 31, 2017	As at March 31, 2017
Tangible Assets													
Freehold Land	207.19	111.14	-	-	-	318.33	-	-	-	-	-	-	318.33
Leasehold Land	947.02	-	-	-	-	947.02	23.34	29.21	-	-	-	52.55	894.47
Lease Hold Improvement	48.48	134.51	-	6.17	-	189.16	37.34	28.44	-	-	4.75	70.53	118.63
Factory & Other Building	1,878.84	662.02	-	(67.96)	-	2,472.90	1,039.81	61.17	-	-	(47.44)	1,053.54	1,419.36
Site Development	37.55	-	-	27.48	-	65.03	9.93	4.29	-	-	4.35	18.57	46.46
Plant, Equipment & Machinery	27,845.26	3,373.04	351.94	(1,350.67)	2.96	30,216.61	18,451.67	1,326.83	215.86	0.47	(1,016.45)	18,977.44	11,239.17
Furniture & Fixtures	434.16	68.96	127.28	0.97	0.06	631.31	294.65	69.35	96.51	0.01	0.53	461.03	170.28
Vehicles	305.23	43.53	115.22	(3.31)	27.15	433.52	114.50	57.01	66.98	15.02	(0.77)	222.70	210.82
ERP Hardware Cost	203.06	19.79	4.73	(0.12)	-	227.46	141.95	23.17	4.57	-	0.07	169.76	57.70
R&D Assets						-							
R&D Assets	925.18	3.40	-	-	-	928.58	142.49	90.45	-	-	-	232.94	695.64
Building	229.03	-	-	-	-	229.03	16.43	13.73	-	-	-	30.16	198.87
Total	**33,061.00**	**4,416.39**	**599.17**	**(1,387.44)**	**30.17**	**36,658.95**	**20,272.11**	**1,703.65**	**383.92**	**15.50**	**(1,054.96)**	**21,289.22**	**15,369.73**
Intangible Assets													
ERP Software Cost	162.97	31.29	-	0.59	-	194.85	129.07	21.62	-	-	0.20	150.89	43.96
Technical Know-How	562.37	-	-	-	-	562.37	458.90	103.46	-	-	-	562.36	0.01
Development expenditure	2,091.65	84.09	-	(162.51)	-	2,013.23	1,070.73	322.37	-	-	(211.84)	1,181.26	831.97
R & D Processing fees	87.53	-	-	-	-	87.53	7.33	29.19	-	-	-	36.52	51.01
Total	**2,904.52**	**115.38**	**-**	**(161.92)**	**-**	**2,857.98**	**1,666.03**	**476.64**	**-**	**-**	**(211.64)**	**1,931.03**	**926.95**
Current Years Total	**35,965.52**	**4,531.77**	**599.17**	**(1,549.36)**	**30.17**	**39,516.93**	**21,938.14**	**2,180.29**	**383.92**	**15.50**	**(1,266.60)**	**23,220.25**	**16,296.68**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11 - FIXED ASSETS

(Rs.in Lacs)

PARTICULARS	Gross Block						Accumulated Depreciation						Net Block
	As at April 1, 2015	Additions during the year	Assets acquired in business combinations	Other Adjustments **	Disposal/Adjustment	As at March 31, 2016	As at April 1, 2015	Depreciation charge for the year	Relating to assets acquired in business combinations	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**

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

11 Non current investments

	2017 Number	2017 Amount	2016 Number	2016 Amount
Trade, valued at cost unless otherwise stated				
In equity instruments (unquoted)				
Of Associates				
Fine Lifestyle Brand Limited (of Rs.10 fully paid)	255,000	7.49	255,000	5.78
Others				
Fine Renewable Energy Limited (of Rs.10 fully paid)	51,000	5.10	51,000	5.10
Chemolutions Chemicals Limited (of Rs.10 fully paid)	-	-	99,500	9.95
Ravenna Servizi Industriali Consortium (of Euro 1 fully paid)	141,783	98.60	141,783	98.60
		103.70		113.65
Trade Investments Total		111.19		119.43
Non-trade				
In equity shares of Saraswat Co-Operative Bank Limited (of Rs.10 fully paid)	5,000	0.50	5,000	0.50
		0.50		0.50
Provision for diminution in value of investments (see note below)		(10.51)		(10.51)
		101.19		109.42
Aggregate market value of unquoted investments		101.19		109.42

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.

12 Deferred tax assets, net

The components of the deferred tax asset are as follows

	2017	2016
Assets		
Depreciation	22.13	0.54
Tax Losses	1,501.75	1,071.91
Receivable Write-down	218.95	194.36
Unrealised foreign exchange Losses	5.50	22.55
Deductible costs for cash	186.90	205.21
Pre-operating expenses	10.39	
	1,945.62	1,494.57
Liabilities		
Unrealised foreign exchange gains	-	9.34
	-	9.34
	1,945.62	1,485.23

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

13 Long term loans and advances (unsecured, considered good)

	2017	2016
Capital advances	361.95	-
Security deposits	180.76	169.61
Advance tax net of provision	217.88	
MAT credit entitlement	14.04	
	774.63	169.61

14	**Current Investments**		
	(with original maturity of between 3 months and 12 months)	**2017**	**2016**
	Unquoted investment in Mutual Funds		
	HDFC Liquid Fund- Regular Plan-Growth (NAV as on March 31, 2017 Rs.3,159.26 per unit)	227.23	-
	Birla Sun Life Cash Plus-Growth-Regular Plan (NAV as on March 31, 2017 Rs.257.77 per unit)	264.48	-
	Reliance Liquid Fund Treasury Plan Growth Plan (NAV as on March 31, 2017 Rs.3,930.65 per unit)	168.58	-
	ICICI Prudential Liquid Plan-Growth (NAV as on March 31, 2017 Rs.233.36 per unit)	454.96	-
		1,115.25	-

15	**Inventories**		
	(at cost or net realisiable value whichever is lower)	**2017**	**2016**
	Raw material and components (including packing materials)	4,634.14	5,552.25
	Work-in-progress	4,893.44	4,572.80
	Finished goods	9,022.16	5,514.64
	Stock in trade	641.27	1,094.43
	Stores and spares	588.54	597.42
		19,779.55	17,331.54

16	**Trade receivables**		
		2017	**2016**
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	1,831.03	217.65
	Doubtful	1,353.58	1,160.27
		3,184.61	1,377.92
	Less: Provision for doubtful debts	(1,353.58)	(1,160.27)
		1,831.03	217.65
	Other debts		
	Unsecured, considered good [Net of Bills Discounted Rs.3,746.72 lakh (Previous year Rs.5,592.27 lakh] (Refer note 36)	9,456.09	7,330.41
		11,287.12	7,548.06

17	**Cash and bank balances**		
i	Cash and cash equivalents	**2017**	**2016**
	Balances with banks		
	In current account	2,058.50	793.40
	Unpaid dividend/interest account	31.22	27.46
	Cash on hand	6.82	9.50
		2,096.54	830.36
ii	Other bank balances		
	Margin money (against letters of credit and bank guarantees)	1,027.05	1,059.28
		3,123.59	1,889.64

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18 Short term loans and advances

	2017	2016
Loans to others		
Unsecured, considered good	1.94	219.88
Considered doubtful	-	160.00
	1.94	379.88
Less: Provision for doubtful debts	-	(160.00)
	1.94	219.88
Advance for Investment in Subsidiary (See note below)	419.38	-
	421.32	219.88

On December 23, 2016, Company has entered into share purchase agreement with Ningbo Wanglong Technology Limited, a company registered in China for acquisition of 51% equity stake in its Vanillin manufacturing facility, for a consideration of US$ 6.28 million, by the Company or its subsidiaries. The process of acquisition is expected to be completed in the first half of next financial year on completion of certain conditions by the counter party. As per the terms of share purchase agreement, consideration of US$ 0.628 million equivalent to Rs.419.38 lakh being 10% of the consideration has been transferred to an Escrow Account on February 28,2017. This advance has been disclosed as "Advance for Investment in Subsidiary" under Note 18 : Short term loans and advances

	2017		2016	
	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	-	0.26	0.26	0.26
(Purpose : General corporate purposes)	-	0.26	0.26	0.26

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

	2017		2016	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
Chemolutions Chemicals Ltd.	-	1,280.04	377.68	411.59
(Purpose : General corporate purposes)				
Byrde International Inc.	-	-	-	0.21
(Purpose : General corporate purposes)	-	1,280.04	377.68	411.80

19 Other current assets

	2017	2017	2016
Prepaid expenses		578.66	390.84
Advance to Material Suppliers	685.51		
Less: Provision for doubtful material advances	(46.00)	639.51	454.71
Loans to employees		10.54	1.51
Gratuity [See note 25 (ii)]		82.80	45.58
Balance with statutory/government authorities		663.28	915.77
Balances with Tax Authorities		656.91	404.68
Deposits		35.21	19.50
Export benefits receivable		549.72	695.18
Others		286.26	55.48
		3,502.89	2,983.25

20 Revenue from operations

	2017	2016
Sale of products		
Finished goods	50,411.44	45,849.92
Traded goods	3,725.21	3,958.40
Sale of services	10.59	-
Other operating revenues		
- Export benefits	530.33	592.76
- Scrap sales	9.33	21.75
Revenue from operations (gross)	54,686.90	50,422.83
Less: Excise duty	(1,293.85)	(1,486.61)
	53,393.05	48,934.22

21 Other income

	2017	2016
Interest income	148.57	128.12
Dividend income	0.04	-
Gain on current Investment	48.25	-
Gain on Foreign Exchange Fluctuations	249.53	212.73
Recovery of advance written off (See note below)	867.80	-
Miscellaneous receipts	166.08	86.04
	1,480.27	426.89

Board of Directors of the Company has approved conversion of advance amounting to Rs.940.05 lakh into equity share capital of Chemolutions Chemicals Limited (CCL). Pursuant to this capitalisation CCL has issued 62,67,003 equity shares of Rs. 10 each at a share premium of Rs. 5 per equity share amounting to Rs.940.05 lakh. Accordingly, Company has reinstated the advance to CCL written off in earlier years aggregating Rs. 867.80 lakh which is disclosed under the head "Other Income".

22 Cost of materials consumed

	2017	2016
Opening Stock of Raw Material	6,149.68	7,172.30
Add: Purchases of Raw Material	28,356.59	23,252.78
Less: Closing Stock of Raw Material	(5,222.68)	(6,149.68)
	29,283.59	24,275.40

23 Purchase of stock in trade

	2017	2016
Purchases of stock in trade	141.80	750.76

24 Changes in inventory of finished goods and work in progress

	2017	2016
Opening Inventory		
Finished Goods (including stock in trade)	6,609.07	3,059.41
Work-In-Progress	4,572.79	3,406.36
	11,181.86	6,465.77
Closing Inventory		
Finished Goods (including stock in trade)	9,663.42	6,609.07
Work-In-Progress	4,893.43	4,572.79
	14,556.85	11,181.66
	(3,374.99)	(4,716.09)

Consumption of raw materials, packing materials and traded goods

	2017	2016
Tertiary Butyl Alchohol	1,241.38	2,149.36
Phenol	7,818.38	6,202.69
Hydrogen peroxide	2,038.24	1,786.47
Toluene	-	786.63
Ethoxiquin	1,007.18	-
Others	17,320.21	14,101.01
	29,425.39	25,026.16

	2017		2016	
	%	Amount	%	Amount
Imported	38.32	11,275.07	45.05	11,275.07
Indigenous	61.68	18,150.32	54.95	13,751.09
	100.00	29,425.39	100.00	25,026.16

25 Employee benefit expenses

	2017	2016
Salaries and wages	5,465.65	3,769.29
Contributions to -		
Provident fund	164.62	107.85
Gratuity fund (See note (ii) below)	32.55	21.36
Expense on Employee Stock Option Scheme (ESOP) (See note (i) below)	-	3.69
Staff welfare expenses	179.47	103.02
	5,842.29	4,005.21

KHARE MUMBAI CHARTERED ACCOUNTANTS

i. The Company 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	Rs.5.00/- per share	Rs.5.00/- per share	Rs.5.00/- per share	Rs.6.20/- per share	Rs.8.00/- per share	Rs.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	12,85,500	67
Granted during the year	0	N.A.	0	N.A.	0	N.A
Expired/Forfeited during the year	3,600	6.20	3,750	N.A	85,500	N.A
Exercised during the year	88,200	6.20	3,54,000	8	5,24,240	67
Outstanding at the end of the year	0	N.A	0	N.A	6,75,760	67
Exercisable at the end of the year	0	N.A	0	8	5,00,000	67
Weighted average Range of exercise price of Options outstanding at the end of the year	N.A		Rs. 8/-		Rs. 67/-	
Weighted average remaining contractual life of the option outstanding at the end of the year	N.A		0.20 years		1.25 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 Rs Nil lakh (previous year Rs.3.69 lakh).

Had the fair value method of accounting for options been followed the net profit for the year would have been lower by Rs 49.72 lakh (previous year Rs.233.91 lakh).

