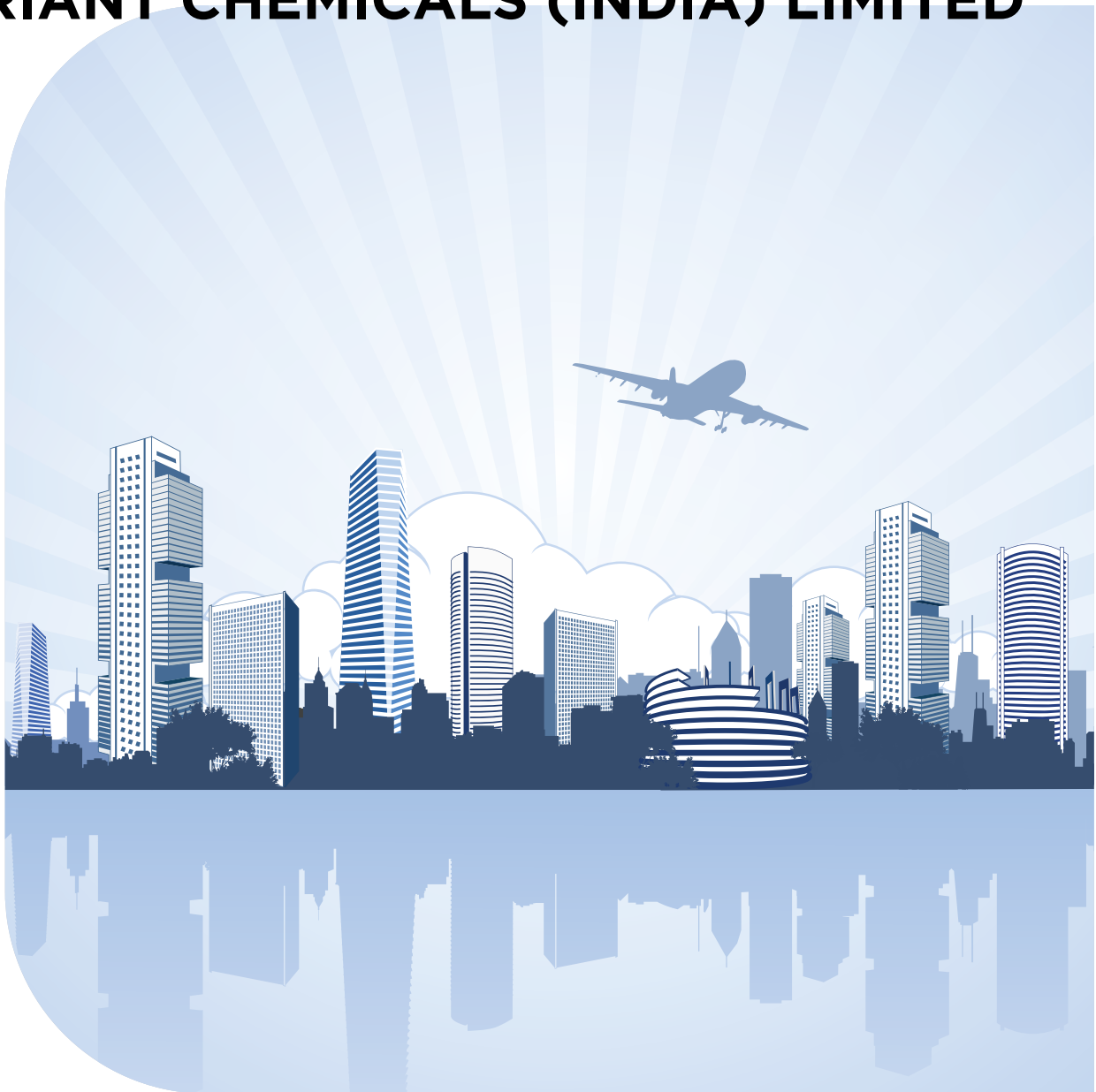


Annual Report 2015–16

CLARIANT CHEMICALS (INDIA) LIMITED



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From the desk of Vice-Chairman & Managing Director

Dear Shareholders,

This marks my third interface with you, as Vice-Chairman & Managing Director of Clariant Chemicals (India) Ltd. I would like to thank all of you, our shareholders, for your continued faith in the organization. Our Company is taking several steps to partner with India's growth story, and we are concentrating all our efforts towards making a real difference.

While our solutions find applications across several emerging industry sectors in India, eight of them are notable as they form the building blocks of our growing economy: Agriculture, Infrastructure, Transportation, Healthcare, Fiber, Packaging, Consumer Goods and Home & Personal Care. The leading Companies in these sectors, trust our proficiency. They come forward to co-create innovative solutions that also offer a sustainable advantage. Whether it is our contribution towards a fuel-efficient car or towards a detergent that cleans with lesser water consumption or even towards developing lighter packaging materials with safer colors – we are taking proactive measures to strengthen our product pipeline with innovations that make a difference.

Our Company has manufacturing sites spread across Maharashtra, Gujarat, Madhya Pradesh and Tamil Nadu, with a 73:27 domestic sales to export sales ratio. We are continuing to invest more in our people, in new-age technologies in our Application Development Labs, and towards the upgradation of our sites.

Also, our strategic acquisitions in the last two years viz Plastichemix (integrated into Masterbatches) And Lanxess' black pigment portfolio (integrated into Pigments) are starting to show results. By 2020, our Company aims to double its growth, with the current portfolio of products and solutions. We believe in making the Impossible... Possible: Our internal theme for 2015 that propelled our employees to enable the organization make a difference positively.

I am happy to share that our Company undertook close to 30 different CSR projects in the past 15 months, in the fields of education, health, environment and community welfare, with the active participation of more than 300 of our colleagues, committed to these causes. We will continue to invest our time and resources in these areas, and contribute towards making a real difference in the world around us.

In the last three years, our Company has seen a change in its DNA, with a transformed and rejuvenated team, committed to robust growth. Our strength lies in such people, our versatile product portfolio, our technical competence, our thought leadership in the industry and our agility in adapting to this fast-changing world. As a Company, we are committed to increasing shareholder value.

We will continue to address challenges with innovative and sustainable solutions, and our customers lie at the heart of our progress. Your encouragement and confidence in Clariant will drive us forward in our meaningful journey. Our journey towards Excellence. And Excellence in being the leading specialty chemicals Company.

DR. DEEPAK PARIKH

Vice-Chairman & Managing Director
Clariant Chemicals (India) Ltd.

BOARD OF DIRECTORS



KEWAL HANDA
Chairman



DR. DEEPAK PARIKH
Vice-Chairman &
Managing Director



DR. (MRS.) INDU SHAHANI
Director



SUNIRMAL TALUKDAR
Director



ALFRED MUENCH
Director



KARL HOLGER DIERSSEN
Director



MARIO BROCCHI
Director

AUDITORS

Price Waterhouse Chartered Accountants LLP

BANKERS

Standard Chartered Bank
Citibank N.A.

SOLICITORS & ADVOCATES

Crawford Bayley & Co.

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (West), Mumbai – 400 078.
Phone: +91 22 2594 6970
Email: rnt.helpdesk@linkintime.co.in

REGISTERED OFFICE

Reliable Tech Park, Gut no. 31
Village Elthan, Off Thane-Belapur Road
Airoli, Navi Mumbai – 400 708, Maharashtra
Phone: +91 22 7125 1000
Email: investor.relations_india@clariant.com

WORKS

113/114, M.I.D.C. Industrial Area A.V.P.O. Dhatav, Taluka Roha District Raigad – 402 116 Maharashtra	Kudikadu, SIPCOT Post Cuddalore – 607 005 Tamil Nadu
WA-6, Renaissance Industrial & Warehousing Park Kalyan - Padgha Road Village Vashere Post Amne, Taluka Bhiwandi District Thane – 421 302 Maharashtra	Shed No. 18, 19, 20, 21, 22, GIDC Kalol District Panchmahal Vadodara – 389 330 Gujarat
Survey No. 344/1-2-3, Sakarda-Bhadarva Road Village Rania, Taluka Savli Vadodara – 391 780 Gujarat	A1 - 47/2 & 47/3, GIDC Nandesari Vadodara – 391 340 Gujarat
Plot/Phase No.378/2/2 Durgapura Colony Road Birlagram, Nagda – 456 331 Dist. Ujjain Madhya Pradesh	

Making a Difference IN INDIA

OVER A BILLION PEOPLE... OVER A BILLION DREAMS!

The India of today presents opportunities to almost every emerging sector. Coupled with strategic campaigns and incentives from the government, the entire ecosystem is striving relentlessly towards making the dreams of 1.25 billion people, a reality.

Clariant believes in innovation. And not just innovation alone; we believe that, when complemented with sustainability, innovations become meaningful.



Clariant is consistently positioning its businesses in markets with high growth potential. Accelerating Change to Discover Value has been its mantra! This is a mandate for all employees and an invitation to explore Clariant's activities. Sustainable value creation for all its stakeholders and for Clariant as a whole requires the alignment of all business on central factors that are inextricably linked and built upon each other: Driving for excellence, disciplined performance management, delivering to promise, courageous and decisive leadership, lived appreciation, and corporate responsibility.

For Clariant, India means more than just a country on the map. It means commitment. Commitment towards creating opportunities, which lie unchallenged. Commitment to offer solutions with newer perspectives.

Clariant is making large strides towards unlocking the immense untapped potential that India has in the Specialty Chemicals sector. An industry that makes its mark visible in every facet of our everyday lives - be it agriculture, infrastructure, home and personal care, packaging, consumer goods, textiles, transportation and healthcare, among others.

Our competitive solutions have put us on the path to make India a global investment destination and consequently, the leader in the Specialty Chemicals industry.

And in the process, making a difference to the lives of the over a billion people of India!



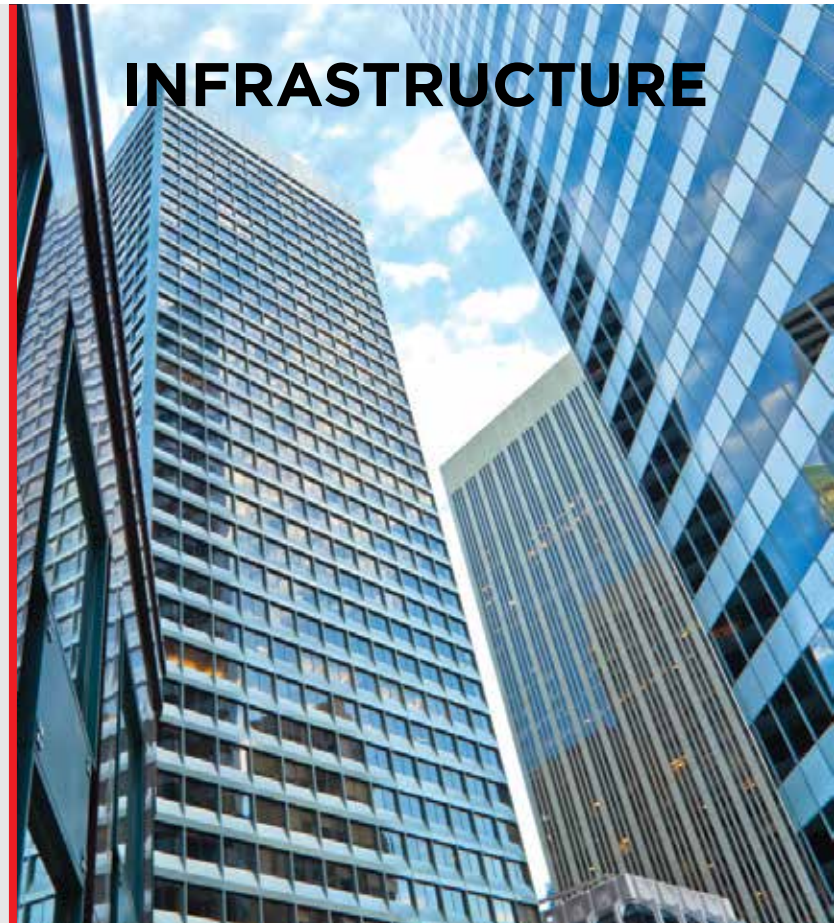
AGRICULTURE



- » Our Agrocer range of pigments provide enhanced appearance to seeds and allow differentiation. This helps in better visualization of high quality and efficiency.
- » By using our safe and regulated pigments in the coloration of agrochemicals, farmers can measure optimal dosage levels of fertilizers.
- » Our additives and masterbatches help greenhouse cultivations, by providing durable and 'green' agricultural films.
- » Our additives offer strength and durability to PVC irrigation pipes, thus reducing wastage of water.

- » Our range of low VOC pigment preparations used in decorative paints help reduce health hazards.
- » By using our range of IR-reflective pigment preparations in water-based exterior paints, ambient temperatures in the interiors are reduced, thus aiding energy-efficiency. These solutions also contribute to long-lasting exterior finishes.
- » Our range of Easily-Dispersible pigments, specially designed for offering eye-catching attractiveness, also find applications in paints used for road markings. This can help in safe vehicular movement.
- » Using our range of sustainable, non-halogenated flame retardants, life and property can be saved, in case of fire hazards.
- » By using thinner insulation boards made possible by our masterbatches technology, buildings can ensure maximum living space, with resultant savings in material use and production costs.
- » Our masterbatches find use in solar panels, ensuring their longevity.

INFRASTRUCTURE



HOME & PERSONAL CARE



- » Our range of regulated colors in various home & personal care products ensure safety and integrity.
- » Our whitening dyes find applications in detergents, thereby offering whiter, brighter, long lasting clothes, with less usage of water.
- » Our functional waxes – Licowax used in applications like shoeshines, offer greater water repellency, thereby increasing shelf life of leather articles.

- » Our range of pigments used for packaging of sensitive applications like food or cosmetics, follow global regulations and are free from lead, chromium, halogens and toxic solvents.
- » Our range of pigments reduce warpage or distortion of flexible packaging, thereby cutting down on wastage and rejections.
- » Our masterbatches ensure safe and compliant packaging of sensitive applications like food and personal care products.
- » Using our specialty masterbatches, processors can increase the use of renewable, degradable and compostable bio-polymers.
- » Use of our masterbatches ensures efficient re-processing of recycled plastics.
- » When used for packaging applications, our additive masterbatches enhance the shelf life of packaged products.

PACKAGING



CONSUMER GOODS



- » Our low-halogenated, safe pigments find applications in high-end electronics, for example smartphones.
- » Our safe and regulated pigments are used in child-friendly products like toys and stationery.
- » Our range of Nickel-free sealants are used for anodizing applications in smartphones.
- » Our range of sustainable, non-halogenated flame retardants find use in high-end electrical and electronic goods, like smartphones, laptops, consumer durables, electrical circuits and fittings.
- » Our range of masterbatches ensure high-performance and durable white goods like refrigerators, washing machines, microwaves, personal electronics, etc.
- » Our masterbatches foaming agents help reduce total weight of plastic and resin consumption in consumer durables, thereby contributing to energy-efficient products.

- » Our pigments find use in mass coloration of Viscose Rayon, with lesser use of water.
- » Our range of waxes enable processing of PP/PET fibers at lower temperatures, thereby saving energy costs.
- » Our range of additives and masterbatches for various fiber applications like carpets, clothing, automotive interiors, offer flame retardancy, durability, among other such features.



TRANSPORTATION



- » Our phthalate-free pigments find use in synthetic leather applications for automotive interiors.
- » Our range of sustainable, non-halogenated flame retardants, find application in personal and public transportation vehicles.
- » Low VOC anti-oxidants find use in automotive interiors, reducing emissions of sulfur-based gases.
- » Our Hydrocerol technology for masterbatches helps reduce total weight of plastics in automobiles, thereby contributing to fuel efficient vehicles.
- » Our masterbatches find use in interiors of automobiles and prevent the plastics from degrading due to temperature fluctuations, UV or hydrocarbon exposure. Antistatic solutions minimize dust accumulation in the interior surfaces, thereby maintaining aesthetics and prolonging the life of automobiles.

- » Our Mevopur range of functional additives help enhance and protect medical devices and pharmaceutical packaging.
- » REMAFIN-EP range of white masterbatches are targeted for use in safe and compliant packaging for parenteral, ocular and nasal drugs.
- » Our solutions meet the latest industry trends for surface functionality and aesthetics still taking into account safety and regulatory compliance.
- » Our 'open to audit' policy and controlled operations help meet FDA and other regulatory guidelines regarding fully traceable production.



HEALTHCARE



Glimpses of OUR COMMUNITY WELFARE INITIATIVES

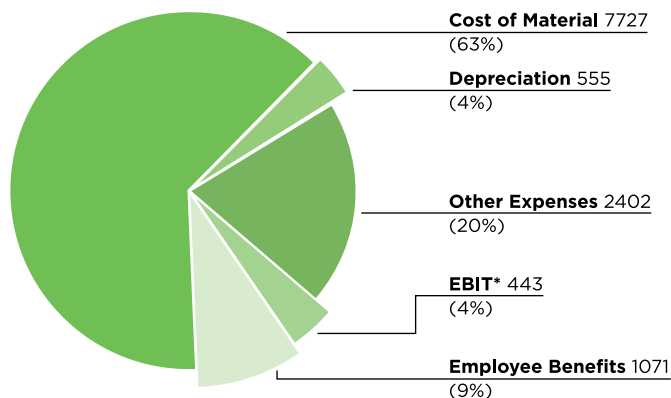
- » We continued our annual tradition of distributing notebooks and stationery to several municipal schools near our site in Roha. At Ma Niketan, Home for girl children in Thane, we supported them with umbrellas, raincoats and school bags.
- » Aided the infrastructure development of two municipal schools in Roha.
- » Strengthened our association with Vatsalya Foundation, Home for street boys in Mumbai, taking care of their education and nutrition needs.
- » At Prem Daan Home, we bonded with the mentally challenged women who reside there. Also, our colleagues from Roha engaged with children from Jidd School for the mentally challenged.
- » Introduced the wonders of our galaxy via a stargazing event conducted for school children near Roha site.
- » Provided water coolers and filters to schools near our Roha and Rania sites.
- » At REAP Foundation, we spent time with the street children, bringing in the New Year 2016 together.
- » Conducted safety awareness programs at a few schools in Roha, addressing nearly 700 children.
- » Using our expertise, we conducted safety audits for two organizations: Shriram Hospital, in Thane and Gurudev Siddha Peeth NGO, pro-bono.
- » Interacted with young students from Mumbai and in Roha, encouraging them to pursue higher studies in chemistry and related fields.
- » Supported a road construction initiative, connecting a river bank to the villagers of Roth Budruk Grampanchayat, near Roha.
- » During the devastating floods in South India in 2015, our employee volunteers from Cuddalore site engaged in several relief measures, primarily foodgrain distribution.
- » Colleagues from our site in Vashere engaged in relief operations post a fire hazard in Kandivali area of Mumbai.
- » Participated in a tree plantation and water conservation drive near Bhavale forest ground, in co-ordination with Hariyali Foundation.
- » Organized a blood donation drive at all our sites in India, with enthusiastic participation from our colleagues.

AWARDS & ACCOLADES

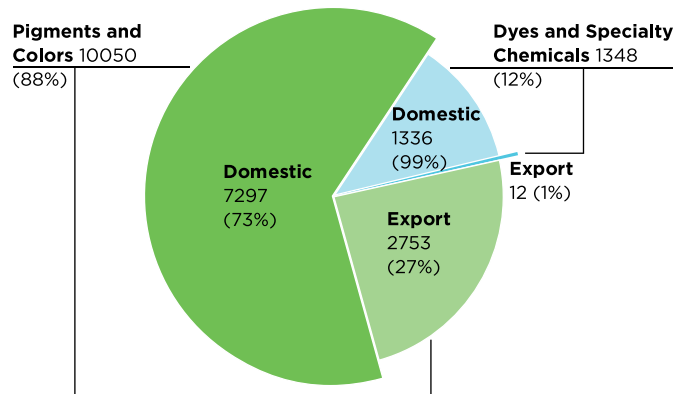
- » **INDIAN PAINTS & COATINGS ASSOCIATION (IPCA):** Clariant received the ‘Star of IPCA award’ as recognition for its dedication, service and consistent quality of the products that it offers to the paints & coatings industry.
- » **DYESTUFFS MANUFACTURERS’ ASSOCIATION OF INDIA (DMAI):** At the annual presentation ceremony of DMAI, Clariant in India was recognized and awarded for its performance in four categories including Exports, Domestic Market, Pollution Control and Safety & Hazards Control.
- » **INDIAN CHEMICAL COUNCIL (ICC):** Clariant in India was presented with the ICC Award for Social Responsibility. The award is in recognition of Clariant’s continual efforts towards Education, Health and Community Welfare.
- » **INDIAN INSTITUTE OF PACKAGING (IIP):** The sustainable packaging innovation ‘Foamed plastic pails’ from one of our customers, AkzoNobel, won the prestigious India Star Award 2015, conferred by IIP. Clariant Masterbatches partnered with AkzoNobel to develop this customized solution for their Dulux brand.
- » **CENTURY RAYON:** Part of the BK Birla Group of Companies, Century Rayon felicitated Clariant for its contribution and longstanding relationship. Our Pigments Business has been associated with the Viscose Filament Yarn business of this Company for more than three decades.

FINANCIAL PERFORMANCE

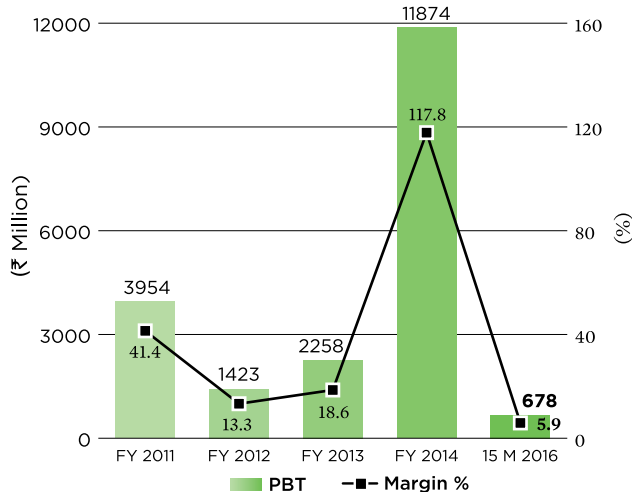
Distribution of PBT**
(₹ million)



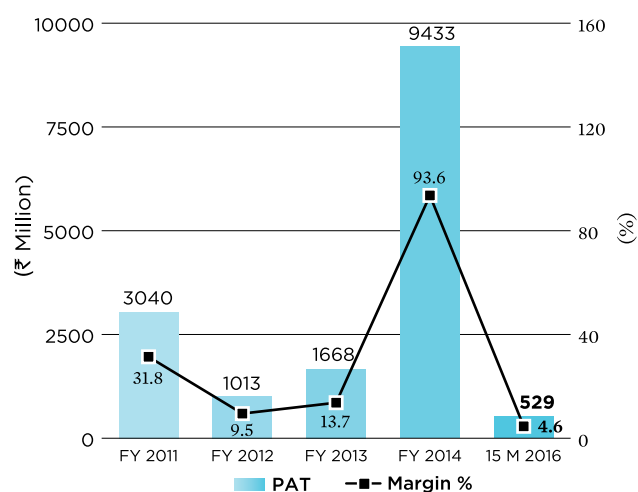
Composition of Sales#
Sales Segmentwise (₹ million)



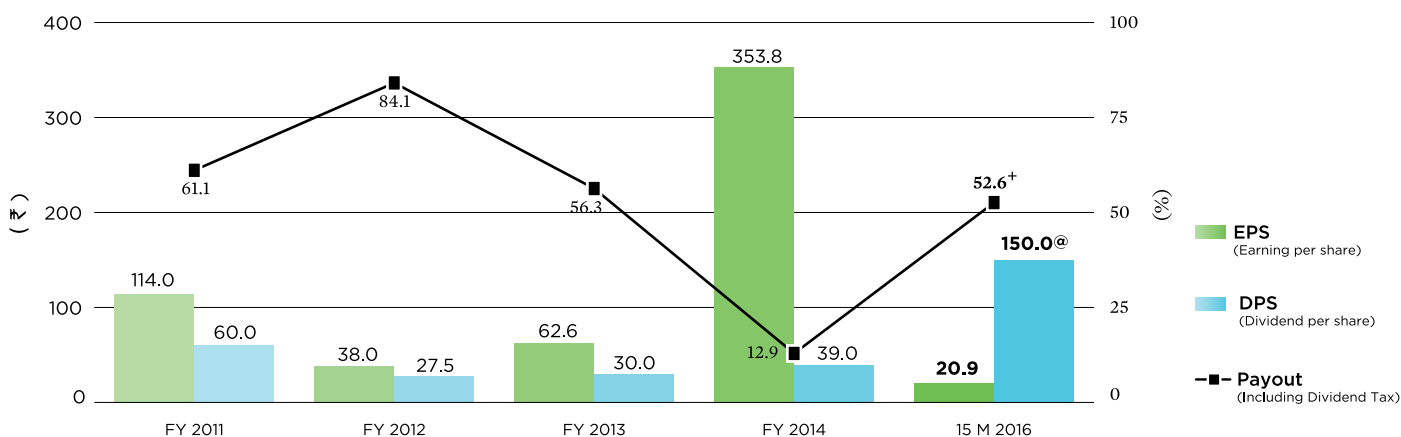
PBT and Margin#



PAT and Margin#



EPS, DPS and Payout



* Before exceptional items.