B. K. KHARE & CO. CHARTERED ACCOUNTANTS MUMBAI ii **Gratuity**

The following tables summaries the net benefit expense recognised in the Consolidated Statement of Profit & Loss, the details of the defined benefit obligation and the funded status of the Company's gratuity plan

		2017	2016
a	Expense recognised in the consolidated statement of profit and loss		
	Current Service Cost	21.00	17.33
	Interest	(3.67)	(2.47)
	Expected Return on plan assets	-	-
	Actuarial (Gain)/Loss	15.22	6.50
	Total expense	32.55	21.36
	Actual return on plan assets	19.04	38.16
b	Net asset recognised in the Consolidated Balance Sheet		
	Present Value of Defined Benefit Obligation at end of the year	303.36	273.40
	Fair Value of plan assets at the end of the year	386.16	318.98
	Funded status [Surplus/(Deficit)]	82.80	45.58
	Net Asset/(Liability) at the end of the year.	82.80	45.58
c	Change in obligation during the year		
	Present Value of Defined Benefit Obligation at the beginning of the year	273.40	225.75
	Current Service Cost	21.00	17.33
	Interest Cost	22.04	18.06
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	18.40	(1.20)
	Actuarial (Gains)/Losses on Obligations - Due to Experience	(9.84)	25.32
	Benefit payments	(21.64)	(11.86)
	Present Value of Defined Benefit Obligation at the end of the year	303.36	273.40
d	Change in Fair Value of Assets during the year ended.		
	Fair Value of plan assets at the beginning of the year	318.98	256.70
	Expected return on plan assets	25.71	20.53
	Contributions by employer	69.77	35.99
	Actual benefits paid	(21.64)	(11.86)
	Actuarial Gain/(Loss) on Plan Assets - Due to Experience	(6.66)	17.62
	Fair Value of plan assets at the end of the year.	386.16	318.98

The Company expects to contribute Rs 70 lakhs to gratuity in the next year (Previous year Rs 35 lakhs).

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 four years are as follows

	2017	2016	2015	2014	2013
Defined Benefit Obligation	303.36	273.40	225.75	163.06	148.20
Plan assets	386.16	318.98	256.70	228.63	161.56
Deficit/(Surplus)	(82.80)	(45.58)	(30.95)	(65.57)	(13.36)
Experience adjustments					
On plan assets	(6.66)	17.62	7.08	1.33	1.29
On plan liabilities	(9.84)	(11.86)	12.72	(11.68)	(12.18)

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

	2017	2016
Discount rate	7.20%	8.06%
Expected rate of return on plan assets	7.20%	8.06%
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 2017 Rs.790.68 lakh (previous year Rs. 814.10 Lakh), determined on actuarial basis using projected unit credit method.

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26 Finance costs

	2017	2016
Interest	2,516.57	1,920.25
Bank Charges	521.05	473.91
Exchange Difference to the extent considered as an adjustment to borrowing cost	-	50.09
	3,037.62	2,444.25

27 Research & development expenses

	2017	2016
Salaries and incentives	146.95	152.32
Travelling & Conveyance	21.31	16.18
Professional fees	-	24.92
Laboratory Expenses	49.46	52.00
Other Expenses	37.87	52.19
	255.59	297.61
Less: Product Process Development Capitalised	-	(87.53)
	255.59	210.08

28 Other expenses

			2017	2016
Consumption of stores and spares			259.95	265.12
Power and Fuel			4,621.49	4,742.87
Rent (See Note 33)			724.98	484.95
Rates and Taxes			50.73	13.50
Insurance			448.40	452.56
Repairs				
- Building			9.72	10.03
- Machinery			891.15	91.57
- Others			772.98	1,431.72
Sub Contracting Charges			817.64	1,134.60
Labour Charges			561.26	560.39
Advertisement and Sales Promotion			1,308.64	1,102.53
Transport & Forwarding Charges			1,455.28	927.53
Commission/Discount/Service Charges on Sales			582.90	503.42
Travelling & Conveyance			924.58	731.11
Directors' Meeting Fees			56.85	69.55
Auditors' Remuneration (See note below)			79.09	73.66
CSR Contribution			72.15	63.57
Legal & Professional fees			1,516.02	646.37
Bad Debt Written Off	17.40	2.46		
Bad Advances Written Off	-	-		
Provision for Doubtful Debts	304.62	94.74		
Provision for Doubtful Advances	46.00	-		
Less: Provision for Doubtful Advances Written Back	(160.00)	-		
Less: Provision for Doubtful Debts Written Back	(17.40)	-		
	190.62	97.20	190.62	97.20
Loss on Sale/Discarding of Assets			2.92	30.11
Exchange fluctuation			548.67	197.09
Miscellaneous Expenses			2,039.60	1,599.96
			17,935.62	15,229.41

Auditors' remuneration	2017	2016
Audit Fees Standalone Financials	52.55	45.45
Tax Audit Fees	3.45	3.14
In Other Capacity		
Taxation Matters	3.19	2.94
Certification	0.50	0.98
Other Services	18.73	20.52
Reimbursement of Expenses	0.67	0.63
	79.09	73.66

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 previous year. The resultant loss on final settlement of the insurance claim amounting to Rs 454.73 lakh has been disclosed as an exceptional item in the previous year.

30 **Earnings per share**

	2017	2016
Profit/(Loss) as per Consolidated Statement of Profit and Loss available for equity shareholders	(1,425.53)	3,582.37
Weighted average number of equity shares used in computing basic earnings per share	10,15,83,090	9,61,32,995
Dilutive effect of stock options	2,20,651	4,06,051
Weighted average number of equity shares used in computing diluted earnings per share	10,18,03,741	9,65,39,046
Basic earnings per share (Rs) of face value of Re. 1/- each	(1.40)	3.73
Diluted earnings per share (Rs) of face value of Re. 1/- each	(1.40)	3.71

31 **Foreign currency transactions**

The unhedged exposure of foreign currency transactions as on 31 March 2017 is as follows:

	Currency	2017	2016
Trade Receivable	US $	115.04	82.59
	Euro	2.89	0.09
Trade Payable	US $	18.96	29.68
	Euro	-	19.29
Short Term Borrowing	US $	19.21	-
	Euro	40.36	25.36
	BRL	3.97	4.91
Term Loan	US $	58.50	7.54
	Euro	7.14	-
Total unhedged exposure of foreign currency transactions			
Currency	US $	211.71	119.81
Currency	Euro	50.39	44.74
Currency	BRL	3.97	4.91

32 **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
Fine Renewable Energy Ltd.	Significant influence by Managing Director
Abana Medisys Pvt.Ltd	Significant influence by Managing Director
Focussed Event Management Pvt. Ltd	Significant influence by Managing Director
Vibha Agencies Pvt. Ltd.	Owned 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 till Februany 9, 2017 there after Executive Director
Ms. Leena Dandekar	Executive Director
Mr. S. D. Dandekar	Management Consultant/Relative of Managing Director
Mrs. R. S. Dandekar	Management Consultant/Relative of Managing Director
Mr Santosh Parab	Chief Finance Officer w.e.f Februay 10, 2017
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	Nil	400.04
	(Nil)	(378.71)

	2017	2016
	Key Management Personnel	
Managerial Remuneration		
Mr.A.S.Dandekar	185.02	190.45
Mr. D. D. Dandekar	30.60	30.00
Ms. Leena Dandekar	93.87	82.55
Mr. D. R. Puranik	66.96	66.25

33 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.

	2017	2016
For the period up to one year	402.48	187.47
For the period one year to five years	848.76	415.60
Five years and above	-	-
	1,251.24	603.07

34 Segment information

The Company operates primarily in the segment of Fine Chemicals and hence has only one reportable segment.
For year ended March 2017 Domestic sale is Rs.22,109.69 lakh (previous year Rs. 11,702.00 lakh) and Export sale is Rs.32,026.96 lakh (previous year Rs.38,106.31 lakh) respectively.

35 Contingencies and commitments

	2017	2016
Contingent liabilities		
a) In respect of bills of exchange / cheque discounted with the bankers (Refer note 16)	3,746.72	5,109.82
b) In respect of bank guarantees issued to VAT ,Excise and Custom Authorities	393.26	374.30
c) In respect of VAT / CST Matter* (See note below)	732.44	732.44

* Includes Central Excise and Customs duty demand of Rs. 356.02 lakh received dated April 13, 2017 for which the period of filing of appeal has not expired.

Commitments

Value of contracts (net of advance) remaining to be executed on capital account not provided for Rs.725 Lakh. (Previous year Rs.5.48 Lakh)

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

36 Value of imports on CIF basis

	2017	2016
Raw Material	6,473.36	7,110.79

37 Expenditure in foreign currency

	2017	2016
Professional & Legal Fees	247.97	110.07
Commission and Sales Promotion	1,460.90	747.60
Others	385.14	291.68
	2,094.01	1149.35

38 Earnings in foreign exchange

	2017	2016
Exports at F.O.B. Value (Including Trading)	32,126.57	18,521.32

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.

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

39 Disclosure on Specified Bank Notes (SBNs)

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBNs*	Other Denomination notes	Total
Closing cash in hand as on November 8,2016	2.78	3.99	6.77
(+) Permitted Receipt**	6.19	9.14	15.33
(-) Permitted Payment***	(0.62)	(8.60)	(9.22)
Amount deposited in Banks	(8.35)	-	(8.35)
Closing cash in hand as on December 30,2016	-	4.53	4.53

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

**Permitted receipts pertain to SBN's received from debtors by Company's sales representatives prior to November 7, 2016.

***Permitted payments include transactions of SBN as permitted pursuant to notifications issued by Reserve Bank of India.

40 MICRO,SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT,2006

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at March 31,2017 are as under:

	Particulars	2017	2016
1	Principle amount remaining unpaid beyond due date, to suppliers as at the end of accounting year	43.80	Nil
2	Interest due thereon remaining unpaid to suppliers as at the end of accounting year	2.27	Nil
3	Amount of interest paid in terms of Section 16,along with the amount of payment made to the supplier beyond the appointed day during the year 2016-2017	Nil	Nil
4	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	3.60	Nil
5	Amount of interest accrued and remaining unpaid at the end of accounting year.	5.87	Nil
6	The amount of further interest due and payable even in the succeeding year until such date when the interest due as above are actually paid to the suppliers for the purpose of disallowance as a deductible expenditure under Section 23.	Nil	Nil

41 During the year, the Group has accounted goodwill (on consolidation) amounting to Rs. 3,791.71 on acquisition of following subsidiaries:

i Goodwill amounting to 2,816.72 lakh [being net of consideration of Rs. 6,299.12 lakhs as reduced by the net assets of Rs. 3,482.40 lakhs arose on acquisition of 65% stake in Dresen Quimica S.A.P.I. De C.V. along with five wholly owned subsidiaries in Mexico, Peru, Guatemala, Columbia and Dominican Republic. (Collectively referred to as step-down subsidiaries) through wholly owned subsidiary CFS Antioxidantes De Mexico S.A. de C.V. The results for the year include profit after yax of Rs. 1,002.24 lakhs arising from Dresen Quimica S.A.P.I. De C.V.

ii Goodwill amounting to 974.99 lakh [being net of consideration of Rs. 950 lakhs as reduced by net assets of Rs. (24.99) lakhs arose on acquisition of 94.08% stake in Chemolutions Chemicals Limited ("Chemolutions")]. The results for the year include profit after tax of Rs. 235.15 lakhs arising from Chemolutions.

CHARTERED ACCOUNTANTS MUMBAI

42 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.	68.48	17,823.69	0.49	3.70
Subsidiaries				
Indian				
Chemolutions Chemicals Limited	0.85	221.08	31.42	235.15
Foreign				
CFCL Mauritius Pvt. Limited	23.76	6,183.02	71.08	531.89
CFS DO BRASIL INDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA.	(2.21)	(574.97)	(49.05)	(367.06)
Solentus North America Inc	(0.76)	(196.98)	(3.47)	(25.98)
CFS North America LLC	(4.94)	(1,285.86)	(169.31)	(1,267.01)
CFS Antioxidantes De Mexico S.A. De. C.V.	14.73	3,833.57	222.04	1,661.64
CFS International Trading (Shanghai) Ltd	0.09	24.36	(3.20)	(23.97)
Total	100.00	26,027.91	100.00	748.36
Minority Interests in all subsidiaries		(1,761.48)		(673.51)
Associates				
Indian				
Fine Lifestyle Brand Limited			-	1.71
Total Eliminations		(3,144.28)	-	(1,502.09)
Total		21,122.15		(1,425.53)

43 Prior year comparatives

Prior year figures have been reclassified, where necessary to confirm to current year's classification. Prior year figures have been reclassified, where necessary to confirm to current year's classification. On May 4, 2016,CFS Antioxidantes De Mexico S.A.de C.V. Mexico, wholly owned subsidiary of the company has acquired 65% equity stake in Dresen Quimica S.A.P.I.de C.V., Mexico and its subsidiaries. CFS North America LLC was incorporated on October 13, 2015 as a wholly owned subsidiary. On March 22, 2016, the Company has acquired 94.08% stake in Chemolutions Chemicals Limited. Results of these subsidiaries have been consolidated in the current year, hence the corresponding figures of prior year are not comparable.

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 : 19 May 2017

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

D.D.Dandekar
Chairman

A.S.Dandekar
Managing Director

Santosh Parab
Chief Financial Officer

R.D.Sawale
Company Secretary

Mumbai

Dated : 19 May 2017

B. K. KHARE & CO.
CHARTERED ACCOUNTANTS

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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.

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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 Rs. 20374.58 lakhs as at 31st March, 2016, total revenues of Rs.24868.90 lakhs and net cash flows amounting to Rs. 396.61 lakhs for the year then ended. The consolidated financial statements also include the Group's share of net profit of Rs. 0.37 lakhs 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,

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

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 Rs. 1.91 lakhs as at 31st March, 2016, and which has earned no revenue and net cash flows amounting to Rs. 1.91 lakh 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.

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 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.

MUMBAI
CHARTERED ACCOUNTANTS

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.

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 THECONSOLIDATED 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 efforts, 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.

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

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.

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

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

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

CAMLIN FINE SCIENCES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 March 2016
(Unless otherwise stated all amounts are in Indian Rupees lakhs)

	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 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

R.D.Sawale
Company Secretary

Mumbai

D R Puranik
Executive Director &
Chief Financial Officer

Dated : 23 May 2016

CAMLIN FINE SCIENCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

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

	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 Re 1/- each	31		
Basic (in Rs.)		3.73	5.77
Diluted (in Rs.)		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

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

R.D.Sawale
Company Secretary

Mumbai

D.R.Puranik
Executive Director &
Chief Financial Officer

Dated 23 May 2016

CAMLIN FINE SCIENCES LTD * MUMBAI

MUMBAI CHARTERED ACCOUNTANTS

CAMLIN FINE SCIENCES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

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

		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)**
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

R D Sawale
Company Secretary

Mumbai

D.R.Puranik
Executive Director &
Chief Financial Officer

Dated 23 May 2016

CAMLIN FINE SCIENCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

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 rejects 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%
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 19 November 2015)	North America	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 divesture 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 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 stright 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 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.

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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 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 actunal 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.

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

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2 SHARE CAPITAL

	2016	2015
Authorised Share Capital		
15,00,00,000 equity shares of Re 1/- each (Previous Year 13,50,00,000 equity shares of Rs 1/- each)	1,500.00	1,350.00
Issued, subscribed and fully paid up share capital		
9,66,65,830 Equity Shares of Re 1/- each (Previous Year 9,58,88,130 equity shares of Rs.1/-each)	966.66	958.88
	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**	**Rs.**
Balance, beginning of the year	95,888,130	958.88	47,204,165	944.08
Add				
Stock options exercised (shares of face value of Rs 2/- each)	777,700	7.78	425,350	8.51
	96,665,830	966.66	47,629,515	952.59
Increase in number of shares due to stock split		-	47,629,515	-
Stock options exercised (shares of face value of Re 1/- each)		-	629,100	6.29
Balance, end of the year	96,665,830	966.66	95,888,130	958.88

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

Name of Shareholder	Number	%	Number	%
Ashish S. Dandekar	13,631,000	14.10	13,594,200	14.18
Leena A. Dandekar	-	-	7,556,144	7.88
Abha A. Dandekar	5,573,937	5.77	9,433,586	9.84
Vivek A. Dandekar	5,573,937	5.77	9,433,586	9.84
Camart Agencies Ltd.	5,319,360	5.50	5,319,360	5.55
	30,098,234	31.14	45,336,876	47.29

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3 Reserves & Surplus

		2016	2015
Capital Reserve			
Balance, beginning and end of the year		134.52	134.52
Capital Reserve on Consolidation			
Balance, beginning and end of the year		1,060.63	1060.63
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 execrise 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:			
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		2,404.88	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 Rs.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.

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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
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 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 CFSL guaranteeing the obligation of CFSE to Exim Bank.'
iii)Exclusive charge over immovable property of CFSL viz.,N-165,MIDC. Boisar,Tarapur.
iii)Pledge of shares of CFCL Mauritius Pvt. Ltd. held by CFSL.
iv)Pledge of Shares of CFS Europe S.p.A.Italy held y CFCL Mauritius Pvt. Ltd.

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 CFSL.(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 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

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

9 Other current liabilities

	2016	2015
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 Rs 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

10 Short-term provisions

	2016	2015
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

CAMLIN FINE SCIENCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11 - FIXED ASSETS

(Rs.in Lacs)

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 & Machine	22,981.21	3,198.01	1,689.59	0.55	27,845.26	16,200.43	944.55	-	-	1,306.69	18,451.67	9,393.59
Furniture & Fixtures												
Owned	214.39	20.08	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	33.63	1.26	3.76	305.23	80.85	38.42	-	8.17	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	[illegible]	4,378.87	1,756.03	42.46	33,081.00	17,848.70	1,275.39	-	10.22	1,368.24	20,272.11	12,798.98
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	185.66	-	2,091.66	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	2,542.96	176.04	185.63	-	2,804.62	1,222.21	436.13	-	-	13.68	1,666.03	1,238.49
Current Years Total	28,511.41	4,555.91	1,940.66	42.46	35,985.62	[illegible]	1,706.82	-	10.22	1,373.98	21,938.14	14,027.38

CAMLIN FINE SCIENCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(Rs in Lacs)

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 & Machine	24,299.45	1,982.62	(3,267.37)	33.50	22,981.20	17,913.29	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	132.80	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	26.19	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	[illegible]	19,204.35	1,148.74	73.82	46.58	(2,733.63)	17,846.70	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	506.87	1,405.75	(68.71)	-	1,842.91	333.29	396.23	-	-	(48.83)	680.70	1,162.22
Total	1,189.69	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	28,511.41	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

1. 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
   (a) the depreciation charge for year ended 31st March 2015 is higher by Rs.108.45 lacs respectively
   (b) there is a debit to retained earning of Rs 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.
2. 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 Rs.278.61 lacs and Rs 252.42 lacs respectively.

12 Non current Investments

	2016 Number	2016 Amount	2015 Number	2015 Amount
Trade, valued at cost unless otherwise stated in equity instruments (unquoted)				
Of Associates				
Fine Lifestyle Brand Limited (of Rs.10 fully paid)	2,55,000	5.78	2,55,000	5.41
Others				
Fine Renewable Energy Limiged (of Rs.10 fully paid)	51,000	5.10	51,000	5.10
Chemolutions Chemicals Limited (of Rs.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-Opeartive Bank Limited (of Rs.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 unquoated investments		109.42		109.05

a 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.

b 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.

d 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.

13 Deferred tax asset, net

The components of the deferred tax asset are as follows

	2016	2015
Asset		
Depreciation	0.54	0.55
Tax Losses	1,071.91	1,645.21
Receivable Write-down	194.36	
Unrealised foregin exchange Lossess	22.55	7.83
Deductible costs for cash	205.21	2.50
	1,494.57	1,656.10
Liability		
Unrealised foregin 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.

14 Long term loans and advances (unsecured, considered good)

	2016	2015
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

	2016	2015
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

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16 Trade receivables

	2016	2015
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 Rs.5,592.27 lacs (Previous year Rs.7,222.21 lacs]	7,330.41	11,196.59
	7,548.06	11,341.90

17 Cash and cash equivalents

	2016	2015
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

	2016	2015
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

	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	-	-	-	36.86
(Purpose : General corporate purposes)	-	-	-	36.86

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
(Purpose : General corporate purposes)				
Fine Renewable Energy Ltd	-	-	-	28.55
(Purpose : General corporate purposes)				
Byrde International Inc.	-	0.21	0.21	0.21
(Purpose : General corporate purposes)	377.68	411.80	388.68	419.16

19 Other current assets

	2016	2015
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

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20 Revenue from operations

	2016	2015
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

21 Other income

	2016	2015
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

	2016	2015
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

	2016	2015
Purchases of stock in trade	750.76	190.79

24 Changes in inventory of finished goods and work in progress

	2016	2015
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

	2016	2015
Tertiary Butyl Alchohol	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

25 Employee benefit expenses

	2016	2015
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

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	
Options granted	19,41,000	1,67,000	3,22,000	6,40,000	14,94,000	16,38,000
Exercise price	Rs.5.00/- per share	Rs.5.00/- per share	Rs.5.00/- per share	Rs.6.20/- per share	Rs.8.00/- per share	Rs.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	
	15% On expiry of 24 months from the date of grant				25% 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	0	N.A.	0	N.A.	0	N.A
Expired/Forfeited during the year	3,600	6.20	3,750	N.A	0	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	0	N.A	0	N.A	12,85,500	67
Exercisable at the end of the year	0	N.A	0	8	5,00,000	67
Weighted average Range of exercise price of Options outstanding at the end of the year	N.A		Rs. 8/-		Rs. 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 Rs 3.69 lakh (previous year Rs.21.07 lakh).

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

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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	39.16	26.47
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 76	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	225.76
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 Rs 35 lakhs to gratuity in the next year (Previous year Rs 1.10 lakhs).

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 fours 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 Rs.814 09 Lacs (previous year Rs. 686.82 Lacs), determined on actuarial basis using projected unit credit method.

26 Finance cost

	2016	2015
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

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27 Research & development expenses

	2016	2015
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

28 Other expenses

			2016	2015
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	2016	2015
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

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 Rs. 36.00 lacs towards commission payable to Non-executive Directors.

30 Exceptional Item

a On 16th june 2013, a fire had occured 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 Rs 454.73 lakhs has been disclosed as an exceptional item.

b During the year ended 31 March, 2015 the Company sold its entire investment in its subsidiary Company, Dulcette Technologies LLC. The exceptional item of Rs.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 earnigns per share	9,65,39,046	9,57,16,701
Basic earnings per share (Rs) of face value of Rs 1/- each	3.73	5.77
Diluted earnings per share (Rs) of face value of Rs 1/- each	3.71	5.75

As indicated in Note 2, the face value of equity shares has been split from Rs 2/- per share in the previous year to Re 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

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
Mrs L. A. 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
	Key Management Personnel	
Managerial Remuneration		
Mr A S Dandekar	190.45	176.88
Mr. D. D. Dandekar	30.00	33.00
Mrs. L A Dandekar	82.55	62.85
Mr. D. R. Puranik	66.25	61.28
Mr. Rahul Sawle	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

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 Rs.11,702.00 lacs (previous year Rs.11,398 lacs) and Export sale is Rs.38,106.31 lacs (previous year Rs.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 Rs 5 48 Lacs (Previous year Rs 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

37 Value of imports on CIF basis

	2016	2015
Raw Material	7,110.79	9,327.50

38 Expenditure in foreign currency

	2016	2015
Professional & Legal Fees	110.07	218.25
Commission and Sales Promotion	747 60	649.30
Others	291.68	80.66
	1,149.35	948.2027576

39 Earnings in foreign exchange

	2016	2015
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

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, IMPORTAÇÁO 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 NA LLC	(0 91)	(161 13)	(10 19)	(365 22)
CFS Mexico	0 01	1 91	-	-
Associates				
Indian				
Fine Lifestyle Brand Limited			-	0.37
Total Eliminations	(6.28)	(1,106.48)	(5.88)	(210.69)
	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

R.D. Sawale
Company Secretary

Mumbai

D R Puranik
Executive Director & Chief Financial Officer

Dated 23 May 2016

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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 together referred to as "the Group") and its associate, comprising the consolidated balance sheet as at March 31, 2015, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 associate 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). The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

4. 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.

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Kalu Sarai, Hauz Khas,
New Delhi - 110 016, India.

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 consolidated financial statements are free from material misstatement.

6. 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.

7. 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 sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. 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 associate as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

9. (a) We did not audit the financial statements of 4 subsidiaries whose financial statements (before consolidation adjustments) reflect total assets (net) of Rs. 4,472.15 lacs as at March 31, 2015, total revenues of Rs. 31,646.40 lacs and net cash flows amounting to Rs. 595.51 lakhs for the year then ended. The consolidated financial statements also include the Group's share of net loss of Rs. 3.20 lacs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have 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 associate, 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 associate, is based solely on the reports of the other auditors.

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in our report of the Holding company and in the auditors' report of the associate company (hereinafter referred to as "associate") incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 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 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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the aforesaid companies, is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

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

i. There were no pending litigations which would impact the consolidated financial position of the Group and its associate company.
ii. The Group and its associate did not have any long term contracts including derivative contracts.
iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Group and its associate company.

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

Himanshu Chapsey
Partner
Membership Number: 105731
Mumbai, May 12, 2015

Annexure to the Auditor's Report referred to in paragraph 10 of our report of even date on the consolidated financial statements of Camlin Fine Sciences Limited for the year ended March 31, 2015

1. (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets. The Holding Company's associate in India does not have any fixed assets and hence the provisions of Clause 3(i) of the Order are not applicable to it.