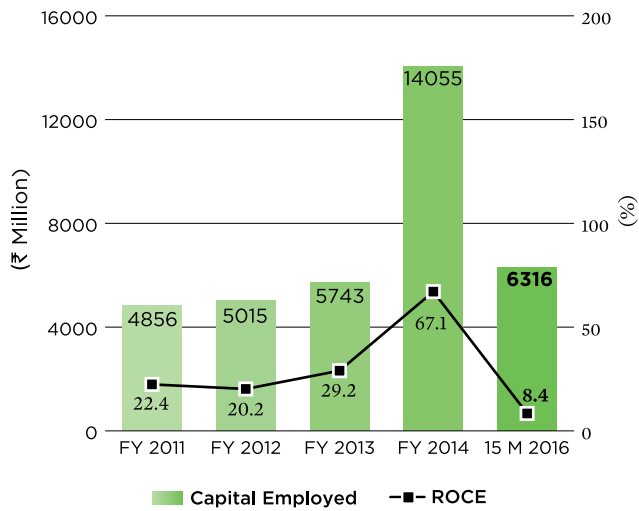
Financial figures are for 15 months period ended March 31, 2016.

+ Represents payout % of the final proposed dividend.

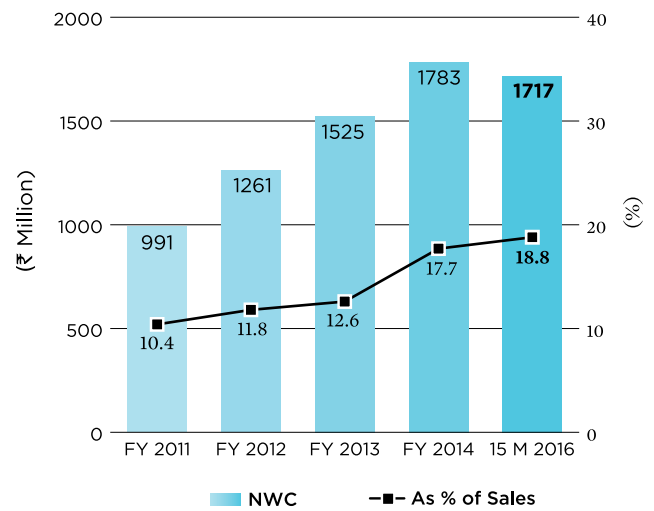
@ Include interim DPS of 140 paid out of prior period profits from Sale of Kolshet site.

FINANCIAL PERFORMANCE

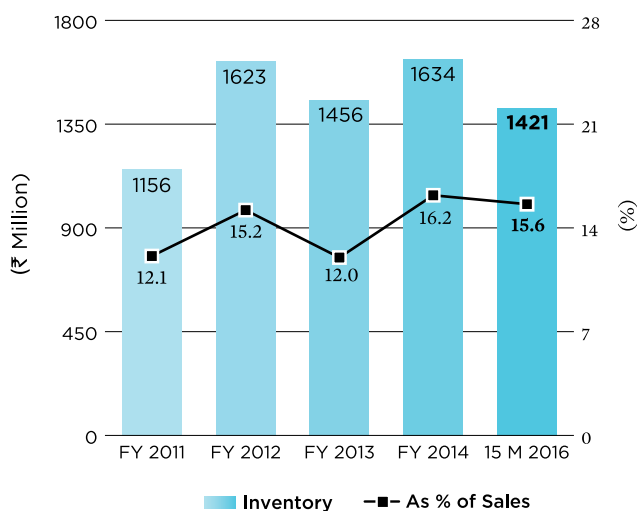
Capital Employed and ROCE



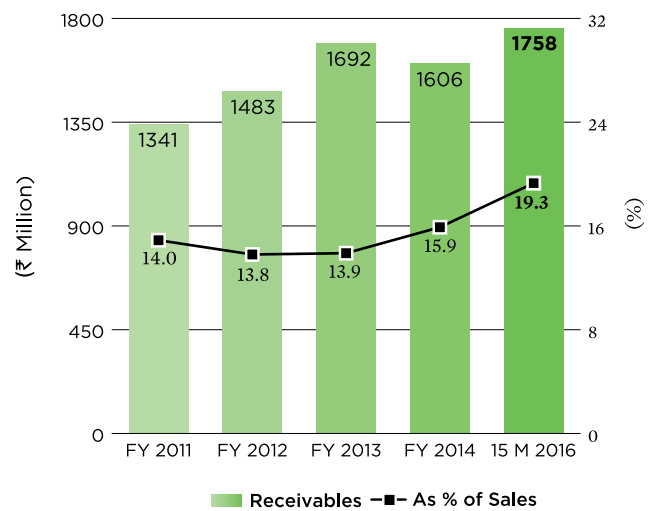
Net Working Capital (NWC) and % to Sales



Inventory to Sales



Receivables to Sales



NOTICE

NOTICE is hereby given that the **Fifty-Ninth** Annual General Meeting of the Members of **Clariant Chemicals (India) Limited** will be held at 4:00 p.m. on Friday, August 12, 2016, at Registered Office of the Company situated at Reliable Tech Park, Gut No. 31, Village Elthan, Off Thane Belapur Road, Airoli, Navi Mumbai - 400708, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the 15 months ended March 31, 2016, together with the Reports of the Directors and Auditors thereon.
2. To confirm the declaration and payment of Interim Dividend and to declare Final Dividend on Equity Shares for the 15 months ended March 31, 2016.
3. To appoint a Director in place of Mr. Karl Holger Dierssen (DIN 06739356) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139 and any other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to Articles of Association, the members hereby ratifies the appointment of M/s Price Waterhouse Chartered Accountants LLP (Firm Registration Number – 012754N / N500016) as Statutory Auditors of the Company to hold office as such from the conclusion of 59th Annual General Meeting till the conclusion of 60th Annual General Meeting, at such remuneration as may be fixed by the Board of Directors.”

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**
- “RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements)

Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kewal Handa (DIN 00056826) who was appointed as Director in place of Mr. Bharat Patel and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years from April 1, 2016.”

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sunirmal Talukdar (DIN 00920608) who was appointed as Director in place of Mr. Y. H. Malegam and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 years from April 1, 2016.”

7. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members be and is hereby accorded to material related party transactions to be entered into and carried out in ordinary course of business and at arm's length price with Clariant (Singapore) Pte. Ltd., a related party as per the Accounting Standards 18, for sale of finished goods from time to time, on terms and

conditions as set out in the Explanatory Statement annexed hereto, during the Financial year 2016-17 and subsequent Financial years, for an aggregate amount not exceeding ₹ 500 Crore per annum, which may exceed the threshold limit of 10 percent of annual consolidated turnover of the Company for the 15 months ended March 31, 2016 and of subsequent Financial years.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds or things, as may be necessary and expedient, to give effect to the aforesaid resolution.”

8. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. RA & Co., Cost Accountants, appointed as Cost Auditors for the Financial year 2016-17 to conduct audit of Cost Accounts of the Company be hereby paid the Fees of ₹ 1.80 Lakhs plus service tax and reimbursement of out of pocket expenses at actuals.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds or things, as may be necessary and expedient, to give effect to the aforesaid resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 88, 94 and other applicable provisions, if any, of Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in supersession to all the earlier resolutions passed in this regard, the approval of the members be and is hereby accorded to shift and maintain the Registers and Index of Members, as required to be maintained under Section 88 and copies of Annual Return filed under Section 92 of the Companies Act, 2013, at the office of Link Intime India Private Limited, Registrar and Transfer Agent of the Company, situated at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 and Building no. B5, Gala no. 208, Preetesh Complex, Mankoli, Anjur Phata, Dhapoda road, Bhiwandi, Thane, or at such other places where the Registrar and Transfer Agent may shift from time to time, effective from April 11, 2016.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds or things, as may be necessary and expedient, to give effect to the aforesaid resolution.”

For and on Behalf of the Board

Ms. Ameer Joshi
Company Secretary
ACS 22502

Date: May 20, 2016

Registered Office:

Reliable Tech Park, Gut No. 31,
Village Elthan, Off Thane Belapur Road,
Airoli, Navi Mumbai - 400708

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5 and 6

In terms of the provisions of Section 149 of the Companies Act, 2013 (“Act”), every listed Company shall have at least 1/3rd of the total number of Directors as Independent Directors who shall not be liable to retire by rotation and who shall hold office for a term of 5 consecutive years and Section 149(6) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) lays down the criteria for Independence.

The Company have appointed Mr. Kewal Handa and Mr. Sunirmal Talukdar as Independent Directors in place of Mr. Bharat Patel and Mr. Y. H. Malegam respectively, effective from November 5, 2015.

Mr. Kewal Handa and Mr. Sunirmal Talukdar, have furnished declarations to the Company under Section 149(7) of the Act, confirming that they meet the criteria prescribed for Independent Directors under Section 149(6) of the Act as well as Regulation 25 of SEBI LODR Regulations. The Company have also received from each of the Independent Directors, (1) Consent to act as Director in “DIR 2” pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and (2) Declaration of Non-Disqualification in “DIR 8” pursuant to Section 164 of the Act.

In the opinion of the Board, these individuals are persons of integrity, possess the relevant expertise and experience, fulfill the conditions specified in the Act and the Rules framed there under and SEBI LODR Regulations and are independent of the management of the Company.

In terms of Section 149(11) of the Act, an Independent Director can hold office for two terms of up to 5 consecutive years each on the board of the Company.

Accordingly, it is proposed to appoint Mr. Kewal Handa and Mr. Sunirmal Talukdar as Independent Directors of the Company for a period of 5 (Five) consecutive years with effect from April 1, 2016, as set out under Item No. 5 and 6 of this Notice. Notices, as required under Section 160 of the Act, have been received from certain Members proposing the candidature of the said Directors as Independent Directors of the Company. Upon the approval of the Members of the Company on the said resolutions, the appointment shall be formalized by way of issuance of the letter of appointment by the Company to the said Independent Directors.

Brief profiles of the said Directors, in terms of SEBI LODR Regulations are provided at the end of this Notice.

The Board accordingly recommends the resolutions set forth under Item Nos. 5 and 6 of this Notice for the approval of the Members. None of the said Directors are related to any of the Director of the Company. None of the Directors or Key Managerial Personnel of the Company other than those mentioned in the respective resolutions and their relatives, are in any way concerned or interested, financially or otherwise, in the resolutions at Item Nos. 5 and 6 of this Notice.

Item No. 7

The Company's exports accounts for approximate 27% of its total turnover. In order to reduce the currency risk involved in exports, to secure the payment on time and also to utilize its capacity by committed demand, the Company has entered into a supply agreement whereby all its exports are routed through a single customer Clariant (Singapore) Pte. Ltd. All transactions are done in the ordinary course of the business and at an arm's length price.

Clariant (Singapore) Pte. Ltd., is an Affiliate Company and is a "Related Party" as per the definition under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

SEBI LODR Regulations provides that material related party transaction, i.e. a transaction to be entered into which individually or together with previous transactions in a given financial year with a related party exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, requires the approval of the shareholders of the Company by way of an ordinary resolution.

The annual consolidated turnover as per the last audited financial statements for the year 2014 was ₹ 1008.20 Crore. The value of transactions entered with Clariant (Singapore) Pte. Ltd. during the 15 months ended March 31, 2016 was ₹ 240 Crore. Thus, the transactions with Clariant (Singapore) Pte. Ltd. is exceeding 10% of the consolidated annual turnover and is material pursuant to SEBI LODR Regulations.

The members, at the 58th Annual General Meeting held on April 24, 2015, had already given their approval for the transactions to be entered with Clariant (Singapore) Pte. Ltd. during the Financial year 2015 in the ordinary course of business.

Currently, it cannot be ascertained that the transactions to be entered with Clariant (Singapore) Pte. Ltd., in the current Financial year 2016-17 and subsequent Financial years, would exceed the threshold of 10% of annual consolidated turnover as per the respective preceding years audited financial results. By way of abundant caution and as a proactive measure, the Board of Directors recommends the approval for the transactions to be entered into and carried out with Clariant (Singapore) Pte. Ltd., from time to time, in the ordinary course of business and at arm's length price, during the Financial year 2016-17 and subsequent Financial years for an amount not exceeding ₹ 500 Crore per annum. The resolution is proposed as an enabling resolution for operational efficiency.

The terms and conditions of the transactions to be entered with Clariant (Singapore) Pte. Ltd. is provided hereunder:

1. Name of the Related Party	Clariant (Singapore) Pte. Ltd.
2. Name of the Director or Key Managerial Personnel who is related, if any	None
3. Nature of relationship	Affiliate Company under AS 18
4. Nature of Transaction	Sale of Finished Goods, from time to time, as per purchase order
5. Course of Transaction	Done in ordinary course of business and at arm's length price
6. Value of Transaction	₹ 500 Crore per annum

As required under Regulation 23 of SEBI LODR Regulations, the promoters of the Company, who are (or could potentially be considered) as related party, shall abstain from voting on this resolution of the Notice.

The Board, therefore, recommends the passing of the resolution set out under Item no. 7 as an Ordinary Resolution. None of Directors, other than those representing the Clariant, Key Managerial Personnel and / or their relatives, are interested and / or concerned in passing of the said resolution.

Item No. 8

The Board of Directors, on the recommendation of Audit Committee, considered and approved appointment of M/s. RA & Co., Cost Accountants, in place of M/s N. I. Mehta & Co., Cost Accountants, for the conduct of the audit of the cost records of the Company for the Financial year 2016-17, at a remuneration of ₹ 1.80 Lakhs per annum exclusive of service tax and out of pocket expenses, to be reimbursed at actuals.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Shareholders.

The Board recommends the passing of resolution as set out at Item no. 8 as an Ordinary Resolution.

None of Directors, Key Managerial Personnel and / or their relatives, are interested and / or concerned in passing of the said resolution.

Item No. 9

Sharepro Services (India) Private Limited (“Sharepro”) were acting as Registrar and Transfer Agent of the Company since June 1, 1999.

Recently, an investigation was carried out by SEBI which revealed serious and alarming irregularities by Sharepro and its senior management which includes transfer of dividend belonging to rightful shareholders to persons related to the management of Sharepro. Subsequently, SEBI passed an ad interim order against Sharepro on March 22, 2016, restricting the Promoters, Directors, Senior Management and other associated persons mentioned in the said order from accessing the Market.

In the said order, SEBI also advised the clients of Sharepro to change their Registrar and Transfer Agent and to conduct thorough Audit of the records and systems of Sharepro for past several years with respect to Dividends paid and securities transferred.

The Board of Directors, vide Circular Resolution dated April 7, 2016, terminated the Memorandum of Understanding entered into with Sharepro and appointed Link Intime India Private Limited (“Link Intime”), who are duly registered with the Securities and Exchange Board of India (SEBI) under SEBI (Registrars to an issue and Share Transfer Agents) Regulations, 1993, as Registrar and Share Transfer Agents of the Company effective from April 11, 2016.

In accordance with Section 94 of the Companies Act, 2016 and The Companies (Management and Administration) Rules, 2014, the Register and Index of Members under Section 88 and copies of Annual Return filed under Section 92, shall be kept and maintained at the Registered Office of the Company unless a Special Resolution is passed in a general meeting authorizing keeping the registers at any other place in which more than one-tenth of the total number of members resides.

The Board recommends keeping of Register and Index of Members and copies of Annual Return at the office of Link Intime, Registrar & Transfer Agents at their office situated at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 and Building no. B5, Gala no. 208, Preetesh

Complex, Mankoli, Anjur Phata, Dhapoda road, Bhiwandi, Dist - Thane, or at such other places where the Registrar and Transfer Agent may shift from time to time, effective from April 11, 2016.

The Board recommends the passing of resolution as set out at Item no. 9 as a Special Resolution. None of Directors, Key Managerial Personnel and / or their relatives, are interested and / or concerned in passing of the said resolution.

For and on Behalf of the Board

Ms. Ameer Joshi
Company Secretary
ACS 22502

Date: May 20, 2016

Registered Office:

Reliable Tech Park, Gut No. 31,
Village Elthan, Off Thane Belapur Road,
Airoli, Navi Mumbai - 400708

NOTES:

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 for the businesses set out under Item No. 5 to 9 is annexed to the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THEREAT INSTEAD OF HIMSELF, ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE MEETING. A PROXY / PROXIES SO APPOINTED SHALL HAVE NO RIGHT TO SPEAK AT THE MEETING. A person can act as a proxy on behalf of a member not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person / shareholder.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 5, 2016 to Friday, August 12, 2016 (Both Days Inclusive).
4. The detail of Directors seeking appointment / re-appointment at this Annual General Meeting as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
5. The Final Dividend on Equity Shares as recommended by the Board of Directors, if declared at the meeting, will be paid on or after August 17, 2016:

- i. In respect of shares held in demat form, to the Beneficial Owners as per the details furnished by Depositories as at the end of business hours on August 4, 2016;
 - ii. In respect of shares held in physical form, to the shareholders whose names appear on the Register of Members as at the end of business hours on August 4, 2016.
6. The amount outstanding in the unpaid dividend account in respect of Final Dividend for Financial year 2008 and Interim Dividend for Financial year 2009 will be transferred to Investor and Education Protection Fund after June 4, 2016 and August 29, 2016 respectively. Members who have still not claimed / encashed their dividends are requested to claim / encash the same at the earliest.
 7. Change of particulars including address, bank mandate & nomination for shares held in demat form, should be notified only to the respective Depository Participants where the member has opened his demat account. The Company or its Share Transfer Agent will not be able to act on any direct request from these Members for change of such details. However, for any change in particulars in respect of shares held in physical form should be sent to the Registrar & Share Transfer Agents of the Company i.e., Link Intime India Private Limited at following address:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai, Maharashtra, 400078
 8. Members / proxies are requested to bring their copies of Annual Report & duly filled attendance slips at the meeting and produce the same at the entrance where the Annual General Meeting is held.
 9. Corporate Members are requested to send a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
 10. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to the Registered Office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
 11. The Annual Report of your Company for the 15 months ended March 31, 2016 is displayed on the website of the Company i.e. www.clariant.com.
 12. Members are requested to register their E-mail address with the Company / Registrar & Transfer Agents so as to receive Annual Report and other communication electronically.
 13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members to exercise their right to vote at 59th Annual General Meeting of the Company by electronic means through remote e-voting facility provided by Central Depository Services (India) Limited (CDSL). Members who are holding shares in physical or dematerialized form as on August 5, 2016 shall exercise their vote by electronic means.
 14. **REMOTE E-VOTING:** The e-voting instructions for members receiving an e-mail or a physical copy of this notice of Annual General Meeting are as under:

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:
 - (i) The voting period begins on Tuesday, August 9, 2016 (09:00 a.m.) to Thursday, August 11, 2016 (05:00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 5, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	<ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
	<ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non–Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
15. In case of Members who are attending the Annual General Meeting and are entitled to vote but have not exercised their right to vote by remote e-voting, the Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice. **For clarity, please note that the Members who have exercised their right to vote by remote e-voting shall not vote by way of poll at the Meeting.** The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
 16. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., August 5, 2016 may obtain the login ID and password by sending an email to investor.relations.India@clariant.com or rnt.helpdesk@linkintime.co.in or helpdesk.evoting@cdslindia.com by mentioning their Folio No. / DP ID and Client ID.
 17. Mr. Bhadresh Shah, Proprietor of Bhadresh Shah & Associates, Practising Company Secretary (CP No. 15957) has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the voting by way of Poll, to be conducted at the Annual General Meeting, in a fair and transparent manner.
 18. The Scrutinizer shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer shall within 3 days of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.
 19. The results declared along with the Scrutinizer’s report shall be communicated to BSE Limited and NSE Limited and made available on the Company’s website : www.clariant.com and on the website of CDSL : www.cdslindia.com.

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of Director	Mr. Karl Holger Dierssen	Mr. Kewal Handa	Mr. Sunirmal Talukdar
Type	Non-Executive Director	Independent Director	Independent Director
Date of Birth	27/02/1956	22/08/1952	06/12/1951
Date of Appointment	01/11/2013	05/11/2015	05/11/2015
Qualification	Master's degree in Economics & Business Administration & Commercial Black Belt	Company Secretary, Cost Accountant, Master of Commerce	Chartered Accountant, Bachelor of Science
No. of Equity Shares held	NIL	NIL	NIL
Expertise in Specific Functional area	Expertise in Economics and Business Administration	Finance, Commercial Strategy and Business Development	Finance expert, Core competencies in M&A, Treasury, IT integration, Secretarial, Risk management.
Directorships held in other Companies	Sud Chemie India Private Limited	Salus Lifecare Private Limited, Conexus Social Responsibility Services Private Limited, Mukta Arts Limited, Greaves Cotton Limited International Institute Of CSR Foundation, The Third Eye Productions LLP, The Third Eye Kreative Films LLP	India Carbon Limited, Sasken Communication Technologies Limited, Titagarh Capital Private Limited, Innvol Medical India Limited, Aris Capital Private Limited, Titagarh Wagons Limited, Titagarh Agrico Private Limited, Titagarh Singapore Pte Limited
Particulars of Committee Chairmanship / Membership held in other Companies	NIL	<u>Mukta Arts Limited</u> Chairman – Audit Committee Chairman – Stakeholders' Relationship Committee <u>Greaves Cotton Limited</u> Member – Audit Committee	<u>Titagarh Wagons Limited</u> Member – Audit Committee <u>Titagarh Capital Private Limited</u> Member – Audit Committee <u>Titagarh Agrico Private Limited</u> Chairman – Audit Committee <u>India Carbon Limited</u> Chairman – Audit Committee <u>Sasken Communication Technologies Limited</u> Member – Audit Committee
Relationship with other Directors inter-se	None	None	None

Note: Only two Committees viz. Audit Committee and Stakeholders' Relationship Committee have been considered.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 59th Annual Report together with the audited statement of accounts for the 15 months ended March 31, 2016.

1. Financial Year change of the Company

Pursuant to the provisions of Section 2(41) of Companies Act, 2013, the Companies are required to have a uniform financial year for the period from 1st April to 31st March. Accordingly, the Company changed its Financial Year from the period ending 31st December to 31st March. The accounting / financial year under review was thereby, extended by a period of three months consequent to which the financial year under review is for a period of fifteen months commencing from January 1, 2015 to March 31, 2016.