   (b) The fixed assets are physically verified by the Management of the Holding Company 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. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

2. (a) Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, we report that the inventory of the aforesaid companies has been physically verified by the respective managements during the year. Confirmations have been received in respect of inventories lying with third parties. Based on the comments in the aforesaid audit reports, the frequency of verification is reasonable.

   (b) Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, we report that the procedures of physical verification of inventory followed by the managements of the aforesaid companies were reasonable and adequate in relation to the size of the companies and the nature of their businesses.

   (c) Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, we report that the aforesaid companies are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.

3. (a) Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, and according to the information and explanations given to us, the aforesaid companies have granted unsecured loans (as considered in the consolidated financial statements) to 4 parties covered in the register maintained under Section 189 of the Act. At March 31, 2015 loans were outstanding from 2 of these parties aggregating Rs. 231.20 lacs [See also comments in (b) below].

   (b) Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, and according to the information and explanations given to us, the Holding Company has written off Rs. 65.41 lacs of loans given to two companies listed under Section 189 of the Act. In respect of a loan to a company aggregating to Rs. 390.40 lacs outstanding towards principal and interest, the company is not regular in repaying the principal amounts as well as interest.

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

(c) Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, and according to the information and explanations given to us, in respect of the aforesaid loans in the cases where the overdue amount is more than Rs 1 lakh, in respect of the loan aggregating Rs. 390.40 lacs (a provision of Rs 160 lacs has been made in respect of the loan upto March 31, 2015), the Company is in discussions with the borrower for recovery of the principal amounts and interest. The loan given by the associate incorporated in India does not exceed Rs 1 lakh and hence the provisions of Clause 3(iii)(c) are not applicable in respect of such loan.

4. Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, and according to the information and explanations given to us, the aforesaid companies have an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Based on the auditors' reports referred to above and according to the information and explanations given to us, we have neither come across, nor have we been informed of, any continuing failure to correct any major weaknesses in the aforesaid internal control system.

5. Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, and as indicated in note 4(c) to the consolidated financial statements, the aforesaid companies have, in respect of the deposits accepted by it, complied with the provisions of Section 73-76 of the Act read with the Rules framed thereunder. According to the information and explanations given to us, the aforesaid companies have not accepted deposits during the year ended March 31, 2015. 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 aforesaid companies.

6. We have broadly reviewed the books of account maintained by the Holding Company in respect of 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. Based on the auditors' report of the associate incorporated in India, we report that the maintenance of cost records has not been prescribed by the in respect of such company.

7. (a) Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, the aforesaid companies are regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, Wealth tax and service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues with the appropriate authorities. Based on the comments in the auditors' reports of the aforesaid companies, no undisputed amounts payable in respect of such statutory dues are in arrears, as on March 31, 2015 for a period of more than six months from the date they became payable.

(b) Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, and according to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax, and cess which have not been deposited on account of any dispute.

(c) Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, there are no amounts required to be deposited with the Investor Education and Protection Fund upto March 31, 2015.

8. The Group has no accumulated losses as at the end of the financial year. The Group has not incurred any cash losses in the current and the immediately preceding financial year.

9. Based on the comments in the auditors' reports of the Holding Company, the Holding Company has not defaulted in repayment of dues to any financial institution or bank during the year. The Holding Company has not issued any debentures. The associate incorporate in India has not taken any loans.

10. Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Holding Company for loans taken by a subsidiary company from banks or financial institutions are not prejudicial to the interest of the Holding Company.

11. In our opinion, and according to the information and explanations given to us, the term loans taken by the Holding Company have been applied for the purposes for which they were obtained. The associate incorporate in India has not taken any term loans.

12. Based on the comments in our report of the Holding Company and in the auditors' report of the associate incorporated in India, during the course of our audit, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management

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

Himanshu Chapsey
Partner
Membership Number 105731
Mumbai, May 12, 2015

CAMLIN FINE SCIENCES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

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

	Note	2015	2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	958.88	944.08
Reserves & Surplus	3	12,527.63	8,386.36
		13,486.51	**9,330.44**
Share Application money pending allotment		-	-
Non-current liabilities			
Long term Borrowings	4	2,806.33	2,852.46
Deferred tax liability, net	5	374.34	394.40
Long-term provision	6	147.00	97.97
		3,327.67	**3,344.83**
Current liabilities			
Short-term Borrowings	7	12,095.37	10,401.47
Trade payables	8	10,655.48	10,000.83
Other current liabilities	9	1,949.54	2,772.99
Short-term provisions	10	1,453.02	1,412.57
		26,153.41	**24,587.86**
TOTAL		**42,967.59**	**37,263.13**
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	11	9,321.87	7,920.58
Intangible assets	11	1,320.65	394.54
Capital work-in-progress		282.07	2,207.82
		10,924.59	**10,522.94**
Non-current Investments	12	**109.05**	**120.97**
Deferred tax Assets	13	**1,643.71**	**797.95**
Long- term loans and advances	14	**420.76**	**146.22**
Current assets			
Inventories	15	13,638.07	10,920.39
Trade receivables	16	11,341.90	10,132.47
Cash and Bank Balances	17	1,926.34	1,580.26
Short-term loans and advances	18	2,103.25	2,231.66
Other current assets	19	859.92	810.27
		29,869.48	**25,675.05**
TOTAL		**42,967.59**	**37,263.13**

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 : 12 May 2015

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

D. D. Dandekar
Chairman

A.S.Dandekar Managing Director	S.M.Kulkarni Director	N. A. Paglietti Director
D.R.Puranik Executive Director & Chief Financial Officer	B. A. Patel Director	N. V. Momaya Director
L.A.Dandekar Executive Director	A.E.Faizullabhoy Director	A. S. Deshmukh Director
P.M.Sapre Director	A. R. Pradhan Director	R.D.Sawale Company Secretary

Mumbai Dated : 12 May 2015

CAMLIN FINE SCIENCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

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

	Note	2015	2014
INCOME			
Revenue from operations (Gross)		57,057.68	51,716.91
Less: Excise Duty		(1,230.23)	(849.83)
Revenue from operations (Net])	20	55,827.45	50,867.08
Other Income	21	837.63	966.38
Total Revenue		**56,665.08**	**51,833.46**
EXPENDITURE			
Cost of materials consumed	22	26,037.68	26,036.91
Purchase of stock in trade	23	190.79	499.50
Changes in inventories of finished goods/WIP/stock in trade	24	821.17	1,037.12
Employee benefits expense	25	4,058.29	3,437.34
Finance cost	26	2,382.46	2,465.90
Depreciation and amortisation expense	11	1,624.62	1,178.60
Research and development expenses	27	247.89	272.37
Other expenses	28	16,054.35	13,419.34
		51,417.25	**48,347.08**
Profit before tax		**5,247.83**	**3,486.38**
Exceptional Item (Refer Note no.29)		**35.52**	-
		5,283.35	**3,486.38**
Less : Tax expense			
- Current Tax		1,053.51	1,066.09
- MAT credit entitlement		(144.49)	-
- Deferred tax		(1,129.81)	(453.48)
Profit for the year		**5,504.14**	**2,873.77**
Add: Share of profit/(loss) of associate for the year		(1.41)	(2.47)
Profit for the year		**5,502.73**	**2,871.30**
Earnings per equity share of face value of Re 1/- each	31		
Basic		5.77	3.06
Diluted		5.75	3.04
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 : 12 May 2015

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

D. D. Dandekar
Chairman

A.S.Dandekar
Managing Director

S.M.Kulkarni
Director

N. A. Paglietti
Director

D.R.Puranik
Executive Director & Chief Financial Officer

B. A. Patel
Director

N. V. Momaya
Director

L.A.Dandekar
Executive Director

A.E.Faizullabhoy
Director

A. S. Deshmukh
Director

P.M.Sapre
Director

A. R. Pradhan
Director

R.D.Sawale
Company Secretary

Mumbai

Dated : 12 May 2015

CAMLIN FINE SCIENCES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

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

		2015	2014
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before taxation non-recurring items	5,247.83	3,486.38
	Adjustments for:		
	Depreciation on Fixed Assets	1,624.62	1,178.60
	Deferred employee compensation expenses amortised	(11.82)	10.82
	Foreinn Exchanne loss/(gain) (Unrealised)	(263.16)	298.80
	(Profit)/Loss on Sale of Fixed Assets	(47.62)	96.23
	Provision for Doubtful Advances	160.00	-
	Provision for Doubtful Debts (Net)	878.93	61.24
	Provision for Doubtful Investment	10.51	-
	Provision for leave encashment	137.24	91.87
	Interest Expenses	2,382.46	2,465.90
	Interest Received/Dividend Received	(142.89)	(175.52)
	Operatinn Profit before Workinn Capital changes	**9,974.09**	**7,514.32**
	Adjustments for:		
	(Increase) / Decrease in inventories	(2,717.67)	3,979.51
	(Increase) / Decrease in trade receivables	(1,902.29)	(1,679.32)
	(Increase) / Decrease in short term loans and advances	(58.32)	(92.13)
	(Increase) / Decrease in long term loans and advances	(130.05)	(46.12)
	(Increase) / Decrease in other receivables	(49.65)	(810.27)
	Increase / (Decrease) in trade payable	733.75	(5,705.88)
	Increase / (Decrease) in other payable	(136.11)	481.32
	Cash used in Operations	**5,713.76**	**3,641.43**
	Direct taxes paid	(1,088.24)	(967.20)
	Net cash used from operating activities	**4,625.51**	**2,674.23**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	(2,824.86)	(3,627.91)
	Sale of Fixed Assets	54.73	234.50
	(Purchase)/Sale of Investments	0.00	2.47
	Profit/(Loss) on Sale of Investments	-	-
	Interest received	141.78	175.31
	Dividend received	0.03	0.05
	Net cash used in Investing Activities	**(2,628.32)**	**(3,215.58)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from borrowings (Net of repayments)	1,010.76	2,269.40
	Proceeds from Share Capital	134.04	35.70
	Movement in Loans and advances	26.73	-
	Maturity of/(Investment in) Margin Fixed Deposit	110.21	(172.73)
	Interest Paid	(2,436.82)	(2,432.18)
	Dividend Paid	(335.97)	(281.76)
	Tax on Dividend	(56.65)	(47.85)
	Net cash generated from Financing Activities	**(1,547.70)**	**(629.42)**
	NET INCREASE/(DECREASE) IN CASH AND	**449.49**	**(1,170.77)**
	Opening Cash and Cash Equivalents	449.97	1,620.74
	Closing Cash and Cash Equivalents	899.45	449.97
	DIFFERENCE	**0.01**	**(0.00)**
		0.01	
		0.02	

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 : 12 May 2015

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

D. D. Dandekar
Chairman

A.S.Dandekar Managing Director	S.M.Kulkarni Director	N. A. Paglietti Director
D.R.Puranik Executive Director & Chief Financial Officer	B. A. Patel Director	N. V. Momaya Director
L.A.Dandekar Executive Director	A.E.Faizullabhoy Director	A.S. Deshmukh Director
P.M.Sapre Director	A. R. Pradhan Director	R.D.Sawale Company Secretary

Mumbai Dated : 12 May 2015

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

1 SIGNIFICANT ACCOUNTING POLICIES

a Basis of Preparation

The financial statements of the Company have been prepared in accordance with the historical cost convention and on accrual basis 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 Companies Act, 2013.

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 referrred to as "the Group".) and its investment in its associate as at 31 March 2015. 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 2015.

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 rejects 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	2015 %	2014 %
Subsidiaries			
Dulcette Technologies LLC (sold during the year)	USA	N.A	61%
CFCL Mauritius Pvt. Ltd.	Mauritius	100%	100%
CFS DO BRASIL INDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA.	Brazil	100%	100%
Solentus North America Inc.	Canada	100%	100%
CFS Europe S.p.A. (Erstwhile Borregaard Italia S.p.A)	Italy	100% held by CFCL Mauritius Pvt. Ltd.	100% held by CFCL Mauritius Pvt. Ltd.
Associate			
Fine Lifestyle Brands Limited	India	49.04%	49.04%

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

Amount of equity attributable at the date on which investment in subsidiaries is made, and
The minorities share of movements in the equity since the date the parent- subsidiary relationship comes into existence.

B. K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS

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 divesture 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.

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.

Intangible assets

Intangible assets are initially measured at cost and amortised on a stright 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.

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, in order to reflect the actual usages of the assets.

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.

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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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 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.

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.

B.K. KHARE & CO. MUMBAI CHARTERED ACCOUNTANTS xi Expenses

Expenses are accounted for on accrual basis.

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

xii Contingent liabilities

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. The Company does not recognise a contingent liability but discloses its existence in the 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, or Book Profit computed under section 115JB, whichever is higher, and correspondingly set-off available under section 115JAA is credited to the statement of profit and loss of the financial year. 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. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, 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 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 comprised 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.

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2 SHARE CAPITAL

	2015	2014
Authorised Share Capital		
13,50,00,000 equity shares of Re 1/- each (Previous Year 6,75,00,000 equity shares of Rs. 2/- each)	1,350.00	1,350.00
Issued, subscribed and fully paid up share capital		
9,58,88,130 Equity Shares of Re 1/- each (Previous Year 4,72,04,165 equity shares of Re.2/-each)	958.88	944.08
	958.88	944.08

Pursuant to approval of the members at its Annual General Meeting held on 4th August, 2014, one equity share having face value of Rs.2/- each has been sub-divided into Two equity shares of Re.1/- each.

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 will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by the shareholders.

b. Reconciliation of the number of shares

	2015		2014	
	No.of Shares	Amount	No.of Shares	Rs.
Balance, beginning of the year	4 ,72 ,04 ,165	944.08	4 ,69 ,43 ,940	938.88
Add:				
Stock options exercised (shares of face value of Rs 2/- each)	4 ,25 ,350	8.51	-	-
	4 ,76 ,29 ,515	952.59	4 ,69 ,43 ,940	939
Increase in number of shares due to stock split	4 ,76 ,29 ,515	-		
Stock options exercised (shares of face value of Re 1/- each)	6 ,29 ,100	6.29	2 ,60 ,225	5.20
Shares bought back during the year	-	-	-	-
Balance, end of the year	9 ,58 ,88 ,130	958.88	4 ,72 ,04 ,165	944.08

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

Name of Shareholder	Number	%	Number	%
Ashish S. Dandekar	1 ,35 ,94 ,200	14.18	65 ,97 ,100	13.98
Leena A. Dandekar	75 ,56 ,144	7.88	37 ,78 ,072	8.00
Abha A. Dandekar	94 ,33 ,586	9.84	47 ,16 ,793	9.99
Vivek A. Dandekar	94 ,33 ,586	9.84	47 ,16 ,793	9.99
Camart Agencies Ltd.	53 ,19 ,360	5.55	26 ,59 ,680	5.63
	4 ,53 ,36 ,876	47.29	2 ,24 ,68 ,438	47.59

The number of shares at March 31, 2015 are shares of face value of Rs. 1/- each and those at March 31, 2014 are shares of face value of Rs. 2/- each

d. Shares reserved for issue under options

The Company has 20,70,550 equity shares (of face value of Re 1/- each) (Previous Year : 10,36,450 equity shares of face value of Rs 2/- each) reserved for issue as options (See Note 25 (i)).

3 Reserves & Surplus

	2015	2014
Capital Reserve		
Balance, beginning and end of the year	134.52	80.60
Add: Transferred from surplus	-	53.92
Balance, end of the year	134.52	134.52
Capital Reserve on Consolidation		
Balance, beginning and end of the year	1,080.63	1080.63
Add: Addition/Adjustment	-	-
Balance, end of the year	1,080.63	1,080.63

		2015	2014
Foreign Currency Translation Reserve			
Balance, beginning and end of the year		422.69	158.35
Add: on currency translation during the year (net)		(900.31)	264.34
Balance, end of the year		(477.62)	422.69
Securities Premium			
Balance, beginning of the year		683.85	650.96
Received on execrise of stock options		119.25	32.89
Balance, end of the year		803.10	683.85
Employee Stock Options Outstanding (See Note 25)			
a) Employee Stock Option Outstanding-			
Balance, beginning of the year		47.62	56.83
Add: Fresh grant of options			
Less			
Amount transferred in respect of options lapsed- to statement of profit and loss		(2.37)	(8.04)
Transferred to security premium on account of exercise of option.		(32.89)	(1.17)
Balance, end of the year	a	12.36	47.62
Less:			
b) Deferred employee compensation expense			
Balance, beginning of the year		27.28	47.31
Add: Fresh grant of options		-	-
Less: Employee compensation/option lapsed net-to statement of profit and loss		(23.44)	(20.03)
Balance, end of the year	b	3.84	27.28
	(a-b)	8.52	20.34
General Reserve			
Balance, beginning of the year		2,274.88	2,084.88
Transfer from balance in Profit and Loss		130.00	190.00
Balance, end of the year		2,404.88	2,274.88
Balance in Statement of Profit and Loss			
Balance, beginning of the year		3,769.45	1,480.60
Profit for the year		5,502.73	2,871.30
Less:			
Transferred to deferred tax liability		-	(4.22)
Depreciation adjustment [Net of tax (See Note 11 (1))]		(48.73)	-
		9,223.45	4,347.68
Appropriations			
Proposed dividend		(431.50)	(331.83)
Tax on proposed dividend		(88.35)	(56.40)
Transfer to General Reserve		(130.00)	(190.00)
		(649.85)	(578.23)
Balance, end of the year		8,573.61	3,769.45
		12,527.63	8,386.36

Balance in General Reserves includes Rs.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	
	2015	2014	2015	2014
Secured				
Term loan from banks				
In foreign currency (See a below)	499.57	873.96	558.85	464.29
In Rupees (See b below)	2,306.76	1,978.50	528.31	548.75
Finance lease obligations	-	-		30.54
	2,806.33	2,852.46	1,087.16	1,043.58
Unsecured				
Deposits from public (See c below)	-	-	9.30	689.90
	2,806.33	2,852.46	1,096.46	1,733.48

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a Foreign currency term loans

Foreign currency term loans at 31 March 2015 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
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 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 2015 , 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 CFSL guaranteeing the obligation of CFSE to Exim Bank.'
iii)Exclusive charge over immovable property of CFSL viz.,N-165,MIDC. Boisar,Tarapur.
iii)Pledge of shares of CFCL Mauritius Pvt. Ltd. held by CFSL.
iv)Pledge of Shares of CFS Europe S.p.A.Italy held y CFCL Mauritius Pvt. Ltd.

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 CFSL.(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 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%.

c The fixed deposits of Rs 9.30 outstanding at March 31, 2015 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

5 Deferred tax liability, net

The components of the deferred tax liability are as follows

	2015	2014
Liability		
Depreciation	551.62	334.60
Gratuity (Prepaid)	10.52	21.86
Lease Payments	-	116.55
	562.14	473.01
Asset		
Provision for doubtful debts and advances	122.84	32.52
Leave encashment	58.84	40.57
Other disallowances under the Income-Tax Act	6.12	5.52
	187.80	78.61
	374.34	394.40

6 Long term provision

The long term provision comprises entirely provision for leave encashment.

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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 2015.

9 **Other current liabilities**

	2015	2014
Loans and advances from related parties	-	1.96
Current maturities of foreign currency debt	558.85	464.29
Current maturities of long-term debt	528.31	548.75
Current maturities of finance lease obligations	-	30.54
Current maturities of public deposits [See Note 4(c)]	9.30	689.90
Interest accrued but not due on borrowings	29.52	86.77
Unpaid dividends (See Note below)	18.61	14.59
Unclaimed Interest on public deposit	2.89	-
Share Application money received for allotment of securities and due for refund	0.38	0.35
Deposits	10.18	3.34
TDS Payable	129.61	75.96
Other statutory dues	8.28	9.17
Commission to Director	110.20	71.80
Commission on Sales	145.14	105.67
Other outstanding liabilities	398.27	669.90
	1,949.54	2,772.99

Does not include any amount due and outstanding to be credited to Investor Education and Protection Fund

10 **Short-term provisions**

	2015	2014
Provisions for		
Employee benefits - leave encashment	539.82	451.61
Taxation	394.96	572.75
Proposed dividend	430.14	331.83
Tax on proposed dividend	88.10	56.38
	1,453.02	1,412.57

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CAMLIN FINE SCIENCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

11 - FIXED ASSETS

(Rs in Lacs)

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	As at March 31, 2014
Tangible Assets													
Freehold Land	212.46			5.27	207.19	-					-	207.19	212.46
Leasehold Land	35.14				35.14	1.08	0.33				1.41	33.73	34.06
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)	933.16	822.06	678.43
Site Development	37.55				37.55	6.85	1.54				8.39	29.16	30.70
Plant, Equipment & Machinery	24,299.46	1,982.62	(3,267.37)	33.50	22,981.21	17,913.26	883.23	57.27	37.19	(2,616.14)	16,200.43	6,780.78	6,386.20
Furniture & Fixtures	-				-						-	-	
Owned	186.13	32.96	(4.70)		214.39	79.43	24.98	3.82	-	(3.33)	104.90	109.49	106.70
Leased	198.62				198.62	59.09	60.69				119.78	78.84	139.53
Vehicles	254.75	31.80	(4.36)	8.29	273.90	58.22	34.42		9.39	(2.40)	80.85	193.05	196.53
ERP Hardware Cost	132.60	22.66	(0.06)		155.20	81.32	25.29	11.61		(0.14)	118.08	37.12	51.28
R&D Assets					-						-	-	
R&D Assets	115.27	719.91			835.18	30.58	28.19	1.12			59.89	775.29	84.69
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**	**7,920.58**
Intangible Assets													
ERP Software Cost	121.44	16.13	-	-	137.57	100.46	11.81		-	-	112.27	25.30	20.98
Technical Know-How	562.37		-	-	562.37	361.39	67.85		-	-	429.24	133.13	200.98
Development expenditure	505.87	1,405.75	(68.71)	-	1,842.91	333.29	396.23		-	(48.83)	680.69	1,162.22	172.58
Total	**1,189.68**	**1,421.88**	**(68.71)**	**-**	**2,542.85**	**795.14**	**475.89**	**-**	**-**	**(48.83)**	**1,222.20**	**1,320.65**	**394.54**
Current 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**	**10,642.51**	**8,315.12**
Previous Year	**25,104.02**	**771.82**	**3,010.01**	**571.25**	**28,314.61**	**16,775.63**	**1,178.60**		**240.52**	**2,285.73**	**19,999.45**	**8,315.18**	

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

1. 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
   (a) the depreciation charge for year ended 31st March, 2015 is higher by Rs.108.45 lacs respectively.
   (b) there is a debit to retained earning of Rs. 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.
2. CFS Europe S.p.A, step down subsbidiary 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 Rs.278.61 lacs and Rs 252.42 lacs respectively.

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12 Non current investments

	2015 Number	2015 Amount	2014 Number	2014 Amount
Trade, valued at cost unless otherwise stated				
In equity instruments (unquoted)				
Of Associates				
Fine Lifestyle Brand Limited (of Rs.10 fully paid)	255,000	5.41	255,000	6.82
Others				
Fine Renewable Energy Limiged (of Rs.10 fully paid)	51,000	5.10	51,000	5.10
Chemolutions Chemicals Limited (of Rs.10 fully paid)	99,500	9.95	99,500	9.95
Ravenna Servizi Industriali Consortium (of Euro 1 fully paid)	141,783	98.60	141,783	98.60
		113.65		113.65
Trade Investments Total		119.06		120.47
Non-trade				
In equity shares of Saraswat Co-Opeartive Bank Limited (of Rs.10 fully paid)	5,000	0.50	5,000	0.50
		0.50		0.50
Provision for diminution in value of investments		(10.51)		-
		109.05		120.97
Aggregate market value of quoated investments		109.05		120.97

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.

13 Deferred tax asset, net

The components of the deferred tax asset are as follows

	2015	2014
Asset		
Depreciation	0.55	0.68
Tax Losses	1,645.21	790.29
Unrealised foregin exchange Lossess	7.83	3.91
Deductible costs for cash	2.50	3.78
	1,656.10	798.66
Liability		
Unrealised foregin exchange gains	12.38	0.71
	12.38	0.71
	1,643.71	797.95

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

14 Long term loans and advances (unsecured, considered good)

	2015	2014
Capital advances	72.17	96.88
Security deposits	155.20	49.34
Balance With Statutory/Government Authorities	22.90	-
Other loans and advances		
Advance to vendor	26.00	-
MAT credit entitlement	144.49	-
	420.76	146.22

15 Inventories

	2015	2014
Raw material and components (including packing materials) [includes goods in-transit Rs. 2,247.49 lakhs, (previous year Rs. 375.51 lakhs)]	6,723.77	3,185.79
Work-in-progress	3,406.36	1,914.76
Finished goods	2,630.08	4,936.80
Stock in trade	429.33	435.38
Stores and spares	448.53	447.66
	13,638.07	10,920.39

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16 Trade receivables

	2015	2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	145.31	583.64
Doubtful	972.61	95.69
	1,117.92	679.33
Less: Provision for doubtful debts	(972.61)	(95.69)
	145.31	583.64
Other debts		
Unsecured, considered good [Net of Bills Discounted Rs.5,592.27 lacs (Previous year Rs.7,222.21 lacs]	11,196.59	9,548.83
	11,341.90	10,132.47

17 Cash and cash equivalents

	2015	2014
Balances with banks		
In current account	892.82	445.72
Unpaid dividend/interest account	21.98	15.17
Cash on hand	6.64	4.25
	921.44	465.14
Other bank balances		
Margin money	1,004.90	1,115.12
	1,926.34	1,580.26

18 Short term loans and advances

	2015	2014
Loans and advances to related parties (Unsecured, considered good) (See a below)	0.21	36.86
Loans to others		
Unsecured, considered good	230.40	380.48
Considered doubtful	160.00	-
	390.40	380.48
Less: Provision for doubtful debts	(160.00)	-
	230.40	380.48
Other loans and advances (unsecured, considered good)		
Prepaid expenses	411.73	382.36
Advance to Material Suppliers	400.55	504.22
Loans to employees	10.40	10.65
Gratuity	30.95	65.56
Balance with statutory/government authorities	650.50	544.07
Balances with Tax Authorities	184.60	186.62
Deposits	10.03	92.75
Others	173.88	28.09
	1,872.64	1,814.32
	2,103.25	2,231.66

	2015		2014	
	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		36.86	36.86	36.86
(Purpose : General corporate purposes)	-	36.86	36.86	36.86

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

	2015		2014	
	Balance	Maximum outstanding during the year	Balance	Maximum outstanding during the year
Chemolution Chemicals Ltd.	390.40	390.40	380.48	380.48
(Purpose : General corporate purposes)				
Fine Renewable Energy Ltd.	-	28.55	28.55	28.55
(Purpose : General corporate purposes)				
Byrde International Inc.	0.21	0.21	-	-
(Purpose : General corporate purposes)	390.61	419.16	409.03	409.03

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19 **Other current assets**

	2015	2014
Claim receivable	859.92	810.27

On 16th June, 2013 a fire occurred at the company's factory at Tarapur as a result of which there was a loss of inventory and fixed assets. The Company is fully insured against this loss and a claim with the insurance has been lodged which is in progress. The Company has received a partial payment of Rs.1000 lacs against the said claim in January 2014. The Company is confident of recovery of the entire loss. However, a suitable provision on a prudential basis has been made in the books for any part of the claim that may not be recovered.