Financial year 2015-16 / year ended March 31, 2016 / period under review, wherever mentioned in this entire Annual Report, refers to the period of fifteen months from January 1, 2015 to March 31, 2016.

2. Financial performance of the Company

PARTICULARS	(₹ in Lakhs)	
	15 months ended 31.03.2016	12 months ended 31.12.2014
Sales (Gross- including excise duty)	1,232,10.72	1,082,48.16
Net sales	1,139,80.37	1,008,20.49
Profit before exceptional items & tax	44,28.46	3,82.75
Add : Exceptional items	23,53.48	1,183,58.50
Profit before tax	67,81.94	1,187,41.25
Less: Tax expenses (incl. deferred tax)	14,95.21	244,09.70
Profit after tax	52,86.73	943,31.55
Add: Balance brought forward from previous year	915,75.65	188,42.04
Amount available for appropriation	968,62.38	1,131,73.59
Appropriations :		
General reserve	-	94,33.16
Depreciation adjustment for change in useful life (Net of deferred tax)	1,65.34	-
Interim dividend	373,25.04	103,97.69
Proposed dividend (final)	23,08.18	-
Tax on dividend (interim & final proposed)	79,32.94	17,67.09
Balance carried forward to balance sheet	491,30.88	915,75.65

3. Review of operations

The Company has registered a good performance over the previous year, despite loss of sales due to divestment of leather business in the previous year and Industrial consumer business in the period under review. The business sentiments confronted with the challenges of market conditions and slowdown in global demand remained extremely challenging. Our agility in adapting to our customers' innovative needs and the aligned team work by our dedicated employees are the key enablers helping the Company accomplish its growth.

The Company has reported total Net Sales of ₹ 1139.80 crores for the 15 months period under review as compared to ₹ 1008.20 crores in the previous year, registering a growth of 13%. The Company's Net Sales for the continuing Businesses, registered a growth of 12% on a like-to-like period. Of the total sales revenue of the continuing Businesses for the period, 27% is contributed by exports. During the 15 months period, the Profit before exceptional items & tax stood at ₹ 44 crores as against ₹ 4 crores in the previous year. Due to the strong sales, effective raw material management and better cost controls, the Profit as a percentage of sales increased from 0.4% to 3.9%. The Net Profit after accounting of exceptional items and tax is lower over the previous year mainly due to higher exceptional income in the previous year from sale of Kolshet site. The Company remains committed to its growth strategy and focused to improve its continuing business, looking for higher market share in the business segments it operates.

4. Dividend

During the period under review, based on the exceptional income arising from the sale of Kolshet land in the previous year, your Directors had declared an interim dividend of ₹ 140/- per share (1400%) for the Financial year 2015-16 and paid the same in January 2015. The interim dividend together with tax thereon entailed cash outflow of ₹ 447.88 crores and pay out of 41.3 % of the Net Profits from sale of Kolshet site.

The Board of Directors is pleased to recommend a Final Dividend of ₹ 10/- per share (100%).

The final dividend together with tax thereon entails cash outflow of ₹ 27.78 crores and pay out of 52.6% of the Net Profit for the 15 months period ended March 31, 2016.

The total dividend for the period under review amounts to ₹ 150 per share (1500%) as compared to ₹ 39/- per share (390%) paid for the previous year.

5. Acquisition of Carbon Black Business from Lanxess India Private Limited

In terms of the Business Transfer Agreement signed between the Company and Lanxess India Private Limited, the Company acquired the "Carbon Black Business" from Lanxess India Private Limited effective close of business hours on March 31, 2015, comprising the Carbon Black Dispersion plant located at Nagda, India, together with its respective assets, liabilities and employees as a going concern on a slump sale basis for a lump sum consideration of ₹ 13.46 crores (including non-compete fees) after working capital adjustment, as at March 31, 2015. The acquisition of Carbon Black Business was strategic for Clariant for survival of its current business in similar products.

6. Sale of Industrial & Consumer Specialties (ICS) Business

In accordance with the approval granted by the Board pursuant to the provisions of Section 179 of the Companies Act, 2013 and the powers conferred upon the Board by Articles of Association of the Company and as per the Valuation Report of Deloitte Haskins & Sells, the Company sold its Industrial & Consumer Specialties (ICS) Business along with employees, assets, liabilities and including all licenses, permits, consents and approvals thereto on a going concern by way of a slump sale on a "as is where is basis" to Clariant India Limited, (erstwhile known as Clariant India Private Limited) for a total consideration of ₹ 42 Crore, effective from August 1, 2015. The profit on sale of the ICS business amounting to ₹ 26.56 crores is shown under "Exceptional Items, credit (net)"

7. Buyback of Equity Shares

In accordance with the approval granted by the Shareholders by way of special resolution through postal ballot and pursuant to Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 and SEBI (Buy Back of Securities) Regulations, 1988, the Company made an offer of Buyback of 35,78,947 Equity Shares of ₹ 10 each to the shareholders of the Company (representing 13.42% of the total number of the equity share capital of the Company) at the price of ₹ 950/- per equity share aggregating to ₹ 340 Crore. The Buyback was through "Tender Offer" by Stock Exchange mechanism.

The Buyback Offer was open for a period from September 22, 2015 to October 7, 2015. The response to the Buyback Offer was 143.45% and the Company bought back the entire 35,78,947 equity shares offered to the shareholders. The Paid up Equity Capital of the Company post Buyback is ₹ 23,08,17,980/-.

8. Appointment of Link Intime Private Limited as Registrar & Transfer Agent of the Company

During the period under review, an investigation was carried out by SEBI which revealed serious and alarming irregularities by Sharepro Services (India) Private Limited ("Sharepro"), Company's erstwhile Registrar & Transfer Agent, with regard to share related and dividend encashment activities. Subsequently, SEBI passed an ad interim order against Sharepro on March 22, 2016, restricting the Promoters, Directors, Senior Management and other associated persons mentioned in the said Order from accessing the Market.

In said Order, SEBI also advised the clients of Sharepro to change their Registrar and Transfer Agent and to conduct thorough Audit of the records and systems of Sharepro for past several years with respect to Dividends paid and securities transferred.

The Board of Directors, vide Circular Resolution dated April 7, 2016, terminated the Memorandum of Understanding entered into with Sharepro and appointed Link Intime India Private Limited ("Link Intime"), who are duly registered with the Securities and Exchange Board of India (SEBI) under SEBI (Registrars to an issue and Share Transfer Agents) Regulations, 1993, as Registrar and Share Transfer Agents of the Company effective from April 11, 2016.

The Board has appointed N. L. Bhatia & Associates, Practising Company Secretaries, for conducting the audit and the same is in progress.

The Board recommends for your approval the shifting of the Registers and Index of Members and Returns from the office of Sharepro to Link Intime, effective from April 11, 2016.

9. Corporate Governance, Management Discussions and Analysis Report

The Company is committed to compliance standards, ensuring checks and balances between the Board and Management, as well as a sustainable approach to create value for all stakeholders. As stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, Report on Corporate Governance, Management Discussion and Analysis report as well as Auditor's Certificate confirming the compliance with the conditions of corporate governance are attached herewith and forms part of this annual report.

10. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

During the period under review, there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

11. Subsidiary Company

As on March 31, 2016, the Company does not have any subsidiary.

12. Details of Directors and Key Managerial Personnel

During the period under review, Mr. B. L. Gaggar, Executive Director retired from the services of the Company on June 30, 2015. The Board placed on record their sincere appreciation for the valuable service rendered by Mr. B. L. Gaggar during his entire tenure and thanked him for all the dedication, insights and expertise which was brought by him on the Board and guidance and vision shown to the management team of the Company. During the period under review, Mr. Y. H. Malegam and Mr. Bharat Patel resigned as a member of the Board effective from October 15, 2015 and October 20, 2015 respectively. The Board appointed Mr. Kewal Handa and Mr. Sunirmal Talukdar as Directors of the Company w.e.f. November 5, 2015 to fill in the casual vacancy caused by the resignation of Mr. Bharat Patel and Mr. Y. H. Malegam respectively. Mr. Kewal Handa was also appointed as the Chairman of the Company. The Board of Directors placed on record its sincere appreciation for the valuable services rendered by Mr. Bharat Patel and Mr. Y. H. Malegam for the contribution made during their tenure as Chairman and Director of the Company respectively and wished them success for their future endeavors.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Karl Holger Dierssen retires by rotation at the forthcoming Annual General Meeting and being eligible, he offers himself for re-appointment.

The above appointment and re-appointment forms part of the Notice of the 59th Annual General Meeting and the respective Resolutions are recommended for your approval.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Board appointed Ms. Ameer Joshi as a Company Secretary & Compliance Officer effective from April 25, 2015 consequent to the resignation of Mr. B. L. Gaggar as a Company Secretary & Compliance Officer on April 24, 2015. The Board appointed Mr. Rajasubramanian N.

as a Chief Financial Officer of the Company effective from July 1, 2015, consequent to the retirement of Mr. B. L. Gaggar from the Company on June 30, 2015. Further, on resignation of Mr. Rajasubramanian N. from the services of the Company on August 31, 2015, the Board appointed Ms. Raksha Kamdar as an Interim Chief Financial Officer w.e.f. September 1, 2015. At the Board Meeting held on May 20, 2016, Mr. Sanjay Ghadge was appointed as the Chief Financial Officer of the Company effective from May 20, 2016.

13. Audit Committee

The details of the composition, meeting, attendance, etc. of the Audit Committee are provided in the Corporate Governance Section of the Annual Report. The Board has accepted all the recommendations of the Audit Committee during the Financial period under review.

14. Number of meeting of the Board

During the period under review, the Board of Directors met 7 times on January 12, 2015, February 12, 2015, April 22, 2015, August 4, 2015, November 5, 2015 (two meetings) and February 12, 2016.

15. Conservation of energy, technology absorption, foreign exchange earnings and outgo

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant information and data for the 15 months period ended March 31, 2016 are attached to this report as "Annexure A".

16. Corporate Social Responsibility

In terms of the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Dr. (Mrs.) Indu Shahani, Independent Director of the Company, the other members of the committee are Dr. Deepak Parikh, Vice Chairman & Managing Director and Mr. Karl Holger Dierssen, Non-Executive Director. Your Company also has in place a CSR policy and the same is available on the website of the Company at www.clariant.com. A detailed report as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as "Annexure B" forming part of this report.

17. Nomination and Remuneration Policy

The Board has, on the recommendation of Nomination and Remuneration Committee, framed a policy on Nomination and Remuneration of its Directors and Key Managerial Personnel, which is attached as "Annexure C".

18. Board Evaluation and Familiarisation programme

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, the Board has carried out the annual evaluation of its own performance and Board Committees by seeking the inputs of Directors on various aspects of the Board / Committee Governance. The Board have reviewed the performance of the individual directors and the Chairperson. The manner in which the evaluation has been carried out is stated in the Corporate Governance Report.

The details of programme for familiarization of the Independent Directors of your Company is available on the Company's website at www.clariant.com.

19. Particulars of Employee

The disclosure required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **"Annexure D"**.

The statement of particulars of employees pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report. However, pursuant to provisions of Section 136(1) of the Companies Act, 2013, the report and accounts are being sent to members excluding this statement of particulars of employees. Any member interested in obtaining a copy of this statement, may write to Company Secretary at the registered office of the Company.

20. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the 15 months period ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit and loss of the Company for that period;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the annual accounts on a going concern basis;

- (v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. Statutory Auditor & Audit Report

In accordance with Section 139 of the Companies Act, 2013, M/s. Price Waterhouse Chartered Accountants LLP, (Firm Regn. No 012754N/ N500016), were appointed as Statutory Auditors for a period of 4 years from the conclusion of last Annual General Meeting, subject to ratification by the shareholders at every subsequent Annual General Meeting. The Statutory Auditors being eligible offer themselves for reappointment. Your Directors recommend the ratification of their appointment as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

The Auditor's in their report have commented that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India. The Company would like to clarify that the Company's SAP is centralized in Global Data Centers outside India where the backup storage is maintained. The Company is reviewing the maintenance of backup of SAP data in India as required under Rule 3 of the Companies (Account) Rules, 2014.

22. Cost Audit

The Board of Directors, pursuant to provisions of Section 148 of the Companies Act, 2013, appointed M/s. RA & Co., Cost Accountants, as Cost Auditors of the Company to carry out the audit of the cost accounts relating to organic and inorganic chemicals of the Company for the Financial year 2016-17, subject to approval of Central Government. The cost audit report for the Financial year 2014 has been filed on due date.

23. Secretarial Audit Report

Pursuant to provisions of Section 204 of the Companies Act, 2013, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board have appointed Mr. Jagdish Ahuja, Practising Company Secretary, as Secretarial Auditor to carry out the Secretarial Audit for the 15 months ended March 31, 2016.

The Secretarial Audit Report is attached as **"Annexure E"**. The Secretarial Auditor's Report does not contain any qualification, reservation or adverse remark and is self-explanatory and thus does not require any further comments.

24. Internal Financial Controls and their Adequacy

The details in respect of Internal Financial Controls and their adequacy are included in the Management Discussion & Analysis Report, which forms part of this Report.

25. Extract of Annual Return

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, an extract of Annual Return in Form MGT-9 is attached as “Annexure F” to this report.

26. Risk Management

The Company has a robust Risk Management to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company’s competitive advantage. Many risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The Company has framed a Risk Management Policy to manage the risks involved in all activities of the Company, to maximize opportunities and minimize adversities.

27. Related Party Transactions

In line with the requirements of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Policy on Material Related Party Transactions which is available on Company’s website at www.clariant.com.

All the Related Party Transactions entered during the period under review were in ordinary course of business and on arm’s length basis. All the Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval are granted by Audit Committee for Related Party Transactions which are of repetitive nature, entered in the ordinary course of business and are on arm’s length basis.

The disclosure of Related Party Transactions as required under Section 134(3)(h) of Companies Act, 2013 read with Rule 8(2) of The Companies (Accounts) Rules, 2014 in the Form AOC-2 is attached as “Annexure G” to this report.

28. Particulars of loans, guarantees or investments

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, is given in notes forming part of financial statements.

29. Public Deposits

During the period under review, the Company has not accepted any deposits from the public falling under Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and as such no amount of principal or interest was outstanding as on the balance sheet date.

30. Vigil Mechanism

The Company believes in upholding professional integrity and ethical behavior in the conduct of its business. To uphold and promote these standards, the Company has adopted Group’s Integrity Line Policy which is akin to Whistle Blower Policy or Vigil Mechanism Policy for its Directors and Employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal.

31. Prevention of Sexual Harassment of Women at Workplace

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the period under review, no complaints were received regarding Sexual Harassment.

32. Acknowledgement

The Board of Directors wish to place on record its sincere appreciation for the support received from its stakeholders including shareholders, bankers, distributors, suppliers and business associates. The Directors recognize and appreciate the sincere and hard work, loyalty, dedicated efforts and contribution of all the employees that ensured sustained performance in a challenging business environment. The Directors also express their appreciation of the assistance and unstinted support received from Clariant group companies.

For and on behalf of the Board of Directors

Mr. Kewal Handa
Chairman

Dr. Deepak Parikh
Vice-Chairman & Managing Director

Navi Mumbai, May 20, 2016

ANNEXURE A

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors

A. Conservation of Energy:

The rising energy cost has laid great emphasis on conservation of energy. The Company has taken various measures, including regular monitoring of consumption, reduction of losses and improved maintenance to increase the efficiency and reduce the power cost.

The particulars with respect to power and fuel consumption are provided below:

	15 months ended March 31, 2016	12 months ended December 31, 2014
1. Electricity:		
a) Purchased:		
Units (in '000 Kwh)	53035	37297
Total amount (₹ Lakhs)	3469	2761
Rate per unit (₹)	6.54	7.40
b) Own Generation:		
i) Through diesel generator		
Units (KL)	273	497
Units per litre of diesel oil	3	3
Cost per unit (₹)	15.58	19.11
ii) Through steam turbine/ generator	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil (including L.S.H.S.)		
Quantity (MT)	2295	1682
Total cost (₹ Lakhs)	476	721
Average rate (₹ per Kg.)	20.75	42.86
4. Other internal generation	Nil	Nil
5. Agro mass briquettes		
Quantity (MT)	19927	19617
Total cost (₹ Lakhs)	1222	1205
Average rate (₹ per Kg.)	6.13	6.14

Consumption per unit of production:

The Company manufactures a wide variety of products. The products before reaching the finished final stage pass through various operations in the different plants. It is, therefore, not feasible to furnish the information in respect of consumption per unit of production.

B. Technology Absorption, Research & Development (R&D) Research & Development:

The Company during the 15 months period ended March 31, 2016 has not carried out any activity which can be construed as Research & Development and as of now there is no specific plan for engaging into such activities. As such, there is nothing to report under this section.

Technology absorption, adaptation and innovation:

The know-how and technology for the product is made available to the Company from Clariant. The adaptation of know-how and development to cater to the locally available raw materials and suit the requirement of customers for domestic or export markets is done by the Company at technical laboratories set up at various locations with world class facilities. The Company has paid royalty for know-how and technology received from Clariant.

C. Foreign exchange earnings and outgo:

The particulars of foreign exchange earned and used during the year are given in Note 32 to 35 in the notes forming part of the financial statements.

For and on behalf of the Board of Directors

Mr. Kewal Handa
Chairman

Dr. Deepak Parikh
Vice-Chairman & Managing Director

Navi Mumbai, May 20, 2016

ANNEXURE B

Annual report on CSR Initiatives

(Particulars required as per Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time)

1. Overview of Corporate Social Responsibility

a. Philosophy and Policy

Clariant considers sustainability as its economic, environmental and social responsibility, which is why it also forms one of the key pillars of the Company's strategy, globally. Clariant strives to foster sustainable local development as well as add value to the local economy in which it operates. From the time Clariant set its foot into India years ago, the Company has been actively involved in reaching out to the communities around its sites, be it via aiding infrastructure development in local schools or undertaking reforestation measures.

Following Clariant International's initiatives of having Corporate Citizenship Activities (CCA), the Social Charter by the Government of India and the CSR Policy framed under Companies (Corporate Social Responsibility Policy) Rules 2014, Clariant continues to work towards enhancing allocation of resources and employee engagement to the marginalized groups in the Society. Hence, Clariant has identified and is working effectively to make a difference to the society in following focus areas:

- Health Care and Community support
- Education
- Environment protection

The CSR Policy of Clariant in India has been framed in accordance with the Section 135 of Companies Act, 2013 ("Act") read with the Companies (Corporate Social Responsibility Policy) Rules 2014 ("CSR Rules") and amended as required. The Policy is applicable to all our sites and the Headquarters in India and for all the CSR Projects undertaken by the Company in accordance with Schedule VII of the Act.

At Clariant in India, CSR has been led by a principled approach by governing itself in an ethical, accountable and transparent manner. The Company caters to projects that have a focus towards an inclusive growth and sustained progress.

Clariant in India has been actively involved in several such projects in the vicinity of its sites, and aims to achieve a long term, positive impact on society. A glimpse into the undertaken social projects:

- Bettering infrastructure towards improved health care facilities
- Creating awareness on health, safety and nutrition among children and adults
- Enhancing infrastructure development at schools
- Promoting environment sustainability

b. Activities

The Company, as part of its CSR strategy, has positioned senior representatives within Clariant in India, to drive the projects effectively. The CSR Projects are initiated through:

- NGO Partners
- Direct employee engagement

With CSR themes clearly outlined, Clariant in India works towards achieving these through the implementation of long as well as short term projects. These projects are identified across various operational units of the Company, based on the needs of the society and the philosophy of maximizing impact.

At Clariant in India, the Company presently works with close to 16 NGOs and Institutions as implementing partners involved with education and health care, around our sites in Maharashtra, Tamil Nadu and Gujarat. All projects are captured by the Company's CSR Newsletter 'Outreach'.

c. Governance

Clariant has a dynamic structure in place for effective implementation of CSR projects and activities. The implementation of all CSR activities is taken under guidance of the Board of Directors. The Board has empowered the CSR Committee to closely monitor and report about the progress.

Clariant adopts a comprehensive approach towards creating, monitoring and utilizing the CSR budgets. The commitment is ensured at the beginning of the year and the CSR budgets are allocated as per the long term and short term projects at each site.

2. Composition of CSR Committee

The Composition of the CSR Committee as on the date of the Directors' Report is as follows:

Name	Category
Dr. (Mrs.) Indu Shahani	Independent Director, Chairperson
Dr. Deepak Parikh	Vice-Chairman & Managing Director
Mr. Karl Holger Dierssen	Non-executive Director

The composition of the CSR Committee is in compliance with the Act and the CSR Rules.

3. Average Net Profit of the Company for the last three financial years (Average Net Profit calculated in accordance with the provisions of Section 198 of the Companies Act, 2013): ₹ 8088.58 Lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 3. Above): ₹ 161.77 Lakhs

5. Details of CSR spent during the financial period January 1, 2015 to March 31, 2016:

- a) Total amount to be spent for the financial year: ₹ 161.77 Lakhs
- b) Amount unspent, if any: ₹ 117.59 Lakhs
- c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where the Projects or programs was undertaken	Amount outlay (budget) Project or program wise (₹)	Amount spent on Project or program wise (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing Agency
1	Water Cooler given for Roth Budruk Grampanchayat - Balwadi & Anganwadi school	Health	Roha (Maharashtra)	22784	22784	22784	Direct
2	Support to Vatsalya Foundation	Health & Education	Airoli (Maharashtra)	500000	500000	500000	Direct
3	Water filter provided to Rania Prathamik (Primary) School, Rania	Health	Rania (Gujarat)	49000	49000	49000	Direct
4	Support towards Construction of one class room of D G Tatkare Madhyamik Vidyalaya, Virzoli	Education	Roha (Maharashtra)	300000	300000	300000	Direct
5	Distribution of books to Smarth Vaibhav, Roha Nagar Parishad Urdu School, Ashtami and Krushnaji Sambhaji Gorivale Madhyamik Vidyalaya Tise	Education	Roha (Maharashtra)	25800	25800	25800	Direct
6	CII - Sponsored the seminar in green chemistry which had attendance of children from schools and colleges	Education	Airoli (Maharashtra)	100000	100000	100000	Direct
7	Provided School bags, umbrellas & raincoats to MA Niketan	Education	Airoli (Maharashtra)	104490	104490	104490	Direct
8	Support to Kokan Education Society's madhyamik Vidyalaya, Ghosala	Education	Roha (Maharashtra)	300000	300000	300000	Direct
9	J. M. Rathi High School at Roth Khurd, Roha - support towards construction of school building	Education	Roha (Maharashtra)	500000	500000	500000	Direct
10	Support to MA Niketan	Education	Airoli (Maharashtra)	31272	31272	31272	Direct
11	Support to REAP Foundation, Kalwa	Education	Airoli (Maharashtra)	2052	2052	2052	Direct
12	Support to Prem Dhaan-home for the mentally challenged women run by Mother Teresa Sisters	Community	Airoli (Maharashtra)	4800	4800	4800	Direct
13	Support to Construct approach road towards River Bank for various activities of villagers at Roth Budruk Grampanchayat	Community	Roha (Maharashtra)	450000	450000	450000	Direct
14	Construction of an office consisting of Women cell, CID branch and Passport office	Community	Airoli (Maharashtra)	698280	698280	698280	Direct
15	Contribution towards Call centre towards improvement of transport safety	Community	Airoli (Maharashtra)	150000	150000	150000	Direct

Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where the Projects or programs was undertaken	Amount outlay (budget) Project or program wise (₹)	Amount spent on Project or program wise (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing Agency
16	Chemicals Chemistry Awareness programs	Education	Airoli (Maharashtra)	500000	500000	500000	Direct
17	Cuddalore District collector for CSR Activities	Community	Cuddalore (Tamilnadu)	300000	300000	300000	Direct
18	Relief efforts	Community	Cuddalore (Tamilnadu)	333699	333699	333699	Direct
19	Administrative Overheads			45455	45455	45455	
	Spend ₹			4417632	4417632	4417632	

6. Reason for not spending the amount at 5(b):

The year 2015 has seen a remarkable change in Company's CSR activities and the highlight has been employee engagement. Clariant was awarded by the Indian Chemical Council for exemplary CSR activities for the year 2014-15. A few of our activities have been noteworthy, for instance, support to homeless children of Ma Niketan and Vatsalya Foundation, aiding infrastructure development in needy schools, donating an ambulance and providing relief to flood affected areas, blood donation campaigns, etc. The Company has been spending on CSR, on its focused themes and programs. Apart from monetary contribution, there is exemplary contribution of Company's employees on CSR projects.