20 **Revenue from operations**

	2015	2014
Sale of products		
Finished goods	56,508.09	51,187.07
Traded goods	264.60	515.79
Sale of services	0.10	1.34
Other operating revenues		
- Export benefits	247.67	-
- Scrap sales	37.22	12.71
Revenue from operations (gross)	57,057.68	51,716.91
Less: Excise duty	(1,230.23)	(849.83)
	55,827.45	50,867.08

21 **Other income**

	2015	2014
Interest income	142.89	175.52
Dividend income	0.03	0.03
Profit on sale of fixed assets (Net)	47.75	-
Gain on Foreign Exchange Fluctuations	141.99	-
Miscellaneous receipts	504.97	790.83
	837.63	966.38

22 **Cost of materials consumed**

	2015	2014
Opening Stock of Raw Material	3,633.44	6,575.85
Add: Purchases of Raw Material	29,576.54	23,094.50
Less: Closing Stock of Raw Material	(7,172.30)	(3,633.44)
	26,037.68	26,036.91

23 **Purchase of stock in trade**

	2015	2014
Purchases of stock in trade	190.79	499.50

24 **Changes in inventory of finished goods and work in progress**

	2015	2014
Opening Inventory		
Finished Goods	5,372.18	6,559.62
Work-In-Progress	1,914.76	1,764.43
	7,286.94	8,324.05
Closing Inventory		
Finished Goods	3,059.41	5,372.18
Work-In-Progress	3,406.36	1,914.76
	6,465.77	7,286.93
	821.17	1,037.12

Consumption of raw materials, packing materials and traded goods

	2015	2014
Tertiary Butyl Alchohol	2,855.25	2,454.93
Phenol	9,757.37	7,526.40
Hydrogen peroxide	2,160.07	1,410.60
Toluene	1,053.67	1,111.83
Others	10,402.11	14,032.65
	26,228.47	26,536.41

	2015		2014	
	%	Amount	%	Amount
Imported	35.65	9,350.25	31.16	8,267.93
Indigenous	64.35	16,878.22	68.84	18,268.48
	100.00	26,228.47	100.00	26,536.41

25 **Employee benefit expenses**

	2015	2014
Salaries and wages	3,784.15	3,254.92
Contributions to -		
Provident fund	122.00	77.78
Gratuity fund	35.72	11.15
Expense on Employee Stock Option Scheme (ESOP)	21.07	18.64
Staff welfare expenses	95.35	74.85
	4,058.29	3,437.34

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i) Employee Stock Options

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	
Options granted	19,41,000	1,67,000	3,22,000	6,40,000	14,94,000	16,38,000
Exercise price	Rs.5.00/- per share	Rs.5.00/- per share	Rs.5.00/- per share	Rs.6.20/-per share	Rs.8.00/-per share	Rs.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	
	15% On expiry of 24 months from the date of grant				25% 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.

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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	8,11,900	5.33	12,61,000	8	Nil	N.A.
Granted during the year	0	N.A.	0	N.A.	16,38,000	67
Expired/Forfeited during the year	94,700	5.08	48,850	16	17,000	67
Exercised during the year	6,25,400	5.24	8,54,400	16	Nil	N.A.
Outstanding at the end of the year	91,800	6.16	3,57,750	8	16,21,000	67
Exercisable at the end of the year	3,000	5.00	51,600	8	Nil	67
Weighted average RangeofexercisepriceofOptionsoutstandingattheendoftheyear	Rs. 5/- to Rs. 6.2/-		Rs. 8/-		Rs. 67/-	
Weighted average remaining contractual life of the option outstanding at the end of the year	1.14 years		0.74 years		3.25 years	
Weighted average fair value of the options granted during the year	N.A.		N.A.		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 Rs 21.07 lakhs. The total intrinsic value of the liability at 31st March 2015 in respect of options vested aggregates Rs 12.36 lakhs.

Had the fair value method of accounting for options been followed the net profit for the year would have been lower by Rs 45.78 lakhs and the basic and diluted earnings per share would have been lower by Rs 0.05 and Rs 0.05 respectively.

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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

a	Expense recognised in the statement of profit and loss	2015	2014
	Current Service Cost	12.69	7.50
	Interest	(4.71)	11.85
	Expected Return on plan assets	-	(14.05)
	Actuarial (Gain)/Loss	27.74	5.85
	Total expense	35.72	11.15
	Actual return on plan assets		
b	Net asset recognised in the Balance Sheet		
	Present Value of Defined Benefit Obligation at end of the year	225.75	163.06
	Fair Value of plan assets at the end of the year	256.70	228.62
	Funded status [Surplus/(Deficit)]	30.95	65.56
	Net Asset/(Liability) at the end of the year.	30.95	65.56
c	Change in obligation during the year		
	Present Value of Defined Benefit Obligation at the beginning of the year	163.06	148.20
	Current Service Cost	12.69	7.50
	Interest Cost	15.18	11.86
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	22.10	7.18
	Actuarial (Gains)/Losses on Obligations - Due to Experience	12.72	-
	Benefit payments		(11.68)
	Present Value of Defined Benefit Obligation at the end of the year	225.75	163.06
d	Change in Fair Value of Assets during the year ended.		
	Fair Value of plan assets at the beginning of the year	228.63	161.56
	Expected return on plan assets	19.89	14.06
	Contributions by employer	1.10	63.36
	Actual benefits paid	-	(11.68)
	Actuarial Gain/(Loss) on Plan Assets - Due to Experience	7.08	1.33
	Fair Value of plan assets at the end of the year.	256.70	228.63

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

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 fours years are as follows

	2,015.00	2,014.00	2,013.00	2,012.00	2,011.00
Defined Benefit Obligation	225.75	163.06	148.20	118.06	102.90
Plan assets	256.70	228.63	161.56	142.15	118.05
Deficit/(Surplus)	(30.95)	(65.57)	(13.36)	(24.09)	(15.15)
Experience adjustments					
On plan assets	7.08	1.33	1.29	(9.44)	10.11
On plan liabilities	12.72	(11.68)	(12.18)	(9.09)	(6.42)

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

	2015	2014
Discount rate	8.00%	9.31%
Expected rate of return on plan assets	8.00%	8.70%
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 2015 Rs. 541.97 Lacs (previous year Rs. 549.58 Lacs), determined on actuarial basis using projected unit credit method.

26 Finance cost

	2015	2014
Interest	1,833.31	1,888.84
Bank Charges	449.81	482.74
Exchange Difference to the extent considered as an adjustment to borrowing cost	99.34	94.32
	2,382.46	2,465.90

27 Research & development expenses

	2015	2014
Salaries and incentives	79.25	114.15
Travelling & Conveyance	19.74	23.28
Professional fees	67.48	80.83
Laboratory Expenses	48.93	38.13
Other Expenses	32.49	15.98
	247.89	272.37

28 Other expenses

			2015	2014
Consumption of stores and spares			58.52	126.35
Power and Fuel			5,800.23	5,143.26
Rent (See Note 34)			489.21	507.20
Rates and Taxes			75.72	29.63
Insurance			423.54	318.27
Repairs				
- Building			32.45	19.48
- Machinery			831.82	173.10
- Others			956.16	847.15
Sub Contracting Charges			954.84	779.64
Labour Charges			424.54	441.17
Advertisement and Sales Promotion			614.74	476.25
Transport & Forwarding Charges			990.10	979.79
Commission/Discount/Service Charges on Sales			411.73	322.05
Travelling & Conveyance			503.01	431.78
Directors' Meeting Fees			21.89	4.62
Auditors' Remuneration			71.45	75.40
CSR Contribution			51.76	-
Legal & Professional fees			536.04	368.67
Bad Debt Written Off	523.33	352.56		
Bad Advances Written Off	65.41	708.32		
Provision for Doubtful Debts	75.10	70.82		
Provision for Doubtful Advances	160.00	-		
Provision for diminution in investments (See Note 12)	10.51	-		
Less: Provision for Doubtful Advances Written Back	-	(208.32)		
Less: Provision for Doubtful Debts Written Back	-	(9.58)		
	834.35	913.79	834.35	913.79
Loss on Sale/Discarding of Assets			0.13	96.23
Exchange fluctuation			413.28	218.86
Miscellaneous Expenses			1,558.84	1,146.64
			16,054.35	13,419.34

Auditor remuneration	2015	2014
Audit Fees Standalone Financials	58.13	62.19
Tax Audit Fees	3.12	2.60
In Other Capacity		
Taxation Matters	3.00	2.50
Certification	0.95	1.30
Other Services	5.67	6.50
Reimbursement of Expenses	0.58	0.31
	71.45	75.40

29 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 Rs.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.

30 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 2014-15, the company has made a provision of Rs. 35.20 lacs towards commission payable to Non-executive Directors.

31 Earnings per share

	2015	2014
Profit as per Statement of Profit and Loss available for equity shareholders	5,502.73	2,871.30
Weighted average number of equity shares used in computing basic earnings per share	9,53,16,423	9,40,61,162
Dilutive effect of stock options	4,00,278	3,77,400
Weighted average number of equity shares used in computing diluted earnigns per share	9,57,16,701	9,44,38,562
Basic earnings per share (Rs) of face value of Rs 1/- each	5.77	3.06
Diluted earnings per share (Rs) of face value of Rs 1/- each	5.75	3.04

As indicated in Note 2, the face value of equity shares has been split from Rs 2/- per share in the previous year to Re 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 2015 is as follows:

	Currency	2015	2014
Trade Receivable	US $	99.94	147.03
	Euro	42.47	13.85
Trade Payable	US $	39.14	39.32
	Euro	54.63	2.46
Term Loan	US $	14.16	22.27
	Euro	13.25	13.25
		263.59	238.18

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
Mrs. L. A. 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
Purchases/Expenses		
Services	Nil	11.40
	(Nil)	(9.30)
Salaries	Nil	Nil
	(Nil)	(Nil)
Finance		
Loan Taken	Nil	Nil
	(1.79)	(Nil)
Interest Received	Nil	Nil
	(4.29)	(Nil)
Other Transactions		
Reimbursement received from parties	Nil	Nil
	(3.30)	(Nil)
Outstanding		
Payable	Nil	Nil
	(1.79)	(Nil)
Receivable	Nil	Nil
	(68.41)	(Nil)
Inter Corporate Loans Given	Nil	Nil
	(36.86)	(Nil)
Managerial Remuneration		334.01
	(Nil)	(235.59)

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Significant transactions with related parties

	Associate Companies	
	2015	2014
Finance		
Interest Received		
Fine Lifestyle Brand Ltd.	-	4.29
Outstanding		
Inter Corporate Loans Given		
Fine Lifestyle Brand Ltd.	-	36.86
	Key Management Personnel	
Managerial Remuneration		
Mr.A.S.Dandekar	176.88	165.68
Mr. D. D. Dandekar	33.00	18.00
Mrs. L.A.Dandekar	62.85	-
Mr. D. R. Puranik	61.28	49.91

34 **Leases**

General description of finance lease arrangement

The Company has taken furniture and fixtures on finance lease. The said lease arrangement is for a period of five years.

	2015	2014
Total Minimum Lease Payments at the year end	32.24	54.8
Less: - Amount representing finance charges	1.7	7.94
Present Value of Minimum Lease payments (Rate of Interest 12.00% p.a.)	30.54	46.86
Minimum Lease Payments		
Not later than one year for finance lease : Present value Rs. Nil Lacs as on 31.03.2015 (Rs. 30.54 as on 31.03.2014)]	Nil	32.24
Later than one year but not later than five years [for finance lease : Present value Rs.Nil Lacs as on 31.03.2015 (Rs. Nil as on 31.03.2014)]	-	-
Later than five years [for finance lease : Present value Rs. Nil as on 31.03.2015 (Rs. Nil as on 31.03.2014)	-	-

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.

For the period up to one year	181.33	155.96
For the period one year to five years	620.01	179.7
Five years and above	-	-
	801.34	335.66

35 **Segment information**

The Company operates primarily in the segment of Fine Chemicals and hence has only one reportable segment
For year ended March 2015 Domestic sale is Rs.11398 lacs and Export sale is Rs.45374.70 lacs respectively

36 **Contingencies and commitments**

	2015	2014
Contingent liabilities		
a) In respect of bills of exchange / cheque discounted with the bankers	5,592.27	7,222.51
b) In respect of bank guarantees issued to VAT ,Excise and Custom Authorities	435.68	257.75

Commitments

Value of contracts (net of advance) remaining to be executed on capital account not provided for Rs.122.87 Lacs. (Previous year Rs.29.91 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

37 **Value of imports on CIF basis**

	2015	2014
Raw Material	9,327.50	7,907.48

38 **Expenditure in foreign currency**

	2015	2014
Professional & Legal Fees	218.25	94.61
Commission and Sales Promotion	649.30	491.73
Others	80.66	79.64
	948.20	665.98

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39 Earnings in foreign exchange

	2015	2014
Exports at F.O.B. Value (Including Trading)	33,596.58	33,006.34

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.

40 Group information

	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Camlin Fine Sciences ltd.	72.54	9,782.95	46.91	2,581.76
Subsidiary				
Foreign				
CFCL Mauritius Limited	34.33	4,629.63	58.04	3,193.72
Dulcette Technologies LLC	-	-	1.53	84.00
CFS DO BRASIL INDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃO DE ADITIVOS ALIMENTÍCIOS LTDA.	(0.13)	(17.57)	(5.69)	(312.87)
Solentus North America Inc	(1.04)	(139.91)	(3.13)	(172.37)
Associates				
Indian				
Fine Lifestyle Brand Limited			(0.03)	(1.41)
Exceptional Item			0.65	35.52
Total Eliminations	(5.70)	(768.59)	1.72	94.38
	100.00	13,486.51	100.00	5,502.73

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 : 12 May 2015

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

D. D. Dandekar
Chairman

A.S.Dandekar
Managing Director

D.R.Puranik
Executive Director &
Chief Financial Officer

L.A.Dandekar
Executive Director

P.M.Sapre
Director

S.M.Kulkarni
Director

B. A. Patel
Director

A.E.Fatzullabhoy
Director

A. R. Pradhan
Director

N. A. Paglietti
Director

N. V. Momaya
Director

A. S. Deshmukh
Director

R.D.Sawale
Company Secretary

Mumbai

Dated : 12 May 2015

ANNEXURE- I

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

PART I

(Rs.in Lakh, except per share data)

No.		PARTICULARS	STANDALONE					CONSOLIDATED				
			QUARTER ENDED			HALF YEAR ENDED		QUARTER ENDED			HALF YEAR ENDED	
			30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1		**Revenue from operations**										
		Sales / Income from operations	8,505.68	7,041.87	7,599.43	15,547.55	17,954.04	14,420.71	14,015.14	11,409.13	28,435.85	25,668.14
		Other income	554.73	85.00	30.37	639.73	175.03	422.65	63.37	(58.70)	486.02	435.43
		Total income	**9,060.41**	**7,126.87**	**7,629.80**	**16,187.28**	**18,129.07**	**14,843.36**	**14,078.51**	**11,350.43**	**28,921.87**	**26,103.57**
2		**Expenditure**										
		Cost of materials consumed	5,500.03	3,413.47	5,213.90	8,913.50	10,864.58	7,113.60	7,017.70	6,194.25	14,131.30	13,827.60
		Excise duty	-	214.24	372.05	214.24	810.42	-	215.76	273.73	215.75	810.42
		Purchase of stock in trade	368.29	169.49	254.89	537.78	879.70	357.10	180.68	587.82	537.78	879.70
		Changes in inventories of finished goods/ WIP/ stock in trade	577.46	1,343.04	(1,642.42)	1,920.50	(2,184.09)	128.20	2,043.14	(3,417.81)	2,171.34	(4,477.23)
		Employee benefits expense	433.26	450.92	517.06	884.18	1,000.42	1,684.34	1,612.13	1,455.40	3,296.47	2,791.84
		Finance costs	633.60	642.04	509.11	1,275.64	1,131.42	800.08	713.73	613.32	1,513.81	1,321.81
		Depreciation and amortisation expense	229.02	228.38	297.93	457.40	592.68	632.66	452.09	546.78	1,084.75	1,021.80
		Research and development expenses	44.51	47.03	66.48	91.54	145.30	44.51	47.03	66.48	91.54	145.30
		Other expenses	1,882.86	1,207.53	1,850.88	3,090.39	3,700.23	4,685.29	3,966.83	4,478.03	8,652.12	8,363.43
		Total Expenses	**9,669.03**	**7,716.14**	**7,439.88**	**17,385.17**	**16,940.66**	**15,445.78**	**16,249.09**	**10,798.00**	**31,694.86**	**24,684.67**
3		**Profit/(Loss) before share of profit of associate (1-2)**	**(608.62)**	**(589.27)**	**189.92**	**(1,197.89)**	**1,188.41**	**(602.42)**	**(2,170.58)**	**552.43**	**(2,772.99)**	**1,418.90**
4		**Share of profit /(loss) of associate**	-	-	-	-	-	**(2.15)**	**0.47**	-	**(1.68)**	-
5		**Profit / (Loss) before tax (3-4)**	**(608.62)**	**(589.27)**	**189.92**	**(1,197.89)**	**1,188.41**	**(604.57)**	**(2,170.11)**	**552.43**	**(2,774.67)**	**1,418.90**
6		**Tax Expenses**										
		- Current tax	-	-	49.90	-	351.49	193.96	312.60	377.40	506.56	896.22
		- Deferred tax	(241.84)	(234.16)	10.04	(476.00)	70.19	(460.08)	(1,351.64)	100.13	(1,811.72)	152.96
7		**Profit/(Loss) after tax (5-6)**	**(366.78)**	**(355.11)**	**129.98**	**(721.89)**	**766.73**	**(338.45)**	**(1,131.07)**	**74.90**	**(1,469.51)**	**369.72**
8		Other comprehensive income										
A	(i)	Items that will not be reclassified to profit or loss										
		Remeasurements of defined benefit plans	(13.16)	14.22	(14.71)	1.06	(13.71)	(13.16)	14.22	(14.71)	1.06	(13.71)
	(ii)	Income tax relating to Items that will not be reclassified to profit or loss	4.35	(4.70)	4.86	(0.35)	4.53	4.35	(4.70)	4.86	(0.35)	4.53
B	(i)	Items that will be reclassified to profit or loss										
		Exchange differences on translating the financial statements of subsidiaries	-	-		-	-	705.63	662.15	(69.66)	1,367.78	(336.58)
	(ii)	Income tax relating to Items that will not be reclassified to profit or loss	-	-		-	-	(233.30)	(218.93)	23.03	(452.23)	111.28
		Other comprehensive income	**(8.81)**	**9.52**	**(9.85)**	**0.71**	**(9.18)**	**463.52**	**452.74**	**(56.48)**	**916.26**	**(234.48)**
9		**Total comprehensive income for the period (5+6)**	**(375.59)**	**(345.59)**	**120.13**	**(721.18)**	**757.55**	**125.07**	**(678.33)**	**18.42**	**(553.26)**	**135.24**
10		**Profit / (loss) attributable to:**										
	(i)	Owners of the Company	(366.78)	(355.11)	129.98	(721.89)	766.73	(414.76)	(1,207.71)	(58.97)	(1,622.47)	59.64
	(ii)	Non-controlling interests	-	-		-	-	76.32	76.64	133.87	152.96	310.08
11		**Other comprehensive income attributable to:**										
	(i)	Owners of the Company	(8.81)	9.52	(9.85)	0.71	(9.18)	446.74	409.46	(46.88)	856.20	(171.13)
	(ii)	Non-controlling interests	-	-		-	-	16.77	43.28	(9.60)	60.06	(63.35)
12		**Total comprehensive income attributable to:**										
	(i)	Owners of the Company	(375.59)	(345.59)	120.13	(721.18)	757.55	31.98	(798.25)	(105.85)	(766.28)	(111.49)
	(ii)	Non-controlling interests	-	-		-	-	93.09	119.92	124.27	213.02	246.73
13		Paid-up Equity Share Capital (Face Value Re.1/- per share)	1,037.86	1,037.10	1,032.59	1,037.86	1,032.59	1,037.86	1,037.10	1,032.59	1,037.86	1,032.59
14		Earnings per Share (EPS) (of Re.1/-each) (not annualised)										
		Basic (Rs.)	(0.35)	(0.34)	(0.03)	(0.70)	0.61	(0.40)	(1.16)	(0.22)	(1.56)	(0.10)
		Diluted (Rs.)	(0.35)	(0.34)	(0.03)	(0.70)	0.61	(0.40)	(1.16)	(0.22)	(1.56)	(0.10)

Registered Office:
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KALYANIWALLA & MISTRY LLP MUMBAI

CAMLIN FINE SCIENCES LTD. MUMBAI

CFS Camlin Fine Sciences

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Notes to financial results:

1 The above results which are published in accordance with Regulation 33 of the SEBI (Listing Obligation & Disclosure Requirements), 2015 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 01, 2017. The financial results are in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The current quarter and half year results have been subjected to a limited review by the Statutory Auditors of the company.

2 The statement does not include Ind AS compliant results for the previous year ended March 31, 2017 as the same are not mandatory as per SEBI's circular dated July 5, 2016.

3 The Ind AS compliant figures of the corresponding quarter and half year ended of the previous year have not been subjected to a limited review or an audit. However, the Management has exercised necessary due diligence to ensure that such financial results provide a true and fair view.

4 The reconciliation of net profit and equity for the quarter and half year ended September 30, 2016 reported as per Indian GAAP to profit and equity as per Ind AS is as under:

Particulars	Net profit				Equity	
	Standalone		Consolidated			
	Quarter	Half Year	Quarter	Half Year	Standalone	Consolidated
As per Indian GAAP	107.15	754.54	(79.84)	50.81	18,271.97	22,758.21
Impact of fair valuation of security deposits (net)	(0.09)	(0.18)	(0.09)	(0.18)	(1.04)	(1.04)
Impact of fair valuation of mutual funds	32.29	32.29	32.29	32.29	32.29	32.29
Impact of fair valuation of corporate guarantee	1.97	3.38	-	-	3.38	3.38
Actuarial gain on employee defined benefit plan recognised in other comprehensive income	1.16	2.33	1.16	2.33	(11.38)	(11.38)
Capitalisation of borrowing costs	4.17	7.60	4.17	7.60	7.60	7.60
Loss on measurement of employee stock options at fair value	(16.57)	(33.15)	(16.57)	(33.15)	-	-
Deferred tax impact of above adjustments	(0.11)	(0.09)	(0.11)	(0.09)	(2.45)	(2.45)
As per Ind AS	**129.98**	**766.73**	**(58.99)**	**59.61**	**18,300.37**	**22,786.61**

5 Sales for the quarter ended 30 September 2017 is net of Goods and Services Tax (GST), however sales till the period ended June 30, 2017 and other comparative periods are gross of excise duty. The net revenue from operations (net of GST / excise duty) as applicable are as stated below:

Particulars	STANDALONE					CONSOLIDATED				
	QUARTER ENDED			HALF YEAR ENDED		QUARTER ENDED			HALF YEAR ENDED	
	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)
Net revenue from operations	8,445.28	6,889.71	7,110.44	15,333.31	17,324.83	13,653.05	13,973.80	11,018.47	27,625.17	25,038.94

6 On July 12, 2017, CFS Europe S.p.A. along with the Company has completed the process of acquisition of 51% equity stake in CFS Wanglong Flavors (Ningbo) Co.Ltd., China for a total consideration of US$ 6.28 mln. Pursuant to this acquisition, CFS Wanglong Flavors (Ningbo) Co. Ltd. has become a step down subsidiary of the Company.

7 Out of the net proceeds of Rs.5,408.49 lakh pursuant to QIP Issue on July 5, 2016, the Company has utilized the proceeds as per the object of the issue being, meeting of expenses and investments pertaining to expansion and diversification of the business amounting to Rs. 5,358.28 lakh as follows:

Particulars	(Rs. In Lakh)
Capital expenditure including capital advances	383.88
Investments in subsidiaries	2,101.29
Loans to subsidiaries (including advances of Rs.702.40 lakh)	1,969.14
Foreign consultant fees	314.22
General corporate purposes	589.75
Total	**5,358.28**

Pending utilization the balance amount of the net proceeds of Rs. 50.21 lakh are invested in mutual funds.

8 The Company has invested Rs. 56.01 lakh in the share capital of Solentus North America Inc., its wholly owned subsidiary Company ('the subsidiary") and given a loan of Rs. 207.08 lakh to it upto September 30, 2017. The subsidiary has negative net worth as at September 30, 2017 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.