The Company has devoted time in structuring its CSR projects and enhanced governance, in line with Schedule VII of Companies Act, 2013 and rules made thereunder and has laid foundation for CSR initiatives in the coming years. While during the period under review, the Company has not met the recommended spend of 2% of Average Net Profits for the last three years, the Company has taken steps in the right direction and going forward the thrust will continue to increase the Company's CSR spend on the basis of merit of the CSR projects.

7. Responsibility Statement

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, it is confirmed that the CSR Committee has implemented and monitored the CSR initiatives in line with the CSR Objectives and Policy of the Company.

For and on behalf of the Board of Directors

Dr. (Mrs.) Indu Shahani
Chairperson – CSR Committee

Mr. Kewal Handa
Co-opt Chairman – CSR Committee
(Meeting Dt. 20-5-2016)

Dr. Deepak Parikh
Vice-Chairman & Managing Director

Navi Mumbai, May 20, 2016

ANNEXURE C

Nomination and Remuneration Policy

1. Objective:

The objective of the policy is

- a. To ensure that Whole Time Directors, Key Managerial Personnel and Senior executives of high caliber are being attracted and retained and are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications and positive attributes of the employees.
- b. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down herein after.
- c. To evaluate the performance of the Whole time Directors, Key Managerial Personnel and Senior executives.
- d. To recommend to the Board on Remuneration payable to the Whole time Directors, Key Managerial Personnel and Senior Executives.
- e. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Whole time Directors, Key Managerial Personnel and Senior Executives.

2. Criteria for board membership and board diversity:

- a. The Director must have relevant experience in Finance/Law/Management/Sales/Marketing/Administration/Research/Corporate Governance/Technical Operations/ Human Resources or the other disciplines related to Company's business.
- b. The Director should possess the highest personal and professional ethics, integrity and values.
- c. The Independent Director shall not have any material financial interest with the Company or through any of its officers, other than as a director or shareholder of the Company. Wherever required a Director should disclose the nature of his interest, if there are reasons to believe there is or a likelihood of potential conflict of interest.

- d. The Independent Directors shall fulfill the criteria specified in Schedule IV and Section 149(7) of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement.

3. Remuneration criteria:

The remuneration policy of the Company is performance driven and is structured to motivate employees, recognize their merits & achievements and promote excellence in their performance.

For Managing / Whole-time Directors

The Board of Directors / the Nomination and Remuneration Committee of Directors is authorised to decide the remuneration of the Whole-time Directors, subject to the approval of the Members and Central Government, if required. The remuneration structure comprises of Salary, Perquisites, Retirement benefits as per the law / rules, Performance Linked Incentive / Commission and other emoluments. Annual increments are decided by the Nomination and Remuneration Committee within the salary grade approved by the Members. In addition to the above remuneration, Expatriate Directors are paid Overseas Allowance / Special Allowance and certain other Perquisites as per the Rules of the Company.

For Non-executive Directors

The Non-executive Directors other than those representing the majority shareholders are remunerated by way of Sitting Fees and Commission. For the Key Managerial Personnel and Senior Executives

- The remuneration of other KMP and other Senior Executives largely consists of basic salary, perquisites, and allowances (both fixed and variable). Perquisites and retirement benefits are paid according to the Company policy.
- They are also entitled to customary non-monetary benefits such as Company car and Company health care, telephone & accommodation on case to case to basis.

- The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry and its peer group.

4. Performance evaluation of directors:

The Companies Act, 2013 and Listing Agreement with Stock Exchanges mandate that the Independent Directors shall bring an objective view in the evaluation of the performance of the Board and Management. As per Clause VII of the Schedule IV to the Companies Act, 2013, the Independent Directors shall (a) review the performance of the non-independent directors and the Board as a whole and (b) also review the performance of the Chairman of the Company, taking into account the views of executive and non-executive directors. The performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The purpose of a board evaluation is to improve board and Company performance. It allows the Board to identify problems and highlight areas where performance can be enhanced. As a first step, it is proposed to have a combined review of Board's performance.

The Evaluation Questionnaire for Independent Directors, Non Independent Directors and Chairman is given in Annexure 1.

5. Amendment:

This policy shall remain in force unless modified by the Nomination & Remuneration committee.

6. Note:

The provisions of the Companies Act, 2013 and rules thereto and the Listing Agreement (including any amendment thereto from time to time) to the extent applicable, shall be apply in addition to this policy.

For and on behalf of the Board of Directors

Mr. Kewal Handa
Chairman

Dr. Deepak Parikh
Vice-Chairman & Managing Director

Navi Mumbai, May 20, 2016

ANNEXURE D

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each executive director to the median remuneration of the employees of the Company for the financial year:

(₹ in Lakhs)

Sr. No.	Particulars	Remuneration for the 15 months ended March 31, 2016	Ratio of Remuneration to median remuneration of employees
1.	Dr. Deepak Parikh Vice-Chairman & Managing Director	845.22	124.88
2.	Mr. B.L. Gaggar Executive Director Finance & Company Secretary (upto June 30, 2015)	145.31	21.47

Note: The Non-Executive Non Independent Directors of the Company are not paid any remuneration by the Company. The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Independent Directors are provided in the Corporate Governance Report.

- ii. The percentage increase in remuneration of each Executive director, chief executive officer, chief financial officer, company secretary in the financial year:

Executant Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/(decrease) in remuneration in the financial year
Dr. Deepak Parikh Vice-Chairman & Managing Director Finance & Company Secretary	1.5%
Mr. B. L. Gaggar ¹ Executive Director Finance & Company Secretary	Nil
Mr. Raja Subramanian ² Chief Financial Officer	Nil
Ms. Raksha Kamdar ³ Interim Chief Financial Officer	7.1%
Ms. Ameer Joshi ⁴ Company Secretary	36.9%

Notes:

- ¹ Resigned as Company Secretary on April 24, 2015 and retired from the Company on June 30, 2015
- ² Appointed w.e.f. July 1, 2015 and resigned on August 31, 2015
- ³ Appointed w.e.f. September 1, 2015
- ⁴ Appointed w.e.f. April 25, 2015

- iii. The percentage increase in the median remuneration of employees in the financial year: 2.5%
- iv. The number of permanent employees on the rolls of Company as on March 31, 2016: 843
- v. The explanation on the relationship between average increase in remuneration and Company performance: The Company, during the period under review, had revenue growth of 13% over the previous year. The profit before exceptional items as a percentage of sales increased from 0.4% to 3.9%. The average increase in remuneration is commensurate with the Company performance and market trend.
- vi. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY15 (₹ Lakhs)	1070.84
Revenue (Net) (₹ Lakhs)	118243.64
Remuneration of KMPs (as % of revenue)	0.91
Profit before Tax (PBT) (₹ Lakhs)	6781.94
Remuneration of KMP (as % of PBT)	15.79

- vii. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2016	December 31, 2014	% Change
Market Capitalisation (₹ Lakhs)	137267.45	231015.36	(40.58)
Price Earnings Ratio	28.51	2.45	1064.12

viii. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The Company has not come with any public offer in the recent past and accordingly, comparison of Public offer price and the current market price of the Company's shares will not be relevant.

ix. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average Percentile Increase for other than managerial personnel: 8%

Average Percentile Increase for managerial personnel: 1.5%

x. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Dr. Deepak Parikh, Vice-Chairman & Managing Director	Mr. B. L. Gaggar, Executive Director Finance & Company Secretary (upto June 30, 2015)	Mr. Raja Subramanian, Chief Financial Officer (From July 1, 2015 to August 31, 2015)	Ms. Raksha Kamdar, Interim Chief Financial Officer (From September 1, 2015)	Ms. Ameer Joshi, Company Secretary (From April 25, 2015)
Remuneration during the year under review (₹ in Lakhs)	845.22	145.31	18.04	49.76	12.51
Remuneration as % of revenue	0.71	0.12	0.02	0.04	0.01
Remuneration (as % of PBT)	12.46	2.14	0.27	0.73	0.18

xi. The key parameters for any variable component of remuneration availed by the directors:

The Variable component is an integral part of Company's total reward package for all Employees including Executive Directors. Annual Bonus is directly linked to individual performance rating and business performance. The Annual Bonus is paid to Executive Directors on recommendation of Nomination & Remuneration Committee and within the overall limit approved by the Shareholders.

xii. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable

xiii. It is affirmed that the remuneration paid during the period under review is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Navi Mumbai, May 20, 2016

Mr. Kewal Handa
Chairman

Dr. Deepak Parikh
Vice-Chairman & Managing Director

ANNEXURE E

Form No. MR-3

Secretarial Audit Report

For the period 1st January, 2015 to 31st March, 2016

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

To,
The Members,
Clariant Chemicals (India) Limited
CIN: L24110MH1956PLC010806

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Clariant Chemicals (India) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the 15 months ended on 31st March, 2016 complied with the statutory provisions listed hereunder, except which are specifically mentioned therein and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the 15 months ended on 31st March 2016 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the relevant provisions of the Companies Act, 1956;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are applicable to the Company:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the audit period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) Other laws applicable to the Company.

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

- 1) Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2) The Listing Agreements entered into by the Company with Stock Exchanges; and
- 3) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on our such examination and further based on the Representation of the Management of the Company, the Company has during the period under review complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I/we further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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

This Report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this Report.

For J R Ahuja & Co.
Company Secretary

(Jagdish Ahuja)

Proprietor

Place: Mumbai

Date: May 18, 2016

ACS No: 11103; C.P. No: 10563

To
The Members,
Clariant Chemicals (India) Limited
CIN: L24110MH1956PLC010806

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & environment laws and data protection policy.
8. We further report that the Compliance by the Company of applicable financial laws like direct & indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial auditors and other designated professionals.

For J R Ahuja & Co.
Company Secretary

(Jagdish Ahuja)

Proprietor

Place: Mumbai

Date: May 18, 2016

ACS No: 11103; C.P. No: 10563

ANNEXURE F

Form No. MGT-9

Extract of Annual Return

For the 15 months ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L24110MH1956PLC010806
2.	Registration Date	27/12/1956
3.	Name of the Company	Clariant Chemicals (India) Limited
4.	Category/Sub-Category of the Company	Public Company Limited by Shares
5.	Whether listed Company (Yes/No)	Yes
6.	Address of Registered Office and Contact details	Reliable Tech Park, Gut No. 31, Village Elthan, off Thane Belapur Road, Airoli, Navi Mumbai, Maharashtra, 400708 Tel: 022 7125 1000 Fax: 022 7125 1201 Email id: investor.relations_india@clariant.com Website: www.clariant.com
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited (w.e.f. April 11, 2016) C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai, Maharashtra, 400078 Tel: 022 25946970 Fax: 022 25946969 Email id: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of Main Product / Services	NIC Code of the Product	% to total turnover of the Company
1.	Synthetic organic coloring matter	20114	58
2.	Colours, Dyes and Pigments	20224	21

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NOT APPLICABLE

Sr. No.	Name and Address of Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1.	-	-	-	-	-

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

A. Category-wise Share Holding:

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year January 1, 2015				No. of Shares held at the end of the year March 31, 2016				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	Promoters									
1)	Indian									
a	Individuals/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c	State Government	0	0	0	0.00	0	0	0	0.00	0.00
d	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e	Banks/ Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
f	Any other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
i	Trusts	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (1)	0	0	0	0.00	0	0	0	0.00	0.00
2)	Foreign									
a	NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c	Bodies Corporate	16902080	0	16902080	63.40	14827050	0	14827050	64.24	0.84
d	Banks/ Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
e	Any other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (2)	16902080	0	16902080	63.40	14827050	0	14827050	64.24	0.84
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	16902080	0	16902080	63.40	14827050	0	14827050	64.24	0.84
B	Public Shareholding									
1)	Institutions									
a	Mutual Funds/ UTI	1331264	125	1331389	4.99	361448	125	361573	1.57	-3.42
b	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c	State Government	0	0	0	0.00	0	0	0	0.00	0.00
d	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e	Foreign Portfolio Investors	0	0	0	0.00	191958	0	191958	0.83	0.83
f	Financial Institutions / Banks	20769	3395	24164	0.09	21870	3395	25265	0.11	0.02
g	Insurance Companies	358153	0	358153	1.34	269662	0	269662	1.17	-0.17
h	Foreign Institutional Investors	711171	0	711171	2.67	609416	0	609416	2.64	-0.03
i	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B) (1)	2421357	3520	2424877	9.09	1454354	3520	1457874	6.32	-2.77
2)	Non-Institutions									
a	Bodies Corporates									
	i. Indian	714441	9473	723914	2.72	687994	9323	697317	3.02	0.30
	ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b	Individuals									
	i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	5126434	709686	5836120	21.89	4944126	656782	5600908	24.26	2.37
	ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	593931	32395	626326	2.35	302208	32395	334603	1.45	-0.90

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year January 1, 2015				No. of Shares held at the end of the year March 31, 2016				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c	Others (specify)									
	i. Non-Resident Indian	125987	4805	130792	0.49	150888	4435	155323	0.67	0.18
	ii. Overseas corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
	iii. Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
	iv. Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
	v. Trust	14546	2090	16636	0.06	6263	2090	8353	0.04	-0.02
	vi. Foreign National	0	0	0	0.00	370	0	370	0.00	0.00
	Sub-Total (B) (2)	6575339	758449	7333788	27.51	6091849	705025	6796874	29.44	1.93
	Total Public Shareholding (B)= (B)(1) + (B)(2)	8996696	761969	9758665	36.60	7546203	708545	8254748	35.76	-0.84
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	25898776	761969	26660745	100.00	22373253	708545	23081798	100.00	0.00

B) Shareholding of Promoters:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year – January 1, 2015			Shareholding at the end of the year – March 31, 2016			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	
1.	Ebito Chemieeteiligungen AG	8167080	30.63	-	7164426	31.04	-	0.41
2.	Clariant International Limited	6075000	22.79	-	5329186	23.09	-	0.30
3.	Clariant Participations Limited	2660000	9.98	-	2333438	10.11	-	0.13
	Total	16902080	63.40	-	14827050	64.24	-	0.84

C) Change in Promoters' Shareholding:

Sr. No.	Name of Promoter	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (January 1, 2015 to March 31, 2016)	
		No. of Shares at the beginning (01-01-15) / end of the year (31-03-16)	% of Total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Ebito Chemieeteiligungen AG	8167080	30.63	01/01/2015				
	Changes during the year			09/10/2015	-1002654	Buyback	7164426	31.04
	At the end of the year	7164426	31.04	31/03/2016				
2.	Clariant International Limited	6075000	22.79	01/01/2015				
	Changes during the year			09/10/2015	-745814	Buyback	5329186	23.09
	At the end of the year	5329186	23.09	31/03/2016				
3.	Clariant Participations Limited	2660000	9.98	01/01/2015				
	Changes during the year			09/10/2015	-326562	Buyback	2333438	10.11
	At the end of the year	2333438	10.11	31/03/2016				

D) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (January 1, 2015 to March 31, 2016)	
		No. of Shares at the beginning (01-01-15) / end of the year (31-03-16)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	UTI-DIVIDEND YIELD FUND	430793	1.62	01/01/2015				
	Changes during the year			09/01/2015	-2008	Transfer	428785	1.61
				16/01/2015	-42889	Transfer	385896	1.45
				23/01/2015	-40850	Transfer	345046	1.29
				27/02/2015	-8512	Transfer	336534	1.26
				17/04/2015	-3534	Transfer	333000	1.25
				01/05/2015	-1400	Transfer	331600	1.24
				26/06/2015	-7584	Transfer	324016	1.22
				24/07/2015	-8927	Transfer	315089	1.18
				18/09/2015	-4760	Transfer	310329	1.16
				25/09/2015	-8073	Transfer	302256	1.13
				09/10/2015	-302256	Transfer	0	0.00
				16/10/2015	189730	Transfer	189730	0.82
				27/11/2015	-9730	Transfer	180000	0.78
				04/12/2015	-1210	Transfer	178790	0.77
				11/03/2016	-1320	Transfer	177470	0.77
				18/03/2016	-6470	Transfer	171000	0.74
	End of the year	171000	0.74	31/03/2016				
2.	GENERAL INSURANCE CORPORATION OF INDIA	205203	0.77	01/01/2015				
	Changes during the year			09/10/2015	-50000	Transfer	155203	0.58
				16/10/2015	17858	Transfer	173061	0.75
	End of the year	173061	0.75	31/03/2016				0.00
3.	NATIONAL INSURANCE COMPANY LTD	152900	0.57	01/01/2015				
	Changes during the year			09/10/2015	-152900	Transfer	0	0.00
				16/10/2015	96551	Transfer	96551	0.42
	End of the year	96551	0.42	31/03/2016				
4.	RAVINDRA RAICHAND DHARAMSHI	100000	0.38	01/01/2015				
	Changes during the year			30/09/2015	-100000	Transfer	0	0.00
				16/10/2015	63147	Transfer	63147	0.27
				23/10/2015	1853	Transfer	65000	0.28
	End of the year	65000	0.28	31/03/2016				

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (January 1, 2015 to March 31, 2016)	
		No. of Shares at the beginning (01-01-15) / end of the year (31-03-16)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
5.	SWISS FINANCE CORPORATION (MAURITIUS) LIMITED	397902	1.49	01/01/2015				
	Changes during the year			29/05/2015	43709	Transfer	441611	1.66
				05/06/2015	27856	Transfer	469467	1.76
				12/06/2015	59439	Transfer	528906	1.98
				19/06/2015	35352	Transfer	564258	2.12
				26/06/2015	33644	Transfer	597902	2.24
				09/10/2015	-47164	Transfer	550738	2.07
				23/10/2015	47511	Transfer	598249	2.59
				11/03/2016	-347	Transfer	597902	2.59
	End of the year	597902	2.59	31/03/2016				
6.	THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA INVESTMENT TRUST COMPANY	58820	0.22	01/01/2015				
	Changes during the year			13/02/2015	904	Transfer	59724	0.22
				27/02/2015	5965	Transfer	65689	0.25
				06/03/2015	1753	Transfer	67442	0.25
				13/03/2015	2805	Transfer	70247	0.26
				27/03/2015	1014	Transfer	71261	0.27
				01/05/2015	1845	Transfer	73106	0.27
				08/05/2015	1069	Transfer	74175	0.28
				22/05/2015	1048	Transfer	75223	0.28
				04/09/2015	635	Transfer	75858	0.28
				30/09/2015	935	Transfer	76793	0.29
				09/10/2015	-9234	Transfer	67559	0.25
	End of the year	67559	0.29	31/03/2016				
7.	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC (DFAID	49132	0.18	01/01/2015				
	Changes during the year			09/01/2015	1825	Transfer	50957	0.19
				16/01/2015	1797	Transfer	52754	0.20
				23/01/2015	798	Transfer	53552	0.20
				30/01/2015	1808	Transfer	55360	0.21
				13/02/2015	2005	Transfer	57365	0.22
				13/03/2015	707	Transfer	58072	0.22
				24/04/2015	1280	Transfer	59352	0.22

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (January 1, 2015 to March 31, 2016)	
		No. of Shares at the beginning (01-01-15) / end of the year (31-03-16)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
	For each of the Top Ten Shareholders			15/05/2015	921	Transfer	60273	0.23
				22/05/2015	2126	Transfer	62399	0.23
				12/06/2015	5019	Transfer	67418	0.25
				30/06/2015	898	Transfer	68316	0.26
				10/07/2015	3736	Transfer	72052	0.27
				17/07/2015	4768	Transfer	76820	0.29
				07/08/2015	627	Transfer	77447	0.29
				09/10/2015	-9431	Transfer	68016	0.26
				22/01/2016	1077	Transfer	69093	0.30
				05/02/2016	308	Transfer	69401	0.30
	End of the year	69401	0.30	31/03/2016				
8.	IDBIMF - DIVERSIFIED EQUITY FUND OPERATIVE A/C	28000	0.11	01/01/2015				
	Changes during the year			23/01/2015	3000	Transfer	31000	0.12
				06/02/2015	2000	Transfer	33000	0.12
				20/02/2015	1767	Transfer	34767	0.13
				13/03/2015	1233	Transfer	36000	0.14
				20/03/2015	4000	Transfer	40000	0.15
				26/06/2015	8000	Transfer	48000	0.18
				10/07/2015	2000	Transfer	50000	0.19
				09/10/2015	-50000	Transfer	0	0.00
				16/10/2015	31574	Transfer	31574	0.14
				06/11/2015	28426	Transfer	60000	0.26
	End of the year	60000	0.26	31/03/2016				
9.	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE MANUFACTURING EQUITY FUND	0	0.00	01/01/2015				
	Changes during the year			27/03/2015	104000	Transfer	104000	0.39
				24/04/2015	-19939	Transfer	84061	0.32
				09/10/2015	-10319	Transfer	73742	0.28
	End of the year	73742	0.32	31/03/2016				
10.	DHARAMSHI SECURITIES PVT. LTD.	0	0.00	01/01/2015				
	Changes during the year			30/09/2015	300000	Transfer	300000	1.13
				16/10/2015	-300000	Transfer	0	0.00
				31/03/2016	81117	Transfer	81117	0.35
	End of the year	81117	0.35	31/03/2016				

E) Shareholding of Director and Key Managerial Personnel:

Sr. No.	Name of Director / KMP	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (January 1, 2015 to March 31, 2016)	
		No. of Shares at the beginning (01-01-15) / end of the year (31-03-16)	% of Total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Mr. B. L. Gaggar*	500	0.00	01/01/2015				
	Changes during the year			30/01/2015	-50	Transfer	450	0.00
				30/09/2015	-500	Transfer	-50	0.00
				16/10/2015	316	Transfer	266	0.00
				25/12/2015	-16	Transfer	250	0.00
	At the end of the year	250	0.00	31/03/2016				

*Mr. B. L. Gaggar resigned from the Directorship of the Company on June 30, 2015 consequent to his retirement from the services of the Company.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment for 15 months ended March 31, 2016

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/01/2015)				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	40,262,622	40,262,622
Total (i+ii+iii)	-	-	40,262,622	40,262,622
Change in Indebtedness during the financial year				
* Addition	-	-	20,075,639	20,075,639
* Reduction	-	-	(12,760,770)	(12,760,770)
Net Change	-	-	7,314,869	7,314,869
Indebtedness at the end of the financial year (31/03/2016)				
i) Principal Amount	-	-	47,577,491	47,577,491
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	47,577,491	47,577,491

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR THE 15 MONTHS ENDED MARCH 31, 2016:

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Dr. Deepak Parikh Vice-Chairman & Managing Director	Mr. B. L. Gaggar* Executive Director Finance & Company Secretary	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	534.22	115.62	649.84
	(b) Value perquisites u/s 17(2) Income Tax Act, 1961	110.10	0.22	110.32
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission As % of Profit Others, Specify	-	-	-
5.	Others Provident Fund & Superannuation Fund	25.89	7.43	33.32
	Performance Bonus	175.01	22.04	197.05
	Total (A)	845.22	145.31	990.53
	Ceiling as per the Act (Being 10% of the Net Profit of the Company calculated as per Section 198 of Companies Act, 2013)			310.05

*Retired on June 30, 2015.

B. Remuneration of other Directors:

(₹ in Lakhs)

Sr. No.	Name of the Director	Fee for attending Board / Committee Meetings	Commission	Others	Total
1.	Independent Directors				
	Mr. Bharat V Patel (upto 20/10/2015)	5.55	5.00	-	10.55
	Mr. Y H Malegam (upto 15/10/2015)	6.05	4.00	-	10.05
	Mr. Kewal Handa (from 5/11/2015)	2.50	3.00	-	5.50
	Mr. Sunirmal Talukdar (from 5/11/2015)	2.50	2.00	-	4.50
	Dr. (Mrs.) Indu Shahani	9.90	6.00	-	15.90
	Total (1)	26.50	20.00	-	46.50
2.	Other Non-Executive Directors				
	Mr. Alfred Muench	-	-	-	-
	Mr. Karl Holger Dierssen	-	-	-	-
	Mr. Mario Brocchi (from 12/2/2015)	-	-	-	-
	Mr. Viktor Bernhardt (upto 12/2/2015)	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	26.50	20.00	-	46.50
	Ceiling as per the Act (Being 1% of the Net Profit of the Company calculated as per Section 198 of Companies Act, 2013)				31.01

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD.:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the KMP			Total Amount
		Mr. Raja N (From July 1, 2015 to August 31, 2015)	Ms. Raksha Kamdar (From September 1, 2015)	Ms. Ameer Joshi (From April 25, 2015)	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	17.08	36.12	10.72	63.92
	(b) Value perquisites u/s 17(2) Income Tax Act, 1961 of the Income Tax act, 1961	0.00	0.40	0.00	0.40
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission As % of Profit Others, Specify	-	-	-	-
5.	Others Contribution to Provident Fund & Superannuation Fund	0.96	2.69	0.93	4.58
	Performance Bonus	0.00	10.55	0.85	11.41
	Total (C)	18.04	49.76	12.51	80.31

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (UNDER THE COMPANIES ACT): NONE

For and on behalf of the Board of Directors

Navi Mumbai, May 20, 2016

Mr. Kewal Handa
ChairmanDr. Deepak Parikh
Vice-Chairman & Managing Director

ANNEXURE G

Form AOC-2

Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**
2. Details of material contracts or arrangement or transactions at arm's length basis for the 15 months ended March 31, 2016:

(₹ in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any	Value
Clariant (Singapore) Pte. Limited, Affiliate Company under AS 18	Sale of Finished Goods, as per Purchase Order raised, from time to time.	On Going	Ordinary course of business and at arm's length price.	February 12, 2015	NIL	₹ 24,005

For and on behalf of the Board of Directors

Navi Mumbai, May 20, 2016

Mr. Kewal Handa
Chairman

Dr. Deepak Parikh
Vice-Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Financial and Operational Performance Overview

The accounting year of the company has been changed from January-December to April-March. Consequently, the financial statements for the period under review are for the 15 months from 1st January, 2015 to 31st March, 2016.

The Company was able to sustain its business performance in the continuing business, in spite of the challenging macro-economic situation and loss of sale due to divestment of Leather service business (previous year) and Industrial & Consumers Specialties business (period under review). The sales of continued business registered a positive growth of 12% on a like to like comparable period basis and a growth of 40% in absolute terms during 15 months ended March 31, 2016 vs. 12 months ended December 31, 2014. For the period under review, export sales of the continued business contributed 27%.

In view of strong sales, effective raw material management and better cost control, the profit before exceptional items and tax is higher at ₹ 44 crores as compared to ₹ 4 crores in the previous year, registering an increase from 0.4% to 3.9% in terms of percentage to sales. The net profit after accounting of exceptional items and tax is lower over the previous year mainly due to higher exceptional income in the previous year from sale of Kolshet site. The following table exhibits, in summary the financial performance of the company for the period in relation to the previous year.

	15 months period ended 31-03-2016	12 months period ended 31-12-2014
Sales growth-continued business (%)	40.20	43.60
Domestic sales growth-continued business (%)	47.30	56.80
Export sales growth-continued business (%)	24.20	15.70
PBDIT (% to sales)	10.90	3.80
PAT (% to sales)	4.60	93.60
ROCE (%)	8.40	67.60
Earnings per share (₹)	20.90	353.80
Cash earnings per share (₹)	42.80	366.30
Book value per share (₹)	273.60	523.60

The Company remains a zero debt company with no long-term borrowings. The credit rating for the Company is reaffirmed 'CARE AAA' for long term bank facilities and 'CARE A1+' for short term bank facilities. This endorses the confidence on the financial standing of the Company. Short-term bank borrowings are restricted to the need based working capital requirements. The Company has sustained its performance in efficient management of working capital. The period end ratio of Inventory to sales of 16%, receivables to sales of 19% and the net working capital to sales of 19% is one of the best in the specialty chemical industry. Net cash from operations during the period before the tax payments was ₹ 69.23 (PY ₹ -9.37) crores. Funds surplus to the operational needs have been prudently invested to earn reasonable returns with a high degree of safety. A sum of ₹ 62.30 crores (previous year ₹ 25.84 crores) stands invested in debt schemes of mutual funds at the end of the period.

During the period under review, all the plants had smooth operations and the capacity utilisation was better than the previous year.

Business Segments and Performance

In accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules, 2006 and based on characteristics of products, production processes and the class of customers, the Company has classified its range of products into two reportable business segments as under:

1. Pigments and Colors:

The segment comprises of pigments, additives and masterbatches.

Pigments are used for coloring paint, ink, plastic, fabric, cosmetics, food and other materials.

Clariant is a leading global provider of organic pigments, pigment preparations and dyes used in coatings, paints, printing, plastics and other specialty applications. Clariant's pigments make a difference to a whole host of products that touch everyday lives. Based on extensive experience and expertise in color, our pigments provide vibrant and safe colors to the world. The product portfolio meets the demands for key market segments that include automotive, industrial, decorative and architectural paints and coatings,

plastic applications including films, fibers, detergent coloration, cosmetics, aluminum finishing, traditional and non-impact printing and electronic displays. The Company has significant presence in paints, coating, ink and plastic applications and positioned itself as the preferred supplier to major players in domestic market. The business contributes 59% to the total sales in the pigments and colors segment and the ratio of the domestic to export sales is 58:42. The pigment business, during the 15 months period has recorded sales of ₹ 599.3 crores and growth of 28.8% over previous 12 months period.

During the period under review, the Company acquired the “Carbon Black Business” from Lanxess India Private Limited comprising of the Black dispersion plant located at Nagda for Viscofil Black VBL. The Company further introduced new Whitening solutions for detergent market and other solutions for regional customers in India to support business growth. The Company launched new products – Special Pigments for packaging ink segment and L-VOC range of coatings during its participation in Asia Coat+ Printing fair and PlastIndia respectively.

Additives are performance chemicals for improving the quality and physical property to ensure performance, durability and safety of the products.

Clariant’s Additives business creates value by improving the efficiency, safety, protection, durability and appearance of products such as plastics, coatings and printing inks. Clariant is a leading provider of Non-Halogenated (environmentally safe) flame retardants, waxes and polymer additives and serves customers across a wide range of applications and sectors including electronic, construction and automotive, textiles, printing and packaging. The additives business of the Company is evolving by outsourcing the high technology products from Clariant affiliates to meet the demand of local markets. Additives business has contributed sales of ₹ 17 crores during the period, a growth of 65.4%. The strategy is to cater to growing demand in the market with our rich product portfolio. The Company foresees wide scope for this business to grow in future in the niche applications.

Masterbatch is a concentrated mixture of pigments and/or additives dispersed in a polymer medium. Masterbatch is produced by encapsulating minimum two or more ingredients in a polymer medium with an equipment called as “extruder”. The strands coming out of an extruder are then cooled and cut into a granular shape.

Based on our global knowhow, the Company, with its four manufacturing facilities in India, has established itself as a reliable partner and solution provider for Masterbatch and fiber segment thereby supporting faster technical

service across the market segment to nurture and develop quicker solutions by focusing on Customer’s unmet needs. Further, the acquisition of Masterbatches business from M/s. Plastichemix Industries, during the previous year, helped the Company to improve its foothold in the growing Masterbatches business by increasing the customer base and product portfolio like the black, white, additive, product & color master batches, engineering plastics compounds, etc.

The business initiated a new product line PET BLACK, to cater to our esteemed customers in the Fiber industry and have also created multiple technological options for Automotive, Consumer Durable & Packaging segments, with a focus on green chemistry, keeping in view our true commitment to SUSTAINABILITY. The Company is further exploring additional products and services required by the Indian market through close collaboration with our strategic customers to enhance their capability in meeting the local and export business challenges.

The Masterbatches business has contributed 39% of sales to the Pigments and colors segment and recorded a sales of ₹ 389.7 crores during the 15 months period under review with a growth of 61.0% over previous 12 months period.

2. Dyes and Specialty Chemicals:

The Dyes and specialty segment includes performance chemicals for personal care and industrial applications, Oil and mining services and products which have application in textile, paper, emulsion and leather industry.

Industrial & Consumer Specialties business offers specialty chemicals and application solutions for Industry segments like Personal Care, Industrial and Home Care, Crop Protection, Paints and Coating, Construction Chemicals, Industrial Lubricants and Engineering.

The Company has sold its Industrial & Consumer Specialties (ICS) business to Clariant India Limited effective from August 1, 2015. The ICS business of the Company has contributed sales of ₹ 38.6 crores till July 31, 2015, recording a negative growth of 35.2% over the same period in previous year. Post divestment of ICS business, the Company has entered into job work agreement with Clariant India Limited for processing and supply of ICS products.

Post divestment of textile, paper and emulsion (TPE) business and leather service in the prior years, the Company has entered into supply agreements with Archroma India Pvt. Ltd. and Stahl India Pvt. Ltd., to manufacture and supply certain products which have application in TPE and leather industry respectively. The sales as part of supply agreements post divestment of these businesses

for the period under review amounts to ₹ 95.5 crores and is included in this segment. The sales from Oil and mining services amounted to ₹ 0.7 crores.

In view of the divestment of Leather Service business (previous year) and the ICS business (period under review), the performance of this segment is not comparable with the previous year.

The segment-wise financial performance of the Company is summarised below:

(₹ in Lakhs)

Segments	15M ended 31-03-2016	% to Total Sales	12M ended 31-12-2014	% to Total Sales
Pigments & colors	1,004,97	88%	717,83	71%
Dyes & specialty chemicals	134,83	12%	290,37	29%
Total	1,139,80	100%	1008,20	100%

Internal Financial Control Systems & their adequacy

The Company has Internal Control Systems commensurate with the size and nature of its business. Corporate policies, management information and reporting system for key operational areas form part of overall control mechanism. In order to supplement the internal control process, the Company has engaged the services of independent firms of professionals to function as internal auditors who are authorized by the Audit Committee to assess the adequacy and compliance of internal control process and provide their report covering observations and recommendations. The annual internal audit plan is approved by the Company's Audit Committee and its coverage includes business operations as well as support function activities. The key audit results and recommended management actions are presented to the Audit Committee on a quarterly basis.

Further, in compliance with the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your Company has laid down a system of internal financial controls over financial reporting and adequacy and operating effectiveness of such controls. These controls are designed to provide a reasonable assurance regarding:

- Adherence to Company's Policies and Procedures
- Safeguarding Assets
- Prevention and detection of frauds and errors
- Reliability, completeness and accuracy of accounts
- Timely reporting of information (financial, non-financial, internal and external)

The internal financial controls and governance process are duly reviewed for their adequacy and effectiveness by an Independent Chartered Accountant. Based on its evaluation, the Audit Committee has concluded that, as of March 31, 2016, our internal financial controls were adequate and operating effectively.

Human Resources

The Company considers its committed and talented workforce as one of its most critical assets and key to driving sustainable performance, growth and developing competitive advantage. In line with its business imperatives, emphasis continues to be on recruiting the best relevant talent, nurturing, developing, motivating and empowering them to better performance. To achieve its objective of attracting, retaining and developing its committed workforce, the Company sustained its various growth and development initiatives for entry-level and midlevel managers. The Company's reward and recognition philosophy and policy has always been instrumental to retaining and motivating employees. To remain competitive in compensation and rewards offered, continual efforts were made to make compensation and benefits flexible and market aligned.

Industrial relations remained cordial at all the plants, including the newly acquired plants in Vadodara. The total number of employees on the rolls of the Company as on 31st March, 2016 was 843 as against 943 on 31st December, 2014.

Industry Structure & Development

Speciality chemicals, which comprise low volume, high value chemicals with specific applications, constitute a significant part of the Indian chemical industry. With increasing demand for value added high performance products in all spheres of the life of an average Indian, we expect growth in demand for specialty chemicals that add such functionalities to products. At the same time, the shift of manufacturing to the East and India's export competitiveness is expected to strengthen India's position as a manufacturing hub for specialty chemicals. A glimpse of India's emergence as a major export hub is already seen in segments such as agrochemicals and colorants, in which a significant part of India's production is exported.

While globally the specialty chemicals industry is differentiated from bulk chemicals by extensive R&D and innovation, such a demarcation is almost non-existent in the Indian context due to the "genericized" nature of the Indian specialty chemicals industry. However, we view the specialty chemicals space as an amalgamation of parts – multiple segments having unique characteristics and correspondingly witnessing different industry dynamics.

As per the report of Ministry of Commerce, FICCI and CII, the Indian Chemical Industry is third largest producer in Asia. It is 6th largest producer globally. The Chemical Industry accounts

for about 2.11% of the GDP. The estimated market size for chemicals is USD 140 Billion and expected to reach USD 214 Billion by 2020. India accounts for 16% of the global dyestuff and Intermediates manufacturing. The total production of chemicals in 2014-15 was at 21.2 Million Tons. Out of which the total Production of Polymers was at 6.5 Million tons in 2014-15. The industry has been growing at a CAGR of 12.6%. The Specialty chemicals is estimated to have a market size of around USD 24 Billion.

The growth for specialty chemicals is driven by both domestic consumption and exports. Specialty chemicals which find application across consumer (eg. Personal care chemicals), industrial (eg. Water chemicals) and infrastructure (eg. Construction chemicals) segments are driven by the overall growth of the Indian economy. Agrochemical growth has a strong linkage to the growth of the rural economy.

In certain segments (such as agrochemicals, dyes and pigments, flavours and fragrances), a significant proportion of production in India is exported. Exports are growing rapidly as India is becoming an important manufacturing hub for such chemicals. slowdown of China (in certain segments) is contributing factor to the growth of exports. The recently launched "Make in India" campaign is also expected to add impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term.

The current estimated size of the Paints and Coatings industry is about ₹ 350 Billion and the industry is growing at 12-13% CAGR. Per capita consumption of paints is a little over 4 kg. which is much lower compared to the global average. The unorganized segment has about 35% market share in the market and this consists of around 2000 small to medium enterprises. Architectural coatings constitute 70% of the market share and the balance is from Industrial coatings segment.

On the positive side, softening of international crude and commodity rates have eased the mounting cost pressures on the industry to some extent. While operating margins have not improved much, they can certainly expand in the forthcoming quarters should things continue to remain the same. All the key players in this sector have done capacity expansions and have started production from new plants.

The market for paints in India is expected to grow at 1.5 times to 2 times GDP in the next five years. Architectural paints segment is expected to witness higher growth going forward. The fiscal incentives given by the government to the housing sector have immensely benefited the housing sector. This will benefit key players in the long term. Although the demand for industrial paints is lukewarm it is expected to increase going forward. This is on account of increasing investments in infrastructure. Domestic and global auto majors have long term plans for

the Indian market, which augur well for automotive paint manufacturers. Increased industrial paint demand, especially powder coatings and high performance coatings will also propel topline growth of paint majors in the medium term. Volatility of the Indian currency and international oil prices and worries about a normal monsoon continue to be major challenges facing the paint industry.

Per capita Plastics consumption in India is around 10 kg currently compared to the Global average of 27 kg. The Government plans to increase it to 20 kg by 2022. Capital outlays worth CHF 31 billion is planned to be invested in Polyester, Polymers and other Petrochemicals in the next 5-6 years. The Indian polymer additive market size is around USD 400 million and is expected to grow @ 10% CAGR. The Indian Polymers and Petrochemicals manufacturing capacity is expected to grow to 50 Million Tons per annum.

Outlook, Opportunities and Challenges

A short to medium term boom for the Indian dye and pigment industry is expected as Indian companies fill in shortages caused by the Chinese plant shut downs. The benefit would largely be reaped by scaled up players who are compliant with international environmental and quality standards. The overall commoditized market thriving on volume play has gained due to supply side dynamics originating in China, and will continue to do so in the immediate future. However, those focused on differentiated offerings catering to niche applications such as in personal care, F&B healthcare, etc. will witness faster and more sustainable growth over the long run.

There is significant re-organization taking place in the dye and pigment industry globally. This is due to the supply chain disruptions caused to European companies by the effect of REACH regulation and increased environmental standards in China. Many European companies depend on supplies from India and China; some are setting up their own plants in those countries or establishing JVs with large local players.

The Indian polymer additives market accounts for only ~ 1% of the global market and the growth opportunity has not materialized in full. The model of usage and application of polymers in developed countries suggests that there is a huge market potential in India for similar applications, this is further driven by the opportunities in growing end industries such as automobiles, while goods, packaging, construction, medical supplies, etc.

The polymer additives segment is fairly capital intensive and commands significant investments. R&D and new product development are largely the domain of global giants. As a product matures it tends to get commoditized and its margins fall, thus to succeed in this segment it is important to stay ahead and focus on launching innovative products.

Most of the global polymer additive companies are already present in India with their product range largely focused on high margin segments, most of the Indian Companies face prima competition in less differentiated segments. However, there are a few players focusing on differentiated segments mature and stagnate with declining profitability, it would be important for them to make a move towards newer opportunities.

Low cost labour and raw material availability have been the advantages enjoyed by the Indian manufacturing companies traditionally. Increasingly, though, specialty chemicals companies are focusing beyond these traditional cost advantages. In agrochemicals, for instance, the focus is largely on branding and distribution. Product development capabilities have become increasingly important across segments and accounts for the difference between top and bottom performers. Surfactants and dyes are the areas where scale and operational efficiency are still the success factors - these segments correspondingly have lower margins.

Despite the demand side growth drivers, several challenges still remain. While some are segment specific issues, there are three systematic challenges the sector is confronted with - fragmentation and lack of scale, commoditization and regulations.

Fragmented industry structure with few scaled up Indian players: Most players operating in India are still small in scale. At the global level, however, there is significant level of concentration. Most segments in India witness a dominating presence of a few global leaders. This has implications on the competitiveness of Indian players. Only a few Indian players have the scale capabilities to compete with the global giants on product development and innovation.

Several mature products in the sector have already been commoditized or are at risk of the same. Specialty chemical manufacturers need to strengthen their focus on the niche applications and product innovations in order to protect their margins.

Cost of compliance might make operations increasingly economically unviable for small players. Ability to scale up, offering differentiated products through innovations, implementing an effective sales and marketing strategy and maintaining high levels of regulatory standards clearly separate winners from the crowd in this space.

Risks & Compliance

Clariant follows Enterprise Risk Management (ERM) tool to define, identify, assess, report and drive the mitigation of risks throughout the Group. The tool is designed to provide the risk score measures for each of the potential risk as well as its financial, reputational and operational impact and provides for

risk improvement plans, critical success factors and target dates to control the risk.

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company at its various locations.

As part of a global policy, the relevant parameters for all manufacturing sites are analyzed to minimize risk associated with protection of environment, safety of operations and health of people at work and monitored regularly with reference to statutory regulations prescribed by the government authorities and guidelines defined by Clariant. The Company fulfills its legal requirements concerning emission, waste water and waste disposal. Improving work place safety continues to be top priority at all manufacturing sites.

The Company continues its focus on compliance in all areas of its business operations by rationalizing and strengthening the controls. This is also an important component of Clariant's code of conduct. The Company has set in place the requisite mechanism for meeting with the compliance requirements and periodic monitoring to avoid any deviation. Clariant aims to set exemplary and sustainable standards, not only through products, services and performance, but also through integrity and behavior. As part of continuing efforts to ensure that we maintain such exemplary and sustainable standards and to provide employees with a good understanding of the demands of anti-bribery and corruption laws, Clariant has launched internet-based training modules on the topic of Preventing Bribery and Corruption.

The business operations of the Company are exposed to a variety of financial risks such as market risk (foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk etc. The risk management program focuses on unpredictability of financial markets and seeks to reduce potential adverse effects on the financial performance. The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to centralized computer center with physically separated server parks operated by the Clariant group. The system's parallel architecture overcomes failures and breakdowns. The global communication network is managed centrally and is equipped to deal with failures and breakdowns.

Environment, Corporate Sustainability and Social Responsibility

Clariant commits itself to ethical and sustainable operations in all business activities according to the principles of Responsible Care® and the Clariant Code of Conduct. In the words of

Dr. Hariolf Kottmann, Global CEO of Clariant, “For us sustainability means to bring in balanced environmental, social and economic performance. Sustainability enhances innovative ways to do our business. This is a necessary prerequisite for value creation.”

Sustainability at Clariant is an integral part of the way we work and this helps the Company to position itself in the market; build a competitive advantage through differentiation; support profitable growth; create added value for stakeholders; build brand image & reputation and anticipate and mitigate risk. Our ability to treat our customers, employees and the environment in a responsible way is not only ethically correct, but also strengthens our partnership with those stakeholders upon whom our success as a Company ultimately depends. In September 2015, Clariant presented its global sustainability strategy to representatives from the industry, government, non-governmental organizations and the media at the first “Sustainability Dialog” organized in Frankfurt, Germany.

Clariant takes initiatives to reduce environment, health and safety risks during production, storage, distribution, as also during the disposal of waste. These include efficient use of energy & resources and continuous improvement of our processes to minimize the impact of our activities on the environment. Several awareness and engagement initiatives are held across our sites to promote a safe working environment, the annual event being the Safety Week Celebrations pan-India.

The Company places significant importance on reducing environment impact and carbon footprint and has set itself ambitious environment goals regarding quality and quantity to be reached by 2025. In terms of its sustainability strategy, Clariant undertakes to comply with global standards such as Responsible Care Global Charter, Global Product Strategy and the 10 principles of the UN Global Compact. **Clariant is also included in the top 4 percent of the European Dow Jones Sustainability Index (DJSI Europe). This index listing recognizes the outstanding and sustainable performance of Clariant in the economic, environmental and social dimensions.**

Additionally, recognizing the efforts, the Indian Chemical Council has granted use of Responsible Care® logo to Clariant’s Indian operations. **In 2015, at the annual presentation ceremony of Dyestuffs Manufacturers’ Association of India (DMAI), Clariant in India was recognized for its performance in Pollution Control and Safety & Hazards Control.**

Clariant’s certified management system complies with ISO 9001, ISO 14001, OHSAS 18001 and Responsible Care® and this reflects the Company’s continued commitment towards Quality, Environment, Occupational Health and Safety approaches.

Corporate Social Responsibility is an integral component of our corporate philosophy. Following Clariant International’s initiatives of having Corporate Citizenship Activities (CCA), the Social Charter by the Government of India and Company’s CSR Policy framed under Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company continues on focusing its contribution in the areas of health care and community support, education and environment protection and its efforts to have a positive impact on the communities around its sites in India.

Cautionary Statement

Certain statements under “Management Discussion & Analysis” describing the Company’s objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company’s operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

For and on behalf of the Board of Directors

Mr. Kewal Handa
Chairman

Dr. Deepak Parikh
Vice-Chairman & Managing Director

Navi Mumbai, May 20, 2016

REPORT ON CORPORATE GOVERNANCE

Principles of Corporate Governance

Clariant is ordained to set the highest standards of corporate governance right from its inception, benchmarked with the best in class practices across the globe. The Corporate Governance policy in the Company encompasses the simple tenets of integrity, transparency, accountability and fairness in whatever the Company does and aims at achieving complete adherence to the applicable statutes while at the same time ensuring commitment to values and highest standards in every facet of its operations. In defining the management structure, organisation and processes of the Clariant group, the corporate governance principles aim to provide shareholder value and transparency to promote sustainable long-term success. The entire governance system is supported by well-structured systems and procedures that ensure well informed decision making across different levels of management.