9 Consolidated Gross sales/Income from operation is net of Sales/Purchase between company and its subsidiary companies.

10 On May 4, 2016,CFS Antioxidantes De Mexico S.A.de C.V. Mexico, wholly owned subsidiary of the Company had acquired 65% equity stake in Dresen Quimica S.A.P.I.de C.V., Mexico and its subsidiaries. Results of these subsidiaries have been consolidated for the entire current period, while for the corresponding quarter and half year, consolidation was done only for the period May 4, 2016 to September 30, 2016. On July 12, 2017, the Company had acquired 51% equity stake in CFS Wanglong Flavors (Ningbo) Co. Ltd. Result of this subsidiary has been consolidated for the current period. Hence the corresponding figures of quarter and half year ended September 2016 are not comparable.

11 The Company's operations constitute a single business segment business in Fine Chemicals.

12 Figures for previous periods have been regrouped/rearranged wherever necessary.

FOR CAMLIN FINE SCIENCES LIMITED

Place: Mumbai
Date: November 01, 2017

Ashish S. Dandekar
Managing Director

STATEMENT OF ASSETS AND LIABILITIES

No.			PARTICULARS	STANDALONE 30.09.2017 (Unaudited)	CONSOLIDATED 30.09.2017 (Unaudited)
				(Rs.in Lakh)	
1			**ASSETS**		
	(a)		Property, Plant and Equipment	7,366.20	20,926.38
	(b)		Capital work-in-progress	622.05	622.05
	(c)		Investment Property	207.19	207.19
	(d)		Goodwill	-	4,586.74
	(e)		Other Intangible Assets	67.85	2,326.65
	(f)		Intangible Assets under development	886.79	182.13
	(g)		Investment in Associate	-	0.40
	(h)		**Financial Assets**		
		(i)	Investments	3,889.09	99.12
		(ii)	Loans	1,216.67	-
		(iii)	Other financial assets	138.48	172.74
	(i)		Deferred tax assets (net)	88.37	3,548.27
	(j)		Other non-current assets	381.07	381.61
			Total Non-current Assets	**14,863.76**	**33,053.28**
(2)			**Current Assets**		
	(a)		Inventories	11,393.56	21,566.41
	(b)		**Financial assets**		
		(i)	Investments	50.21	50.21
		(ii)	Trade receivables	14,904.76	13,623.01
		(iii)	Cash and cash equivalents	160.95	3,348.23
		(iv)	Other bank balances	1,228.19	1,229.14
		(v)	Loans	2,712.47	46.72
		(vi)	Other financial assets	29.52	30.03
	(c)		Current Tax Assets (Net)	246.13	442.28
	(d)		Other current assets	3,078.40	5,112.58
			Total Current Assets	**33,804.19**	**45,448.61**
			TOTAL ASSETS	**48,667.95**	**78,501.89**
			EQUITY AND LIABILITIES		
			EQUITY		
	(a)		Equity Share Capital	1,037.86	1,037.86
	(b)		Other Equity	16,202.70	19,345.04
				17,240.56	**20,382.90**
			Non-Controlling Interest	**-**	**5,793.22**
			LIABILITIES		
(1)			**Non-current Liabilities**		
	(a)		**Financial Liabilities**		
		(i)	Borrowings	1,621.78	11,652.72
	(b)		Provisions	218.21	822.35
	(c)		Other non-current liabilities	187.43	-
			Total Non-Current Liabilities	**2,027.42**	**12,475.07**
(2)			**Current Liabilities**		
	(a)		Financial Liabilities		
		(i)	Borrowings	19,641.98	26,359.34
		(ii)	Trade Payables	7,796.59	10,941.28
		(iii)	Other financial liabilities	1,790.30	2,089.51
	(b)		Other current liabilities	134.41	423.88
	(c)		Provisions	36.69	36.69
			Total Current Liabilities	**29,399.97**	**39,850.70**
			TOTAL EQUITY AND LIABILITIES	**48,667.95**	**78,501.89**

FOR CAMLIN FINE SCIENCES LIMITED

Place: Mumbai
Date: November 01, 2017

KALYANIWALLA & MISTRY LLP MUMBAI

Ashish S. Dandekar
Managing Director

CAMLIN FINE SCIENCES LTD. MUMBAI

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Limited Review Report on Quarterly unaudited Standalone Financial Results of Camlin Fine Sciences Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
Camlin Fine Sciences Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results ("the statement") of Camlin Fine Sciences Limited for the quarter and half year ended September 30, 2017, prepared by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Indian Accounting Standards (Ind AS) compliant figures of the corresponding quarter and the half year ended of the previous year have not been subjected to a limited review or an audit and are based on the previously published financial results as adjusted for differences arising on the transition to Ind AS. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on November 01, 2017. Our responsibility is to issue a report on these Unaudited Standalone financial results based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. The Financial results for the quarter and half year ended September 30, 2016, included in the Statement, are based on the previously issued financial results of the Company, prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP'), which were reviewed by M/s. B. K. Khare & Co. Chartered Accountants, whose report dated November 10, 2016 expressed an unmodified opinion on those unaudited standalone financial results. Management has adjusted these results for the differences in the accounting principles adopted by the Company on transition to the Indian Accounting Standards ('Ind AS') and presented a reconciliation of profit under Ind AS of the corresponding quarter and half year with the profit reported under previous GAAP, which have been approved by the Company's Board of Directors but have not been subjected to a limited review.

KALYANIWALLA & MISTRY LLP
MUMBAI

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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited Standalone Financial Results prepared in accordance with the applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note 8 to the Notes to financial results relating to an investment made by the Company in the share capital of Solentus North America Inc., its wholly owned subsidiary company amounting to Rs. 56.01 lakhs and to whom it has also advanced a loan aggregating to Rs. 207.08 lakhs. The subsidiary has negative net worth as at September 30, 2017 and is dependent upon the Company to enable it to meet its obligations as they become due. In the opinion of the management, the fall in value of the equity shares is temporary and the recoverability of the above loan is dependent on successful implementation of management's future plans in respect of the said subsidiary.

   Our opinion is not modified in respect of the above matter.

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: November 01, 2017

KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Limited Review Report on Quarterly unaudited Consolidated Financial Results of Camlin Fine Sciences Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
Camlin Fine Sciences Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results ("the statement") of Camlin Fine Sciences Limited for the quarter and half year ended September 30, 2017, prepared by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Indian Accounting Standards (Ind AS) compliant figures of the corresponding quarter and half year of the previous year have not been subjected to a limited review or an audit and are based on the previously published financial results as adjusted for differences arising on the transition to Ind AS. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on November 01, 2017. Our responsibility is to issue a report on these unaudited consolidated financial results based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. The Financial results for the quarter and half year ended September 30, 2016, included in the Statement, are based on the previously issued financial results of the Company, prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP'), which were reviewed by M/s. B. K. Khare & Co. Chartered Accountants, whose report dated November 10, 2016 expressed an unmodified opinion on those unaudited consolidated financial results. Management has adjusted these results for the differences in the accounting principles adopted by the Company on transition to the Indian Accounting Standards ('Ind AS') and presented a reconciliation of profit under Ind AS of the corresponding quarter and half year with the profit reported under previous GAAP, which have been approved by the Company's Board of Directors but have not been subjected to a limited review.

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4. We did not review the financial statements of ten subsidiaries incorporated outside India and a subsidiary in India, whose interim financial statements reflect total assets of Rs. 43,555.11 lakh as at September 30, 2017 and total revenue of Rs. 12,403.37 Lakhs and Rs. 21,849.87 lakh for the quarter and half year ended on that date respectively, as considered in the consolidated financial statements. These financial statements have been reviewed by other auditors whose report has been furnished to us by the Management and our opinion on the quarter and half year consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

   The consolidated financial statements also include the Group's share of net loss of Rs. 1.68 lakhs in respect of an associate whose financial statements has been reviewed by other auditor whose report has been furnished to us by the Management. Our opinion on the quarter and half year consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditor.

   In case of subsidiaries located outside India, interim financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the interim financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India (Indian Accounting Standards 'Ind AS'). We have reviewed these conversion adjustments made by the Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of the other auditors and the conversion adjustments made by the management of the Company and reviewed by us.

5. The financial result of four subsidiaries, whose financial result reflects the Group's share of total assets of Rs. 11,032.22 lacs as at September 30, 2017 and the Group's share of total revenue of Rs. 524.28 Lacs and Rs. 901.37 lacs for the quarter and half year ended on that date respectively as considered in Consolidated Financial Results, are not reviewed as of the date of this report and have been included in the Consolidated Financial Results on the basis of Unaudited Management Accounts.

KALYANIWALLA & MISTRY LLP
MUMBAI

6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited Consolidated Financial Results prepared in accordance with the applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Dated: November 01, 2017

CFS Camlin
Fine Sciences

Extract of Statement of Consolidated Unaudited Financial Results for the Quarter and Half YearEnded September 30, 2017

No.	PARTICULARS	CONSOLIDATED		
		QUARTER ENDED		HALF YEAR ENDED
		30.09.2017	30.09.2016	30.09.2017
		(Unaudited)	(Unaudited)	(Unaudited)
1	Total Income from Operations	14,420.71	11,409.13	28,435.85
2	Net Profit/(Loss) from ordinary activities after tax	(338.45)	74.90	(1,469.51)
3	Net Profit/(Loss) for the period after tax and non-controlling interests (after extraordinary items)	(414.76)	(58.97)	(1,622.47)
4	Total Comprehensive Income for the period	125.07	18.42	(553.26)
5	Equity Share Capital	1,037.86	1,032.59	1,037.86
6	Earnings per share (before and after extraordinary items) (of Re 1/-each)			
	-Basic Rs.	(0.40)	(0.22)	(1.56)
	-Diluted Rs.	(0.40)	(0.22)	(1.56)

The above information is an extract of the detailed format of unaudited results for the quarter ended September 30, 2017 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the unaudited results for the quarter ended September 30, 2017 are available on the Company's website,www.camlinfs.com and the Stock Exchange websites i.e. www.bseindia.com and www.nseindia.com

The reconciliation of consolidated net profit for the quarter and half year ended September 30, 2016 reported as per Indian GAAP to profit as per Ind AS as under:

Particulars	Quarter	Half Year
As per Indian GAAP	(79.84)	50.81
Impact of fair valuation of security deposits (net)	(0.09)	(0.18)
Impact of fair valuation of mutual funds	32.29	32.29
Actuarial gain on employee defined benefit plan recognised in other comprehensive income	1.16	2.33
Capitalisation of borrowing costs	4.17	7.60
Loss on measurement of employee stock options at fair value	(16.57)	(33.15)
Deferred tax impact of above adjustments	(0.11)	(0.09)
As per Ind AS	**(58.99)**	**59.61**

FOR CAMLIN FINE SCIENCES LIMITED

Place: Mumbai
Date: November 01, 2017

KALYANIWALLA & MISTRY LLP MUMBAI

Ashish S. Dandekar
Managing Director

CAMLIN FINE SCIENCES LTD. MUMBAI

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

+91 22 6700 1000 +91 22 2832 4404 corporate@camlinfs.com www.camlinfs.com

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

____

Ashish S. Dandekar
Managing Director

Place: Mumbai
Date: November 22, 2017

DECLARATION

We, the Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____

Ashish S. Dandekar
Managing Director

We are severally authorised by the Security Issue and QIP Committee of the Company, vide resolution dated November 22, 2017 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Ashish S. Dandekar
Managing Director

____

Santosh Parab
Chief Financial Officer

Place: Mumbai
Date: November 22, 2017

ISSUER

Camlin Fine Sciences Limited

WICEL, Plot No. F/11 & F/12
Opp. Seepz Main Gate, Central Road, Andheri (East)
Mumbai 400093
Tel: (91 22) 6700 1000; Fax: (91 22) 2832 4404
Website: www.camlinfs.com; CIN: L74100MH1993PLC075361
Contact Person: Rahul Sawale, Group Company Secretary and Compliance Officer

Details of Compliance Officer

Rahul Sawale

Group Company Secretary and Compliance Officer
WICEL, Plot No. F/11 & F/12
Opp. Seepz Main Gate, Central Road, Andheri (East)
Mumbai 400093
Tel: (91 22) 6700 1000; Fax: (91 22) 2832 4404
Email: secretarial@camlinfs.com

BOOK RUNNING LEAD MANAGER

Equirus Capital Private Limited

12th Floor, C Wing, Marathon Futurex
NM Joshi Marg, Lower Parel
Mumbai 400 013

INDIAN LEGAL COUNSEL TO THE ISSUE

Khaitan & Co

One Indiabulls Center
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai 400 013

INTERNATIONAL LEGAL COUNSEL FOR SELLING RESTRICTION

Jones Day

138 Market Street
Level 28, CapitaGreen
Singapore 048946

STATUTORY AUDITORS TO OUR COMPANY

Kalyaniwalla & Mistry LLP

5th Floor, Kalpataru Heritage
127 M. G. Road, Fort
Mumbai 400 001