1. Group Structure

Clariant's business operations are conducted through its group companies / affiliates. Clariant Ltd., ultimate holding Company organised under Swiss law, directly or indirectly owns group companies / affiliates worldwide. Clariant Chemicals (India) Ltd. is affiliate of Clariant, a global leader in the field of specialty chemicals, headquartered in Muttenz near Basel. The Group conducts its business through seven business units namely Additives, Catalysts, Functional Materials, Industrial & Consumer Specialties, Masterbatches, Oil & Mining Services and Pigments.

2. Board of Directors

2.1. Composition and Changes:

The Board has an optimum combination of Executive and

Non-executive Directors, which is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Company has 7 Directors which includes 3 Independent Directors and 1 Director in the whole-time employment of the Company, being the Vice-Chairman and Managing Director. The Company has an active and independent Board of Directors that provide supervisory and strategic advice and direction.

The Chairman of the Board is a Non-executive Independent Director. The Directors on the Board are eminent professionals in business, law, finance, academic and corporate management and have vast experience in their respective fields which enable them to contribute effectively to the Company in their capacity as members of the Board.

The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 committees and Chairman of more than 5 committees across all companies in which they are Directors.

None of the Independent Directors has any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Associates which in their judgment would affect their independence. There is no relationship between the Directors inter-se.

The Board does not have any Nominee Director representing any institution.

The composition and category of the Board of Directors for the 15 months ended March 31, 2016, the number of other Directorships / Committee memberships held by them and also their attendance at the Board meetings of the Company are as under:

Name of the Director	Category	Particulars of Attendance			No. of other Directorships* and Committee memberships/ Chairmanships in Indian Public Companies# as on May 20, 2016		
		Number of Board Meetings held during the tenure of the Director		Last AGM held on April 24, 2015	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Kewal Handa DIN 00056826 Chairman (from 5.11.2015)	Non-Executive Independent	2	2	NA	2	2	2

		Particulars of Attendance			No. of other Directorships* and Committee memberships/ Chairmanships in Indian Public Companies# as on May 20, 2016		
Name of the Director	Category	Number of Board Meetings held during the tenure of the Director		Last AGM held on April 24, 2015	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Bharat V. Patel DIN 00060998 Chairman (upto 20.10.2015)	Non-Executive Independent	4	4	Attended	4	None	2
Dr. Deepak Parikh DIN 06504537 Vice-Chairman & Managing Director	Executive	7	7	Attended	2	1	None
Mr. Sunirmal Talukdar DIN 00920608 (from 5.11.2015)	Non-Executive Independent	2	2	NA	4	2	2
Dr. (Mrs.) Indu Shahani DIN 00112289	Non-Executive Independent	7	6	Attended	5	8	1
Mr. Y. H. Malegam DIN 00092017 (upto 15.10.2015)	Non-Executive Independent	4	4	Absent	4	1	2
Mr. B. L. Gaggar DIN 00701484 (upto 30.6.2015)	Executive	3	3	Attended	None	None	None
Mr. Viktor Bernhardt DIN 00908890 (upto 12.2.2015)	Non-Executive	2	None	NA	None	None	None
Mr. Alfred Muench DIN 03092351	Non-Executive	7	2	Absent	2	None	None
Mr. Karl Holger Dierseen DIN 06739356	Non-Executive	7	4	Absent	None	None	None
Mr. Mario Brocchi DIN 07091950 (from 12.2.2015)	Non-Executive	7	5	Attended	None	1	None

* Directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies of the Companies Act, 2013 is not included.

It excludes committees other than Audit Committee & Stakeholders' Relationship Committee, Companies other than Public Limited Company and includes Committee membership/chairmanship held in Clariant Chemicals (India) Ltd.

2.2 Profile of the Directors proposed to be appointed / re-appointed:

The brief profile and information pertaining to directorship held in other companies, shareholding, etc. of the Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting of the Company forms part of the Notice of Annual General Meeting.

2.3 Board Meetings and Agenda:

The Board provides the strategic directions to the Company and evaluates management policies and their effectiveness to ensure that the long-term interests of the shareholders are being served.

In accordance with the law and the Articles of Association of the Company, the Board of Directors is the ultimate decision making authority for the Company in all matters except those decisions reserved by law or the Articles of Association for shareholders. The Board has complete and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once in a quarter to review, among other things, quarterly performance of the Company and financial results. During the period under review, the Board of Directors held 7 meetings on January 12, 2015, February 12, 2015, April 22, 2015, August 4, 2015, November 5, 2015 (two meetings) and February 12, 2016.

The compliance reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting and / or the presentations are made in respect thereof. The information as specified in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board, whenever applicable, for discussion and consideration. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

2.4 Familiarization Programme:

The Company has put in place a well-structured induction and familiarization programme for its Independent Directors. The details of familiarization programme is available on Company’s website at:

<http://www.clariant.com/en/Investors/Investor-Relations-India/Policies>

2.5 Independent Directors’ Meeting:

In accordance with the provisions of Schedule IV of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on February 19, 2016 and attended by all the Independent Directors. The Independent Directors, inter alia, reviewed the following:

- a) the performance of Non-Independent Directors and the Board as a whole;
- b) the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

2.6 Performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, the Board has carried out the annual evaluation of its own performance and Board Committees by seeking the inputs of Directors on various aspects of the Board / Committee Governance. The Board have reviewed the performance of the individual Directors and the Chairperson.

The performance evaluation of the Directors was done based on criteria which included leadership qualities, contribution in strategic planning, balanced decision making, safeguard of confidential information, adherence to code of conduct, transparency, attendance etc. In a separate meeting of Independent Directors, performance evaluation of Non-Independent Directors and the Board as a whole was evaluated. The performance evaluation of Independent

Directors was done by the entire Board except for the Independent Director subjected to evaluation.

3. Board Committees

The Board of Directors has constituted / reconstituted four committees viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The roles and responsibilities assigned to these Committees are covered under the terms of reference approved by the Board and are subject to review by the Board from time to time. The minutes of the meetings of these Committees are reviewed and taken note by the Board. The details as to the composition, terms of reference, number of meetings and related attendance etc. of these committees are provided below:

3.1 Audit Committee

3.1.1 Composition and Meetings:

The composition of the Audit Committee is in conformity with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. During the period under review, five meetings were held on February 12, 2015, April 22, 2015, August 4, 2015, November 5, 2015 and February 12, 2016. The detail of composition and the number of meetings attended by the members is given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Mr. Sunirmal Talukdar (from 5.11.2015)	Chairman	2	2
Mr. Bharat V. Patel (upto 20.10.2015)	Chairman	3	3
Mr. Kewal Handa (from 5.11.2015)	Member	2	2
Mr. Y. H. Malegam (upto 15.10.2015)	Member	3	3
Dr. (Mrs.) Indu Shahani	Member	5	5
Mr. Mario Brocchi (from 22.4.2015)	Member	4	3

All the members of the Audit Committee are financially literate and considering their professional background and experience, have acquired respective management, financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director. Mr. Bharat Patel, Chairman of the Committee till October 20, 2015 was present at the Annual General Meeting held on April 24, 2015.

The Vice-Chairman & Managing Director, Statutory Auditors, Internal Auditors and Cost Auditors are invitees

to the meetings of the Audit Committee. Ms. Ameet Joshi acts as Secretary to the Committee and has attended all the meetings.

3.1.2 Terms of reference:

The Terms of reference for the Audit Committee is in line with the requirements of Section 177 of the Companies Act, 2013 and the rules framed thereunder and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The terms of reference is briefly described as under:

- a) Overseeing the Company's financial reporting process to ensure disclosure of financial information as per the requirements of Stock Exchange and the Company Law and to ensure that the financial statements are correct, sufficient and credible.
- b) Review and examination of quarterly, half yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval.
- c) Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions.
- d) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors, Internal Auditors and Cost Auditor and the fixation of audit fees and terms of appointment.
- e) Review and monitor the auditor's independence and performance and effectiveness of audit process.
- f) Approval and subsequent modification of transactions of the Company with related parties.
- g) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- h) Scrutiny of inter-corporate loans and investments.
- i) Valuation of undertakings or assets of the Company, wherever it is necessary.
- j) Evaluation of internal financial controls and risk management systems.
- k) Review the appointment, removal and terms of remuneration of Internal Auditors.
- l) Review with the management, performance of statutory and Internal Auditors, adequacy of the internal control systems.
- m) Review the adequacy of internal audit function, if any, including the structure of the internal audit

department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- n) Review of reports of Statutory and Internal Auditors and replies of the management thereon.
- o) Review of the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- p) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- q) Discussion with Internal Auditors of any significant findings and follow up there on.
- r) Review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Directors' Responsibility Statement, forming part of the Board's report in terms of Clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013.
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on exercise of judgment of management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. Disclosures of any related party transactions.
 - vii. Qualifications in the draft audit report.
- s) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern and review of management representation letters to be issued to the Statutory Auditors.

- t) Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- u) Reviewing compliances as regards the Company’s Whistle Blower Policy.
- v) Approval of the appointment of the Chief Financial Officer (CFO) of the Company after assessing the qualifications, experience & background, etc. of the Candidate.
- w) Carrying out any other function as may be referred by the Board, from time to time.

3.2 Nomination and Remuneration Committee

3.2.1 Composition and Meetings:

The composition of the Nomination and Remuneration Committee is in conformity Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the period under review, five meetings were held on January 12, 2015, February 12, 2015, April 22, 2015, August 4, 2015 and November 5, 2015. The details of composition and the number of meetings attended by the members is given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Mr. Y. H. Malegam (upto 15.10.2015)	Chairman	4	4
Mr. Sunirmal Talukdar (from 5.11.2015)	Chairman	None	NA
Mr. Bharat V. Patel (upto 20.10.2015)	Member	4	4
Mr. Kewal Handa (from 5.11.2015)	Member	None	NA
Mr. Alfred Muench	Member	5	1

Ms. Ameer Joshi acts as Secretary to the Committee and has attended all the meetings.

3.2.2 Terms of reference:

The brief terms of reference of the Nomination and Remuneration Committee are as under:

- a) To make recommendations to the Board on the remuneration packages of individual, Managing Director or Executive Directors, including, without limitation, base salaries, bonus, deferred compensation, stock options, share awards, benefits in kind, pension

- b) To make recommendations to the Board for the remuneration of non-executive directors;
- c) To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- d) To review and approve the management’s remuneration proposals with reference to the board’s corporate goals and objectives;
- e) To review and approve compensation payable to Managing Director or Executive Directors for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- f) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- g) To ensure that no director or any of his associates is involved in deciding his own remuneration;
- h) When the occasion arises, to advise shareholders with respect to any service contracts of directors that require shareholders’ approval;
- i) To review, from time to time, as appropriate the terms of reference and the effectiveness of the Nomination and Remuneration Committee and recommend to the Board any necessary changes; and
- j) To address and deal with such other matters as may be delegated by the Board to the Nomination and Remuneration Committee.

3.2.3 Remuneration Policy:

The Nomination & Remuneration policy of the Company is performance driven and is structured to motivate employees, recognize their merits & achievements and promote excellence in their performance.

A brief outline of the Nomination & Remuneration Policy is mentioned in the Directors’ Report forming part of the Annual Report.

3.2.4 Remuneration paid to the Directors:

The Independent Directors are remunerated by way of sitting fees for attending each meeting of the Board and Committee thereof. They are also paid commission on an annual basis in accordance with the approval granted by the

members at the Annual General Meeting held on April 26, 2013.

The Board of Directors at their Meeting held on January 12, 2015, revised the Sitting Fees payable to the Independent Directors for attending Board as well as Committee Meetings. The revised sitting fee for Board Meeting is ₹ 75,000 and for Committee Meeting is ₹ 50,000.

The details of remuneration paid / payable to the Directors for the 15 months ended March 31, 2016 is given as under:

(₹ In Lakhs)

Name of Director	Sitting fees*	Salary, benefits & perquisites, performance bonus, Pension & Other Funds etc.	Com-mission	Total	No. of shares held as on March 31, 2016
Mr. Bharat V. Patel (upto 20.10.2015)	5.55	-	5.00	10.55	NIL
Mr. Y. H. Malegam (upto 15.10.2015)	6.05	-	4.00	10.05	NIL
Mr. Kewal Handa (from 5.11.2015)	2.50	-	3.00	5.50	NIL
Mr. Sunirmal Talukdar (from 5.11.2015)	2.50	-	2.00	4.50	NIL
Dr. Deepak Parikh [#]	-	845.22	-	845.22	NIL
Mr. B.L. Gaggar (upto 30.6.2015)	-	145.31	-	145.31	NIL
Dr. (Mrs.) Indu Shahani	9.90	-	6.00	15.90	NIL

* Exclusive of service tax.

The tenure of the office of Dr. Deepak Parikh is for a period of four years effective from February 1, 2013. The notice period is of 3 months.

As informed to the Company, none of the Non-executive Directors have any other pecuniary interest in the Company.

The Company has not framed any scheme / plan to grant stock option to its employees. However, few of the employees under senior management level including Vice-Chairman and Managing Director have right to participate in Clariant Stock Option Plan introduced by the ultimate holding Company, Clariant Ltd.

3.3. Stakeholders' Relationship Committee

3.3.1 Composition and Meetings:

During the period under review, five meetings were held on February 12, 2015, April 22, 2015, August 4, 2015, November 5, 2015 and February 12, 2016. The composition and details of the meetings attended by the members are given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Dr. (Mrs.) Indu Shahani	Chairperson	5	5
Dr. Deepak Parikh	Member	5	5

Ms. Ameer Joshi acts as Secretary to the Committee and has attended all the meetings.

3.3.2 Terms of reference:

The committee, inter alia, reviews all matters connected with transfer of shares, redressal of shareholders' complaints, oversees the performance of the share transfer agents and recommends measures for overall improvement in the quality of investor services.

Details of Investors' Complaints

As per the Ex Parte Ad Interim Order dated March 22, 2016 and advise of the Securities Exchange Board of India in the matter of Sharepro Services (India) Private Limited ('Sharepro'), the Company terminated the agreement entered into with Sharepro for availing of Registrar & Transfer services from them and have appointed Link Intime India Private Limited (Registration No. INR000004058) as its Registrar and Transfer Agent effective from April 11, 2016.

The Company and the share transfer agent attends to all grievances of the investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

The Company has retained the services of a Practising Company Secretary to perform audit of reconciliation of share capital and provide the report on quarterly basis. No non-compliance from established procedures is reported.

Ms. Ameer Joshi, Company Secretary is the compliance officer pursuant to the requirement of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

Pursuant to Regulation 13 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, to the extent applicable, investors' grievance redressal status and the number of pending complaints are reported every quarter to the stock exchanges and are also published in the newspaper along with financial results. There was no investor complaint pending as on March 31, 2016. Detail of Investors' Complaint received and resolved during the 15 months ended March 31, 2016 is given below:

Nature of Complaints	Number of Complaints Received	Number of Complaints Resolved
Non-receipt of Share Certificates	3	3
Non-receipt of Annual Reports	1	1
Non-receipt of Declared Dividend	NIL	NIL
Others	NIL	NIL
Total	4	4

3.4 Corporate Social Responsibility (CSR) Committee

3.4.1 Composition & Meetings:

The composition of the Corporate Social Responsibility Committee is in conformity with the provisions of Section 135 of the Companies Act, 2013.

During the period under review, the Committee met once on August 4, 2015. The composition and details of the meetings attended by the members are given below:

Name	Position Held	No. of Meetings held during the tenure of member	
		Held	Attended
Dr. (Mrs.) Indu Shahani	Chairperson	1	1
Mr. Y. H. Malegam (upto 15.10.2015)	Member	1	1
Dr. Deepak Parikh	Member	1	1
Mr. Karl Holger Dierssen (from 5.11.2015)	Member	None	NA

Ms. Ameer Joshi acts as Secretary to the Committee and has attended all the meetings.

3.4.2 Terms of reference:

The brief terms of reference of the CSR Committee are as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

4. Subsidiary Company

The Company did not have any subsidiary Company during the period under review.

5. General Body Meetings

The details of Annual General Meetings of the Company held during preceding 3 years are as follows:

AGM	Date and Time	Venue	Special Resolutions Passed
56th	April 26, 2013 4.00 p.m.	Hotel Satkar Residency, Next to Cadbury, Pokhran Road No. 1, Thane (West) - 400 606	i) Increase in remuneration of Mr. Peter Palm, Vice-Chairman & Managing Director; ii) Appointment and remuneration of Dr. Deepak Parikh Vice-Chairman & Managing Director; iii) Approval of the Commission payable to the Directors.
57th	May 6, 2014 4.00 p.m.	Hotel Satkar Residency, Next to Cadbury, Pokhran Road No. 1, Thane (West) - 400 606	i) Increase in remuneration of Dr. Deepak Parikh, Vice-Chairman & Managing Director; ii) Appointment and remuneration of Mr. B. L. Gaggar, Executive Director Finance; iii) Shifting of Registered office of the Company from Kolshet, Thane to Airoli, Navi Mumbai.
58th	April 24, 2015 10.30 a.m.	Airoli HQ - Reliable Tech Park, Thane - Belapur Road, Airoli, Navi Mumbai 400 708.	i) Payment of remuneration of Dr. Deepak Parikh, Vice-Chairman & Managing Director; ii) Payment of remuneration of Mr. B. L. Gaggar, Executive Director-Finance and Company Secretary; iii) Approval of Material Related Party Transactions for Financial year 2014 & 2015.

During the period under review, one Postal Ballot was conducted in accordance with Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, as per the details given below:

Passing of Special Resolution for Buyback of Securities from shareholders/ beneficial owner of the equity shares of the Company.

The Board of Directors had appointed Ms. Geeta Canabar, Practising Company Secretary as Scrutinizer for conducting the Postal Ballot Process. The result of Postal Ballot process as per the Scrutinizer's Report is given below:

Promoter/ Public	Total Ballot Forms	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)] *100	(7)=[(5)/(2)] *100
Promoter and Promoter Group	3	16902080	16902080	100.00	16902080	0	100.00	0.00
Public – Institutional holders	16	1959523	1135940	57.97	1135940	0	100.00	0.00
Public-Others	238	7799142	322963	4.14	310527	12436	96.15	3.85
Total	257	26660745	18360983	68.87	18348547	12436	99.93	0.07

The above resolution was passed by the requisite majority and results were announced as required by law.

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on August 12, 2016.

6. Disclosures

6.1 Related party transactions:

Related party transactions have been disclosed under Note 37 of Significant accounting policies & notes forming part of the financial statements of Audited Accounts in accordance with "Accounting Standard 18" and pursuant to Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

The Company has formulated a policy on dealing with Material Related Party Transactions. The Policy is available on the website of the Company i.e.

<http://www.clariant.com/en/Investors/Investor-Relations-India/Policies>

None of the transactions with related parties were in conflict with the interest of the Company. Company's major related party transactions, during the period under review, are with the affiliates of Clariant operating worldwide. All these transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis.

6.2 Code of Conduct:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management Personnel and the compliance of the same is affirmed by them annually. In addition, code of business conduct formulated by Clariant group is applicable to all employees of the Company. The Code of Conduct is available on Company's website <http://www.clariant.com/en/Investors/Investor-Relations-India/Policies>

The Vice-Chairman & Managing Director has confirmed the compliance of code of conduct as required under Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and provided a declaration as under:

I, Dr. Deepak Parikh, Vice Chairman & Managing Director of the Company do hereby give this declaration pursuant to Regulation 17(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

The Board has laid down code of conduct for all Board Members and Senior Management of the Company and the same is posted on the website of the Company i.e., www.clariant.com. All the Board Members and Senior Management personnel have affirmed compliances with the code for the 15 months ended March 31, 2016.

6.3 Prohibition of Insider Trading:

The Company has framed a Code of Conduct for Prohibition of Insider Trading as per the amended SEBI (Prohibition of Insider Trading) Regulations, 2015. The code is applicable to all Directors and such employees of the Company who have access to unpublished price sensitive information relating to the Company. Transaction for dealing in the prescribed volume of the security of the Company during the prescribed time requires prior approval from the Company.

6.4 Disclosure of Accounting Treatment:

The financial statements of the Company for the 15 months ended March 31, 2016 are prepared in conformity with the Accounting Standards.

6.5 Proceeds from public issues, rights issues, preferential issues, etc.:

During the period under review, the Company has not raised any proceeds through public issues, rights issues, preferential issues, etc.

6.6 Management:

- a) Management Discussion & Analysis report forms part of Directors' Report.
- b) There were no material financial and commercial transactions by Senior Management, where they have personal interest that may have a potential conflict with the interests of the Company at large.

6.7 Compliance:

The Company has complied with all regulatory requirements. No penalties / strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during last three years.

6.8 Whistle Blower Policy:

The Company has adopted Group's Integrity Line Policy which is akin to Whistle Blower Policy or Vigil Mechanism Policy for employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguard to the victimized employees and spreads the way to curb those practices being followed in the office premises. None of the personnel of the Company has been denied access to the Audit Committee.

6.9 Commodity Risk and Hedging Activities:

Specialty Chemical industry is exposed to high risk of volatile prices, stringent government regulations and availability of raw materials / traded goods. Clariant mitigates / hedges the said risks by its sustainable strategy consisting of structured approach to reduce cost and controls price fluctuation by quarterly price contracts, volume bundling and deployment of new vendors.

7. Means of Communication

All important information relating to the Company, its performance, shareholding pattern, quarterly results, press releases and other information as per the Listing Regulation are regularly posted on Company's website and also forwarded to the stock exchanges. The quarterly, half-yearly and annual financial results of the Company are published in newspapers like Business Standard and Sakaal, circulating in the local area. These results are also available on the websites of the Company, BSE Limited and National Stock Exchange of India Limited.

8. General shareholder information

8.1 Annual General Meeting:

Day, Date & Time : Friday, August 12, 2016 at 04.00 p.m.

Venue : Registered Office

8.2 Financial Calendar:

Pursuant to the provisions of Section 2(41) of Companies Act, 2013, the Company changed its Financial Year from the period ending 31st December to 31st March. The accounting / financial year under review was thereby, extended by a period of 3 months consequent to which the accounting year under review is for a period of 15 months commencing from January 1, 2015 to March 31, 2016.

Proposed Calendar for FY 2016-17

1st Quarter Results	August 12, 2016
2nd Quarter Results	November 8, 2016
3rd Quarter Results	February 13, 2017
Annual Results	On or before May 30, 2017
Annual General Meeting	In the month of August 2017

8.3 Dates of Book Closure:

Book Closure dates	August 5, 2016 to August 12, 2016 (Both days inclusive)
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8.4 Listing of Shares:

Shares of the Company are listed on BSE Ltd. (BSE) under Stock ID 'CLNINDIA' and National Stock Exchange of India Limited (NSE) under the code 'CLNINDIA'. The Company has paid the listing fees up to March 31, 2016 to both the Stock Exchanges.

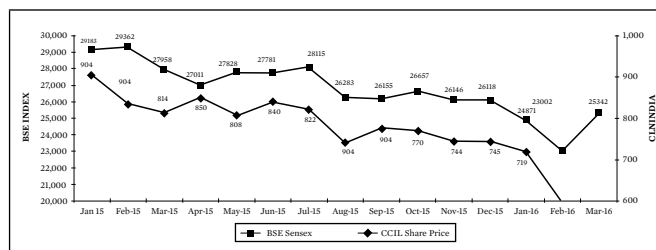
8.5 Corporate Identification Number (CIN) of the Company:

CIN: L24110MH1956PLC010806

8.6 Stock Market Data – Price ₹ per share:

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High ₹	Low ₹	Volume (Nos.)	High ₹	Low ₹	Volume (Nos.)
2015-16						
January	1185.00	901.00	628159	1185.00	900.45	1497087
February	910.05	825.95	132001	914.00	829.05	303531
March	920.00	797.60	303271	919.50	792.50	330901
April	1037.10	815.00	348920	1034.70	819.00	993806
May	855.05	802.25	101481	867.75	801.95	374844
June	879.75	805.00	112979	880.00	802.00	486588
July	876.00	817.00	133917	876.00	817.00	317861
August	859.90	725.00	143259	859.40	725.55	287082
September	801.90	715.00	140163	799.95	705.55	237863
October	864.00	768.00	146343	863.50	768.00	409122
November	783.50	724.00	44869	786.00	723.00	94003
December	767.45	714.00	49661	768.95	711.00	125289
January	792.45	687.50	47799	794.00	680.10	117951
February	733.00	587.50	41959	739.95	586.05	78978
March	633.50	587.25	130422	633.00	585.00	156199

8.7 Performance in comparison to broad based indices (Taken BSE Index):



8.8 Address for correspondence:

A) Share Transfer Agents (w.e.f. April 11, 2016):

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai, Maharashtra, 400078
Tel: 022 - 25946970
Email id.: rnt.helpdesk@linkintime.co.in
Contact Person: Miss Sujata Poojary
E-mail ID for Investor Services:
investor.relations_India@clariant.com

B) Company's Registered Office:

Reliable Tech Park, Gut No. 31, Village Elthan,
Off Thane Belapur Road, Airoli, Navi Mumbai,
Maharashtra, 400708
Tel.: 022 - 7125 1245

The shareholders having physical shares are requested to ensure that any correspondence for change of address, change of bank mandates etc. should be signed by the first named shareholder and supported by the documents such as Telephone or Electricity Bill in the name of shareholder or a family member along with a copy of PAN card.

In case shares of the Company are held in electronic form (i.e., in dematerialized form), all communications concerning rematerialisation of shares, transfer and transmission, dividends, change of address, furnishing of alterations in bank account details, nominations, ECS credit of dividend amount to shareholders' bank account or other inquiries should be addressed **only to the Depository Participant (DP) with whom demat account is maintained, quoting client ID number and not to the Company or the R&T Agent. This is because once the shares are dematerialized the data is maintained by the DPs and the Company cannot alter the details and has to act on the basis of the details downloaded from NSDL or CDSL as the case may be.**

For any assistance from the Company, members may contact Ms. Ameer Joshi, Company Secretary, at the registered office of the Company.

8.9 Shareholding pattern as on March 31, 2016:

Sr No	Category	No of Shares held	Percentage of Shareholding
A	Promoters' Holding		
	Foreign Promoters		
(a)	Ebito Chemiebeteteiligungen AG	7164426	31.04
(b)	Clariant International Ltd.	5329186	23.09
(c)	Clariant Participations Ltd.	2333438	10.11
	Sub-Total	14827050	64.24
B	Institutional Investors		
(a)	Mutual Funds	361573	1.57
(b)	Financial Institutions/ Banks	25265	0.11
(c)	Insurance Companies	269662	1.17
(d)	Foreign Portfolio Investors	191958	0.83
(e)	Foreign Institutional Investors	609416	2.64
	Sub-Total	1457874	6.32

Sr No	Category	No of Shares held	Percentage of Shareholding
C	Others		
(a)	Domestic Companies	697317	3.02
(b)	Non Resident Indians/Trusts	164046	0.71
(c)	Indian Public	5935511	25.71
	Sub-Total	6796874	29.44
D	Total Public Shareholding (B+C)	8254748	35.76
	TOTAL (A+D)	23081798	100.00

22,373,253 equity shares of the Company are held in dematerialized form constituting 96.93% of the paid up capital as on March 31, 2016. The total number of shareholders as on March 31, 2016 is 36,869.

8.10 Details of Members holding > 1 % of the paid up capital of the Company:

	Name	As at March 31, 2016		As at December 31, 2014	
		No. of shares	%	No. of shares	%
1.	Ebito Chemiebeteteiligungen AG	7164426	31.04	8167080	30.63
2.	Clariant International Ltd.	5329186	23.09	6075000	22.79
3.	Clariant Participations Ltd.	2333438	10.11	2660000	9.98
4.	SWISS Finance Corporation (Mauritius) Ltd	597902	2.59	397902	1.49
5.	UTI Dividend Yield Fund - Clubbed through other schemes	227464	0.99	776050	2.91

8.11 Distribution of shareholdings as at March 31, 2016:

No. of equity shares held	Shareholders		Equity Shares held	
	Numbers	%	No. of shares	%
1-500	34429	93.38	2930491	12.70
501-1000	1443	3.91	1049086	4.55
1001-2000	603	1.64	847554	3.67
2001-3000	157	0.43	390766	1.69
3001-4000	80	0.22	278756	1.21
4001-5000	53	0.14	240155	1.04
5001-10000	62	0.17	432862	1.87
10001 & above	42	0.11	16912128	73.27
Total	36869	100.00	23081798	100.00

8.12 Names of Depositories for dematerialisation of equity shares:

Name of the Depository	ISIN No.
National Securities Depositories Limited (NSDL)	INE492A01029
Central Depository Services (India) Limited (CDSL)	INE492A01029

Trading in equity shares of the Company is permitted only in dematerialised form.

8.13 ADRs / GDRs / Warrants:

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments.

8.14 Plant Locations:

The Company's current manufacturing facilities are located at:

- 113 / 114, MIDC, A.V.P.O. Dhatav, Roha, Dist. Raigad 402 116 (Maharashtra)
- Kudikadu, SIPCOT Post, Cuddalore District, Cuddalore 607 005 (Tamil Nadu)
- Plot No. WA-6, Renaissance Industrial Park, Village Vashere, Post Padgha, Taluka Bhiwandi, Dist. Thane 421 101 (Maharashtra)
- Rania Works, Survey No. 344/1/2/3, Village Rania, PO Sarkarda, Dist-Savli, Vadodara 391780 (Gujarat)
- Nandesari Works, A1-47/2 & 3, GIDC Estate, Nandesari, Vadodara 391340 (Gujarat)
- Kalol Works, Shed No. 18-22, GIDC Estate, Kalol, Panchmahal-381330 (Gujarat)
- Plot / Phase No. 378/2/2, Durgapura Colony Road, Birlagram, Nagda 456331, Dist. Ujjain (Madhya Pradesh)

9. Additional Information**9.1 Unpaid / Unclaimed Dividend:**

In terms of the provisions of Section 124 of the Companies Act, 2013, the Company is obliged to transfer dividends which remain unpaid or unclaimed for period of seven years from the date of transfer to Unpaid Dividend Account to the credit of the Investor Education and Protection Fund established by the Central Government. Accordingly, the Company has transferred unclaimed dividend up to the Financial year 2007 to the fund and no claim shall lie against the Company or the fund in respect of dividends remaining unclaimed or unpaid and transferred to the Fund.

Members are hereby informed that the 7 years period of the dividend pertaining to Financial year 2008 and Interim Dividend for Financial year 2009 will expire on June 4, 2016 and August 29, 2016 respectively and thereafter the amount standing to the credit in the said accounts will be transferred to the 'Investor Education and Protection Fund' of the Central Government. Members are therefore requested to encash the dividend at the earliest.

Dates of transfer of unclaimed dividend to the IEPF

Financial Year/ period	Date of Declaration	Date of completion of seven years
2008 (Final)	29.04.2009	04.06.2016
2009 (Interim)	24.07.2009	29.08.2016
2009 (Final)	23.04.2010	29.05.2017
2010 (Interim)	26.07.2010	31.08.2017
2010 (Final)	26.04.2011	01.06.2018
2011 (Interim)	28.07.2011	02.09.2018
2011 (Final)	26.04.2012	02.06.2019
2012 (Interim)	27.07.2012	02.09.2019
2012 (Final)	26.04.2013	01.06.2020
2013 (Interim)	30.07.2013	04.09.2020
2013 (Final)	06.05.2014	11.06.2021
2014 (Interim)	18.07.2014	23.08.2021
2015 (Interim)	12.01.2015	17.02.2022

9.2 Details of Unclaimed shares:

The detail of unclaimed shares is given below;

Aggregate number of shareholders and the outstanding unclaimed shares at the beginning of the year	1277 Shareholders 97719 Shares
Number of shareholders who approached the issuer for transfer of unclaimed shares during the year	NIL
Number of shareholders to whom unclaimed shares were transferred during the year	NIL
Aggregate number of shareholders and the outstanding unclaimed shares as at end of the year	1277 Shareholders 97719 Shares

9.3 Bank Mandate:

Electronic Clearing Services (ECS) is a method of payment of dividend whereby the amount due to investors can directly be credited into their bank accounts, without having to issue paper instruments. It is fast and there is no scope for loss of dividend warrants in transit and possible fraudulent encashment.

In case of shares held in physical form the bank details may be sent to the registrar & share transfer agents. In case of shares held in demat form, the bank details provided by the Depository Participant (DP) with whom the demat account is maintained will be applicable. All previous instructions given by you to the Company in respect of ECS and bank details will stand superseded by the ECS details recorded with your DP.

9.4 Nomination Facility:

A member can nominate a person who shall have rights to shares and/or amount payable in respect of shares registered in his name in the event of his death. The nomination form can be obtained from the Company's Share Transfer Agent or downloaded from the website of the Company at www.clariant.com.

9.5 Consolidation of folios and avoidance of multiple folios:

Members having multiple folios are requested to consolidate their folios into single folio and for this purpose send request along with the original certificates to the Share Transfer Agent specifying the folio number under which they desire to hold the shares.

9.6 Communication:

In order to save the environment and in order to initiate e-communication, the Company requests all shareholders to register their email address with the depository, in case of shares held in demat form or with the share transfer agents for shares held in physical form. This will facilitate the Company and share transfer agents to send the communication through electronic mail which is faster and cost effective.

9.7 Non-Mandatory requirements:

The status of compliance with non-mandatory recommendations under Part E, Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided below:

9.7.1 The Board: There is no separate Chairperson's office maintained by Non Executive Chairman of the Company.

9.7.2 Shareholders' Rights: As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

9.7.3 Modified Opinion(s) in the Audit Report and Audit Qualifications: There are no modified opinion in the Audit Report and the Company's financial statement for the period ended March 31, 2016 does not contain any audit qualification.

9.7.4 Separate posts of Chairman and CEO: The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director & CEO.

9.7.5 Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

10. CEO / CFO Certification

The Vice-Chairman & Managing Director and the Chief Financial Officer have provided annual certificate on financial reporting and internal controls to the Board pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The said certificate was placed and taken on record at the Board Meeting held on May 20, 2016. They have also provided quarterly certificates on financial results while placing the financial results before the Board.

For and on behalf of the Board of Directors

Mr. Kewal Handa
Chairman

Dr. Deepak Parikh
Vice-Chairman & Managing Director

Navi Mumbai, May 20, 2016

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Clariant Chemicals (India) Limited

We have examined the compliance of conditions of Corporate Governance by **Clariant Chemicals (India) Limited**, for the period ended March 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/ N500016

Arvind Daga

Partner

Membership No. 108290

Place: Mumbai

Date: May 20, 2016

INDEPENDENT AUDITORS' REPORT

To the Members of Clariant Chemicals (India) Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Clariant Chemicals (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the 15 months period from January 1, 2015 to March 31, 2016 (the "period"), the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give 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 Company has in place an adequate internal financial controls system over financial reporting 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 10(b) above that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.

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

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Note 30;
- ii. The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2016.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the 15 months period ended March 31, 2016.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016

Arvind Daga
Partner
Membership Number: 108290

Place: Mumbai
Date: May 20, 2016

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Clariant Chemicals (India) Limited on the financial statements as of and for the 15 months period ended March 31, 2016)

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the period and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the period. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, having regard to the explanation that, except for certain items of inventory which are of special nature for which suitable alternative sources do not exist, there is 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. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for service tax dues during the period in respect of the matter stated below, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2016, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹ Lakhs)	Period to which the amount relates	Due date	Date of Payment
Service Tax under Finance Act, 1994	Service Tax including interest and penalty	102.20	October 2014- September 2014	Various dates	07-May-16

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, excise duty and value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax Acts	Sales Tax including interest and penalty, as applicable	2.27	1996-97 to 1998-99	High Court of Tamil Nadu
		17.88	1999-00	Sales Tax Appellate Tribunals of Maharashtra
		13356.73	1992-93 to 2011-12	Appellate Authority - up to Commissioner's level
The Central Excise Act, 1944	Excise duty including interest and penalty, as applicable	437.58	1999-00 to 2008-09	Tribunal of various states
		324.98	1994-95 to 1997-98, 2000-01, and 2010-11 to 2013-14	Appellate Authority - up to Commissioner's level
Service Tax under Finance Act, 1994	Service Tax including interest and penalty, as applicable	123.95	2005-06 to 2010-11	Tribunal of various states
		29.36	2002-03 to 2004-05, 2007-08 to 2012-13	Appellate Authority - up to Commissioner's level
Income Tax Act 1961	Income Tax including interest and penalty, as applicable	438.25	1982-83 to 1986-87, 1989-90, 1991-92, 1993-94, 1995-96, 1997-98 to 2004-05 and 2006-07	Income Tax Appellate Tribunal
		77.60	2001-02, 2011-12 to 2012-13	Appellate Authority - up to Commissioner's level
		655.50	2007-08 to 2014-15	Deputy Commissioner of Income Tax (TDS)

(c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

- viii. The Company has no accumulated losses as at the end of the period and it has not incurred any cash losses in the period ended on that date or in the immediately preceding financial year.
- ix. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. The Company has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. During the course of our examination of the books and records of the Company, 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 material fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016

Arvind Daga
Partner
Membership Number: 108290

Place: Mumbai
Date: May 20, 2016

BALANCE SHEET

as at March 31, 2016

	Notes	31-03-16 ₹ Lakhs	31-12-14 ₹ Lakhs
A Equity and liabilities			
1 Shareholders' funds			
(a) Share capital	2	2308.18	2666.07
(b) Reserves and surplus	3	60848.67	136935.54
		63156.85	139601.61
2 Non-current liabilities			
(a) Deferred tax liabilities (Net)	4	2103.38	1040.21
(b) Other long-term liabilities	5	108.16	67.67
(c) Long-term provisions	6	1913.85	2378.44
		4125.39	3486.32
3 Current liabilities			
(a) Short term borrowing	7	-	945.45
(b) Trade payables			
(i) Dues of micro and small enterprises	8	371.03	665.15
(ii) Dues other than micro and small enterprises	8	14255.55	13899.11
(c) Other current liabilities	9	4055.46	4792.34
(d) Short-term provisions	10	3208.29	20850.29
		21890.33	41152.34
Total		89172.57	184240.27
B Assets			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	31344.67	29184.46
(ii) Intangible assets	11	4606.82	4318.35
(iii) Capital work-in-progress		497.19	1318.01
(b) Non-current investments	12	667.09	717.09
(c) Long-term loans and advances	13	7102.56	7426.68
		44218.33	42964.59
2 Current assets			
(a) Current investments	14	6230.07	2584.37
(b) Inventories	15	14212.87	16334.70
(c) Trade receivables	16	17579.38	16058.57
(d) Cash and bank balances	17	2889.41	101145.34
(e) Short-term loans and advances	18	3564.59	4738.59
(f) Other current assets	19	477.92	414.11
		44954.24	141275.68
Total		89172.57	184240.27

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016

Arvind Daga
Partner
Membership No. 108290

Navi Mumbai, 20th May, 2016

For and on behalf of the Board,

K. Handa
Chairman
DIN:00056826

D. Parikh
Vice- Chairman & Managing Director
DIN:6504537

S. Talukdar
Director
DIN:920608

I. Shahani
Director
DIN:112289

R. Kamdar
Chief Financial Officer

A. Joshi
Company Secretary
Membership No. A22502

Navi Mumbai, 20th May, 2016

STATEMENT OF PROFIT AND LOSS

for the 15 months period ended March 31, 2016

	Notes	15 Months ended 31-03-16 ₹ Lakhs	12 Months ended 31-12-14 ₹ Lakhs
1 Revenue from operations :			
Sales - Gross		123210.72	108248.16
Less : Excise duty		9230.35	7427.67
Sales (Net)	20	113980.37	100820.49
Other operating revenues	21	4263.27	3779.85
		118243.64	104600.34
2 Other income	22	3732.82	1365.30
3 Total revenue		121976.46	105965.64
4 Expenses :			
Cost of materials consumed	23	64634.43	59465.67
Purchase of stock-in-trade	24	10986.77	14910.47
Changes in inventories	25	1646.03	(2329.64)
Employee benefits expense	26	10711.92	9790.65
Finance costs	27	72.52	112.80
Depreciation and amortisation expense	11	5547.56	3323.74
Other expenses	28	23948.77	20309.20
Total expenses		117548.00	105582.89
5 Profit before exceptional items and tax		4428.46	382.75
6 Exceptional items, credit (net)			
Gain on disposal of discontinuing operations	29, 42	(2656.23)	(10408.63)
Others	29	302.75	(107949.87)
7 Profit before tax		6781.94	118741.25
<i>of which discontinuing operations</i>	42	<i>(314.86)</i>	<i>474.60</i>
8 Tax expense :			
Current tax		689.61	25008.15
Deferred tax		1148.29	316.38
Tax adjustments of prior years (net)		(342.69)	(914.83)
		1495.21	24409.70
<i>of which discontinuing operations</i>	42	<i>(107.00)</i>	<i>162.00</i>
9 Profit for the period		5286.73	94331.55
<i>of which discontinuing operations</i>	42	<i>(207.86)</i>	<i>312.60</i>
Basic and diluted earnings per share (of ₹ 10/-each) (in ₹)	40	20.86	353.82

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016

Arvind Daga
Partner
Membership No. 108290

For and on behalf of the Board,

K. Handa
Chairman
DIN:00056826

D. Parikh
Vice- Chairman & Managing Director
DIN:6504537

S. Talukdar
Director
DIN:920608

I. Shahani
Director
DIN:112289

R. Kamdar
Chief Financial Officer

A. Joshi
Company Secretary
Membership No. A22502

Navi Mumbai, 20th May, 2016

Navi Mumbai, 20th May, 2016

CASH FLOW STATEMENT

for the 15 months period ended March 31, 2016

	15 Months ended 31-03-16 ₹ Lakhs	12 Months ended 31-12-14 ₹ Lakhs
A. Cash flow from operating activities :		
Profit before tax	6781.94	118741.25
Adjustments for :		
Depreciation and amortisation expense	5547.56	3323.74
Unrealised foreign exchange (gain) / loss (Net)	80.70	(42.33)
Interest income	(556.98)	(120.87)
Dividend income from Investments	(1516.66)	(808.86)
Loss / (Profit) on sale of fixed assets (Net)	(1045.52)	(108381.53)
Profit on sale of business	(2656.23)	(10408.63)
Profit on sale of investments (Net)	(233.86)	(53.32)
Non compete fees in relation to business acquisition	-	73.90
Provision / (write back) for doubtful debts / advances (Net)	55.82	(0.39)
Finance costs	72.52	112.80
Fixed assets written-off	225.63	132.91
Operating profit before working capital changes	6754.92	2568.67
Adjustments for (Increase)/Decrease in working capital		
Trade receivables	(2997.97)	1339.76
Short - term loans and advances	1145.24	(258.90)
Long - term loans and advances	(177.93)	(105.59)
Other current assets	(88.36)	432.47
Inventories	1155.06	(2153.96)
Trade payables	1234.21	372.79
Long - term provisions	(189.23)	(43.51)
Short - term provisions	(3.55)	155.62
Other current liabilities	50.28	(3311.94)
Other long - term liabilities	40.49	67.67
Cash (used in) / generated from operations	6923.16	(936.92)
Direct taxes paid- (Net of refunds)	(22052.63)	(5030.97)
Net cash used in operating activities	(15129.47)	(5967.89)

	15 Months ended 31-03-16 ₹ Lakhs	12 Months ended 31-12-14 ₹ Lakhs
B. Cash flow from investing activities :		
Purchase of tangible / intangible assets	(6295.62)	(13607.83)
Sale of tangible assets	1157.46	109084.95
Purchase of non current investments	-	(50.00)
Purchase of current investments	(261591.84)	(173548.12)
Sale of current investments	258230.00	197089.84
Proceed from sale of business	4200.00	15600.00
Acquisition of business	(1345.66)	(13102.20)
Interest received	571.72	106.83
Dividend received	1516.66	808.86
Net cash (used) / generated from investing activities	(3557.28)	122382.33
C. Cash flow from financing activities :		
Finance costs	(54.11)	(161.47)
Dividend / dividend tax paid	(44569.63)	(18312.65)
Payment made to shareholders on buyback of shares	(33999.99)	-
(Repayment) / Proceeds from short term borrowing	(945.45)	945.45
Net Cash used in financing activities	(79569.18)	(17528.67)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(98255.93)	98885.77
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	101145.34	2259.57
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD (Refer note 17 and Note (e) below)	2889.41	101145.34

Notes :

- The Cash flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash flow statement notified by the Companies (Accounting Standards) Rules, 2006.
- The Cash Flow Statement reflects the combine cash flows pertaining to continuing and discontinuing operations (Refer note 42)
- The working capital changes for the period have been determined after adjustment of the assets and liabilities transferred on sale and acquisition of business.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Cash and cash equivalents at the end of the period include current current account balances with banks of ₹ 801.61 Lakhs (Previous Year ₹ 583.16 Lakhs) which are restricted in use on account of unclaimed dividend.
- Figures for the previous year have been regrouped wherever necessary to conform to the current period's classification.

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016

Arvind Daga
Partner
Membership No. 108290

Navi Mumbai, 20th May, 2016

For and on behalf of the Board,

K. Handa
Chairman
DIN:00056826

D. Parikh
Vice- Chairman & Managing Director
DIN:6504537

S. Talukdar
Director
DIN:920608

I. Shahani
Director
DIN:112289

R. Kamdar
Chief Financial Officer

A. Joshi
Company Secretary
Membership No. A22502

Navi Mumbai, 20th May, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the 15 months period ended March 31, 2016

Company information:

Clariant Chemicals (India) Limited (the 'Company') is a public limited Company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The company is engaged inter alia, in manufacturing and selling of Specialty Chemicals. The Company has its own manufacturing sites in the State of Maharashtra, Tamil Nadu and Gujarat.

1. Significant accounting policies

(a) Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

The accounting year of the company has been changed from January-December to April-March with effect from the current year. Consequently, the current year's financial statement are for the 15 months from 1st January, 2015 to 31st March, 2016.

(b) Revenue recognition

The Company recognises sale of goods on transfer of significant risks and rewards of ownership of the goods to the buyer as per the terms of contract. Sales are net of excise duty, sales tax and trade discounts, wherever applicable.

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed using the proportionate completion method and is recognised net of service tax, as applicable.

Interest Income is accounted on time proportion basis taking into account the amounts invested and the rate of interest. Dividend income on investments is accounted for when the right to receive the dividend is established.

Income from export incentives such as duty drawback etc. are recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

Indenting commission is recognised based on the terms of agreement, when the right to receive the commission is established.

Rental income is recognised on accrual basis.

(c) Excise duty

Excise duty payable on products is accounted for at the time of dispatch of goods from the factories and is accrued for stocks held at the period end.

Excise Duty related to the difference between the closing stock and opening stock of finished goods has been recognised separately in Note 28 "Other expenses".

(d) Employee benefits

(i) Post employment benefits and other long term employee benefits:

Defined contribution plans :

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss. The Company has no further obligation under such plans.

Defined benefit plans and compensated absences :

In respect of certain employees, provident fund contributions are made to a trust administered by the company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Company's liability towards gratuity, ex-gratia gratuity and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss. The classification of the company's net obligation into current and non-current is as per the actuarial valuation report.

- (ii) Voluntary retirement scheme:
Expenditure incurred on voluntary retirement scheme is charged to the Statement of Profit and Loss in the period in which it is incurred.

(e) Tangible assets

- (i) All tangible assets are stated at acquisition cost net of accumulated depreciation and impairment losses, if any.
- (ii) Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- (iii) Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements under "Other Current Assets". Any expected loss is recognised immediately in the Statement of Profit and Loss.
- (iv) Losses arising from the retirement of, and gains or losses from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
- (v) Leasehold improvements are amortised on a straight line basis over the useful life of the assets or over the lease period, whichever is lower
- (vi) Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets which are in line with the rates prescribed under Schedule II to the Companies Act, 2013 except in case of certain assets, wherein based on technical evaluation, a different useful life has been considered. The estimates of useful lives of assets is as under [Further also refer note 11(4)]:

Asset	Estimated Useful life
Building	
-Factory building	30 Years
-Office building	60 Years
-Roads	10 Years
Plant and equipment	10 Years
Furniture and fixture	10 Years
Office equipment	
-Computers	3 Years
-Hardware mainframes and Servers	5 Years
-Other office equipment	5 years
Vehicles	5 Years

Tangible assets individually costing ₹ 5,000/- or less are depreciated fully in the period of purchase.

(f) Intangible assets:

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives, as follows :

Goodwill	10 Years
Trademarks	10 Years
Non-compete fees	3 Years

(g) Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date to assess whether there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. Previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

(i) Trade receivables / loans and advances

Trade receivables and loans and advances are stated after making adequate provision for doubtful debts / advances.

(j) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Non-current investments are stated at cost less provision for diminution in value, other than temporary. Current investments are stated at the lower of cost and fair value.

(k) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The company is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss on a systematic basis over the primary period of the lease.

(l) Foreign currency translations

- (i) Foreign currency transactions are accounted at the rate prevailing on the date of the transaction. Monetary items denominated in foreign currency outstanding as at period end are translated at the exchange rate prevailing on the last day of the accounting period. In respect of items covered by forward contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation of such a forward exchange contract is recognised as income or expense for the period.
- (ii) Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- (iii) Gain or loss arising out of settlement of such transactions or from translation/conversion is taken credit for or charged to the Statement of Profit and Loss.

(m) Income tax

Income-tax expense comprises current tax and deferred tax charge or credit. The current tax is determined as the amount of tax payable in respect of the estimated taxable income for the period. The deferred tax charge or credit is recognised using prevailing enacted or substantively enacted tax rates at the Balance Sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realization. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. The carrying amount of deferred tax assets/liabilities are reviewed at each Balance Sheet date for any write-down or reversal, as considered appropriate.

(n) Provisions and contingent liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits

will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each period end date and adjusted to reflect the best current estimate.

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

(o) Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(q) Use of estimates

The presentation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates if any, is recognised in the period in which the results are known / materialised.

	31-03-16 ₹ Lakhs	31-12-14 ₹ Lakhs
2 Share capital		
Authorised		
3,00,00,000 equity shares of ₹ 10/- each	3000.00	3000.00
Issued, subscribed and paid up		
2,30,81,798 (Previous year: 2,66,60,745) equity shares of ₹ 10/- each fully paid up	2308.18	2666.07

2a Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the period

	31-03-16		31-12-14	
	Number	₹ Lakhs	Number	₹ Lakhs
Equity shares				
Outstanding as at the beginning of the period	2,66,60,745	2666.07	2,66,60,745	2666.07
Less : Extinguished on buyback during the period	(35,78,947)	(357.89)	-	-
Outstanding as at the end of the period	2,30,81,798	2308.18	2,66,60,745	2666.07

2b Shares held by subsidiaries of the ultimate holding company Clariant AG, Switzerland :

Name of Shareholder	31-03-16		31-12-14	
	Number	Percentage	Number	Percentage
EBITO Chemiebetteilungen AG. *	71,64,426	31.04%	81,67,080	30.63%
Clariant International AG. *	53,29,186	23.09%	60,75,000	22.79%
Clariant Participations AG. *	23,33,438	10.11%	26,60,000	9.98%

* There are no shareholders holding more than 5% of the aggregate equity shares of the Company except those marked above.

2c The Company has not allotted any equity shares for consideration other than cash and bonus shares during the period of five years immediately preceding the Balance Sheet date.

2d Shares bought back (during 5 years immediately preceding March 31, 2016)

	31-03-16	31-12-14	31-12-13	31-12-12	31-12-11
Equity Shares bought back	35,78,947	-	-	-	-

Shares bought back during the 15 months period ended March 31, 2016:

The Board of Directors at its meeting held on April 22, 2015 approved the proposal of buyback of 35,78,947 equity shares of ₹ 10 each from shareholders of the Company in accordance with the relevant provisions of Companies Act, 2013 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1988 at a price of ₹ 950 per equity share, aggregating to ₹ 34000 Lakhs. Consequently, a sum of ₹ 3545.65 Lakhs and ₹ 30096.45 Lakhs has been utilised in respect of the buy back from Securities premium account and General reserve respectively. Further a sum of ₹ 357.89 Lakhs has been appropriated from General reserve to Capital redemption reserve and the same has been reduced from the paid up share capital.

2e Rights, preferences and restrictions attached to shares

The Company has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the Company after distribution of all preferential amounts, in proportion to their shareholding.

	31-03-16 ₹ Lakhs	31-12-14 ₹ Lakhs
3 Reserves and surplus		
Capital reserve		
As per last Balance sheet	730.11	730.11
Capital redemption reserve		
As per last Balance sheet	137.50	137.50
Add: Transfer from General Reserve (Refer Note: 2d)	357.89	-
	495.39	137.50
Securities premium account		
As per last Balance sheet	3545.65	3545.65
Less: Utilised for buy back of shares (Refer Note: 2d)	(3545.65)	-
	-	3545.65
General reserve		
As per last Balance sheet	40946.63	31513.47
Less: Utilised for buy back of shares (Refer Note: 2d)	(30096.45)	-
Less: Transfer to Capital redemption reserve (Refer Note: 2d)	(357.89)	-
Add : Transfer from surplus in the statement of profit and loss	-	9433.16
	10492.29	40946.63
Surplus in the statement of profit and loss		
As per last Balance sheet	91575.65	18842.04
Less : Depreciation adjustment on account of change in useful life of assets [Net of Deferred tax ₹ 85.12 Lakhs] (Refer Note: 11 (4))	(165.34)	-
Add : Profit for the period	5286.73	94331.55
Less : Interim dividend	(37325.04)	(10397.69)
Less : Proposed dividend (Final)	(2308.18)	-
Less : Tax on dividend (Interim and Final)	(7932.94)	(1767.09)
Less : Transfer to general reserve	-	(9433.16)
	49130.88	91575.65
	60848.67	136935.54
4 Deferred tax liabilities (net)		
Deferred tax liabilities		
Depreciation and amortisation	2596.19	1607.51
Deferred tax assets		
Provision for doubtful debts / advances	46.50	28.33
Provision for employee benefits	391.81	473.35
Expenses allowable for tax purposes when paid	54.50	53.52
Payment for voluntary retirement scheme	-	12.10
	492.81	567.30
	2103.38	1040.21
5 Other long term liabilities		
Security deposits	108.16	67.67
	108.16	67.67

	31-03-16 ₹ Lakhs	31-12-14 ₹ Lakhs
6 Long term provisions		
Provision for employee benefits		
Compensated absences	661.77	731.86
Gratuity	-	328.50
Ex-gratia gratuity	40.08	43.74
Provision for indirect tax matters (Refer note 6a)	429.50	259.80
Tax provisions less payments	782.50	1014.54
	1913.85	2378.44
6a Movements in provision for indirect tax matters		
Opening balance	259.80	358.69
Provision during the period	169.70	-
Amount utilised	-	(98.89)
Closing balance	429.50	259.80
7 Short term borrowings		
(Unsecured)		
Pre-shipment credit in foreign currency from a bank	-	945.45
(Previous year :These borrowings were given under a running account at an interest rate of Libor plus spread of 1 % p.a)		
	-	945.45
8 Trade payables		
Trade payables (Refer note 41)	14626.58	14564.26
	14626.58	14564.26
9 Other current liabilities		
Security and other deposits	367.61	617.78
Advances from customers	105.12	192.89
Unclaimed dividend *	801.61	583.16
Employee benefits payable	973.60	884.38
Statutory dues (including provident fund and withholding taxes)	1164.18	1037.54
Liability for capital expenditure	130.31	1102.89
Other payables	513.03	373.70
	4055.46	4792.34
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
10 Short term provisions		
Provision for employee benefits		
Compensated absences	127.87	202.56
Gratuity	288.02	215.05
Ex-gratia gratuity	14.32	16.15
Provision - others		
Tax Provisions less payments	-	20416.53
Proposed dividend (Final)	2308.18	-
Tax on proposed dividend (Final)	469.90	-
	3208.29	20850.29

11 Fixed assets

₹ Lakhs

Description	Gross block			Depreciation / Amortisation					Net block		
	As at 31-12-14	Additions (Refer note 2 below)	Deductions (Refer note 3 below)	As at 31-03-16	As at 31-12-14	Deductions (Refer note 3 below)	For the period	Transfer to Retained Earning	As at 31-03-16	As at 31-03-16	As at 31-12-14
(i) Tangible assets											
Land freehold	1336.03	1177.72	-	2513.75	-	-	-	-	-	2513.75	1336.03
Land leasehold	1409.10	23.78	-	1432.88	39.52	-	22.46	-	61.98	1370.90	1369.58
Buildings	11329.15	3209.99	516.67	14022.47	2261.11	297.13	868.52	86.51	2919.01	11103.46	9068.04
Plant and equipment	28708.99	2996.33	1817.63	29887.69	14401.49	1483.07	3081.25	114.92	16114.59	13773.10	14307.50
Furniture and fixtures	1299.93	177.53	34.72	1442.74	372.86	26.96	31.75	24.58	402.23	1040.51	927.07
Office equipment	2638.32	174.82	476.90	2336.24	831.41	363.00	719.44	22.94	1210.79	1125.45	1806.91
Vehicles	907.88	241.01	216.69	932.20	538.55	165.15	139.79	1.51	514.70	417.50	369.33
Total tangible assets	47629.40	8001.18	3062.61	52567.97	18444.94	2335.31	4863.21	250.46	21223.30	31344.67	29184.46
Total tangible assets previous year	36700.12	18571.52	7642.24	47629.40	20100.77	46294.3	2973.60	-	18444.94		
(ii) Intangible assets											
Goodwill	3383.29	894.11	-	4277.40	253.75	-	512.33	-	766.08	3511.32	3129.54
Trademarks	1285.20	25.71	-	1310.91	96.39	-	161.42	-	257.81	1053.10	1188.81
Non compete Fees	-	53.00	-	53.00	-	-	10.60	-	10.60	42.40	-
Total intangible assets	4668.49	972.82	-	5641.31	350.14	-	684.35	-	1034.49	4606.82	4318.35
Total Intangible assets previous year	-	4668.49	-	4668.49	-	-	350.14	-	350.14		
Total	52297.89	8974.00	3062.61	58209.28	18795.08	2335.31	5547.56	250.46	22257.79	35951.49	33502.81
Total previous year	36700.12	23240.01	7642.24	52297.89	20100.77	46294.3	3323.74	-	18795.08		

Notes :

- Buildings include ₹ 450/- (Previous year : ₹ 450/-) being the cost of shares in co-operative housing society
- Additions include assets acquired on acquisition of Lanxess India Private Limited (Refer note 43)
- Deductions include fixed assets transferred on sale of business of Industrial and Consumer Specialties (ICS) (Refer note 42)
- The Company has revised its estimate of useful life of tangible assets as prescribed in Part C of Schedule II of the Companies Act, 2013, w.e.f. January 01, 2015, except for certain assets for which different useful life has been considered based on a technical evaluation, which management believes best represents the period over which assets are expected to be used by the Company. As prescribed in the said Schedule II, an amount of ₹ 250.46 Lakhs has been charged to the opening balance of retained earnings (net of deferred tax of ₹ 85.12 Lakhs) for the assets in respect of which the remaining useful life became Nil as on January 01, 2015 and in respect of other assets on that date, depreciation has been calculated based on the remaining useful life on a prospective basis. Had the Company continued with the useful life adopted in earlier years, charge for depreciation for the 15 months ended March 31, 2016 would have been lower by ₹ 300.48 Lakhs and the net profit for the same period would have been higher by the same amount.

	31-03-16 ₹ Lakhs	31-12-14 ₹ Lakhs
12 Non-current investments		
(At cost)		
Trade (Quoted) :		
Investment in equity instruments of ₹ 10 each :		
Equity shares in Asahi Songwon Colors Limited (No of equity shares : 718600 [Previous year : 718600])	667.09	667.09
Equity shares in AksharChem (India) Limited (Equity shares issued by AksarChem (India) Limited on transfer of demerged undertaking of Asahi Songwon Colors Limited and consequential restructuring of share capital) (No of equity shares : 138192 [Previous year : Nil]) (Aggregate market value : ₹ 1162.12 Lakhs [Previous year : ₹ 1000.65 Lakhs])	-	-
	667.09	667.09
Other investments (Unquoted) :		
Investments in Bonds of ₹ 10000 each :		
6% Rural Electrification Corporation Limited Bonds (No of Units : Nil [Previous year : 500])	-	50.00
	-	50.00
	667.09	717.09

	31-03-16 ₹ Lakhs	31-12-14 ₹ Lakhs
13 Long term loans and advances		
(Unsecured, considered good)		
Capital advances	29.39	1588.58
Security and other deposits	1285.29	1250.17
VAT and service tax recoverable	772.34	601.21
Prepaid expenses	3.26	8.69
Tax payments less provisions	4976.95	3919.81
Other loans and advances (staff loans)	35.33	58.22
	7102.56	7426.68
14 Current investments		
Current portion of long term investments (At cost) :		
Investments in Bonds of ₹ 10000 each : (Unquoted)		
6% Rural Electrification Corporation Limited Bonds	50.00	-
(No of Units : 500 [Previous year : Nil])		
	50.00	-
Other current investments		
(At lower of cost and fair value)		
Investment in mutual funds : (Unquoted)		
Baroda Pioneer Mutual Fund Liquid Fund -Plan A -Daily Dividend Reinvest	1601.68	676.75
DHFL Pramerica Mutual Fund - Insta Cash Plus Fund - Daily Dividend	509.39	-
DSP BlackRock Mutual Fund - Liquidity Fund Institutional Plan - Daily Dividend	303.06	-
HDFC Mutual Fund - Liquid Fund - Dividend - Daily Reinvest	286.71	907.62
JM Financial Mutual Fund - High Liquidity Fund - Daily Dividend Option	303.36	-
LIC Nomura Mutual Fund - Liquid Fund - Dividend Plan	1759.44	500.00
UTI mutual fund -Money Market Fund -Institutional Plan-Daily Dividend Reinvest	202.75	-
Taurus mutual fund -Liquid Fund -Regular Plan -Super Insti Daily Dividend Reinvest	1213.68	-
Sundaram Mutual Fund - Fixed Term Plan FD 397 Days Direct Growth	-	500.00
	6180.07	2584.37
	6230.07	2584.37
15 Inventories		
(Valued at the lower of cost and net realisable value)		
Raw materials (includes goods in transit ₹ 478.65 Lakhs [Previous year ₹ 338.72 Lakhs])	5372.53	5253.94
Packing materials	161.30	134.42
Work-in-progress		
Pigments and Colors	2064.38	2287.67
Dyes and Specialty Chemicals	-	4.21
	2064.38	2291.88
Finished goods		
Pigments and Colors	4821.36	6282.26
Dyes and Specialty Chemicals	-	289.01
	4821.36	6571.27
Stock-in-trade (includes goods in transit ₹ 479.27 Lakhs [Previous year ₹ 316.10 Lakhs])		
Pigments and Colors	1361.66	1199.18
Dyes and Specialty Chemicals	-	452.33
	1361.66	1651.51
Stores and spares	431.64	431.68
	14212.87	16334.70

	31-03-16 ₹ Lakhs	31-12-14 ₹ Lakhs
16 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	11.22	4.04
Unsecured, considered good	128.34	144.35
Unsecured, considered doubtful	93.32	78.27
	232.88	226.66
Less: Provision for doubtful debts	93.32	78.27
	139.56	148.39
Other trade receivables		
Secured, considered good	247.89	213.83
Unsecured, considered good	17191.93	15696.35
	17439.82	15910.18
	17579.38	16058.57
17 Cash and bank balances		
Cash and cash equivalents :		
Cash on hand	1.85	1.88
Cheques on hand	47.88	151.47
Balances with banks		
In current accounts	1557.99	206.03
Term deposits with original maturity of less than three months	480.08	100202.80
Other bank balances :		
Unclaimed dividend accounts	801.61	583.16
	2889.41	101145.34
18 Short term loans and advances		
(Unsecured, considered good unless otherwise stated)		
Security and other deposits	8.87	154.88
Prepaid expenses	78.46	73.51
Advances to suppliers	594.39	416.39
VAT credit receivable	300.88	166.32
Excise and customs duty recoverable	605.16	912.96
Balance with excise authorities	1378.40	2100.53
Advances recoverable in cash or in kind or for value to be received		
Considered good	598.43	914.00
Considered doubtful	41.03	14.34
	639.46	928.34
Less: Provision for doubtful advances	41.03	14.34
	598.43	914.00
	3564.59	4738.59
19 Other current assets		
(Unsecured, considered good)		
Export incentives receivable	429.44	267.26
Accrued service revenue	46.16	129.79
Interest accrued on investments / Fixed deposits	2.32	17.06
	477.92	414.11

	15 Months ended 31-03-16 ₹ Lakhs	12 Months ended 31-12-14 ₹ Lakhs
20 Sales (net)		
Manufactured goods:		
Pigments and Colors	90546.69	64322.18
Dyes and Specialty Chemicals	11881.24	20848.42
	102427.93	85170.60
Traded goods:		
Pigments and Colors	9950.88	7460.63
Dyes and Specialty Chemicals	1601.56	8189.26
	11552.44	15649.89
	113980.37	100820.49
21 Other operating revenues		
Export incentives	838.76	542.56
Indenting commission	837.73	910.42
Provision for doubtful debts /advances written back (Net)	-	0.39
Scrap sales	162.17	445.75
Services rendered	2424.61	1880.73
	4263.27	3779.85
22 Other income		
Interest Income		
On bank deposits	507.91	72.87
Others (Includes interest on delayed payments, etc.)	49.07	48.00
Dividend income from investments		
Current investments	1467.46	783.71
Non-current investments	49.20	25.15
Profit on sale of investments (Net)		
Current investments	233.86	53.32
Cash discounts	13.70	31.56
Rental income (Refer note 39)	278.10	195.04
Profit on sale of fixed assets (Net)	1045.52	-
Exchange gain (Net)	-	108.48
Miscellaneous income	88.00	47.17
	3732.82	1365.30

	15 Months ended 31-03-16 ₹ Lakhs	12 Months ended 31-12-14 ₹ Lakhs
23 Cost of materials consumed*		
Raw materials consumed	62397.64	56771.91
Packing materials consumed	2236.79	2693.76
	64634.43	59465.67
* Cost of materials consumed is based on derived values.		
23a Category of raw materials consumed		
Pigments	13273.93	12596.48
Ethoxylates and polyglycoles	1856.66	2379.70
Polymers	11812.19	6965.48
Phenol and its derivatives	2586.55	2850.98
Monomers	3.65	62.86
Biocides	598.76	2094.70
Others	32265.90	29821.71
	62397.64	56771.91
Indigenous	39655.03	35671.90
%	63.55	62.83
Imported	22742.61	21100.01
%	36.45	37.17
Total	62397.64	56771.91
%	100.00	100.00
24 Purchase of stock-in-trade		
Pigments and Colors	8999.64	6128.74
Dyes and Specialty Chemicals	1987.13	8781.73
	10986.77	14910.47
25 Changes in inventories		
Opening inventories		
Finished goods	6571.27	5095.36
Stock-in-trade	1651.51	1848.08
Work - in - progress	2291.88	2343.65
	10514.66	9287.09
Less: On sale of business (Refer note 42)		
Finished goods	136.60	362.70
Stock-in-trade	499.07	1277.71
Work - in - progress	-	208.92
	635.67	1,849.33
Add: On acquisition of business (Refer note 43)		
Finished goods	14.44	747.26
	14.44	747.26
Less: Closing inventories		
Finished goods	4821.36	6571.27
Stock-in-trade	1361.66	1651.51
Work - in - progress	2064.38	2291.88
	8247.40	10514.66
	1646.03	(2329.64)

	15 Months ended 31-03-16 ₹ Lakhs	12 Months ended 31-12-14 ₹ Lakhs
26 Employee benefits expense		
Salaries, wages, bonus, etc.	8552.90	7717.72
Contribution to provident and other funds [Refer note 36(b)]	767.28	771.58
Staff welfare expenses	1391.74	1301.35
	10711.92	9790.65
27 Finance Costs		
Interest - others	72.52	112.80
	72.52	112.80
28 Other expenses		
Stores and spare parts etc. consumed	561.28	674.45
Repairs and maintenance :		
Plant and machinery	1748.53	1157.75
Buildings	283.05	278.17
Others	400.44	254.71
Power and fuel	6012.20	5495.77
Rent (including lease payments) (Refer note 39)	1307.03	1357.50
Rates and taxes (including water charges)	845.52	524.61
Insurance	291.44	211.74
Clearing, forwarding and transport	2323.70	2153.98
Travelling and conveyance	1406.48	1343.46
Commission	211.63	298.54
Other discounts on sales	290.53	127.87
Royalty	86.89	129.49
Legal and consultancy	444.95	633.51
Information technology services	1538.24	1545.81
Payment to statutory auditors :		
As auditors	25.00	20.00
For other services	41.37	26.06
For reimbursement of expenses	5.44	1.04
Loss on sale of fixed assets (Net)	-	166.99
Fixed assets written-off	225.63	132.91
Provision for doubtful debts/advances (Net)	55.82	-
Excise duty (Refer note 1(c))	(72.40)	81.51
Exchange loss (Net)	35.38	-
Expenditure towards corporate social responsibility (CSR) activities	44.18	-
Miscellaneous expenses	5836.44	3693.33
	23948.77	20309.20
29 Exceptional items, credit (net)		
One time compensation to consultants of the acquired business	-	140.00
IT infrastructure set up costs	-	384.75
Expenditure pertaining to Buy Back	302.75	-
Profit on sale of Kolshet site	-	(108548.52)
Profit on sale of ICS business (Refer note 42)	(2656.23)	-
Profit on sale of Leather business	-	(10408.63)
Non compete fees in relation to business acquisition	-	73.90
	(2353.48)	(118358.50)

	31-03-16 ₹ Lakhs	31-12-14 ₹ Lakhs
30 Contingent liabilities and commitments (to the extent not provided for)		
(a) Contingent liabilities :		
(i) in respect of income tax matters	860.39	665.97
(ii) in respect of sales tax / VAT matters	14782.38	13687.01
(iii) in respect of excise / service tax matters	915.86	1024.86
(iv) in respect of bills of exchange discounted with banks (since realised Nil [Previous year ₹ 506.89 Lakhs])	-	506.89
(v) Other matters in dispute	209.82	209.82
In respect of above items, future cash outflows, if any are determinable only on receipt of judgements pending at various forums/authorities.		
(b) Commitments :		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	151.73	984.53
(ii) Others - amount of future minimum lease payments under non-cancellable operating leases (Refer note 39)	6159.55	6884.56

31 Disclosure in respect of derivative instruments :

The Company uses forward contracts to hedge against its foreign currency exposure in respect of purchase / sales, as and when considered appropriate. The company does not enter into any forward contracts which are intended for trading or speculative purposes. There are no forward contracts outstanding as at the period end. The period end foreign currency exposures that have not been hedged are as given below :

	31-03-16		31-12-14	
	Amount in foreign currency	Amount ₹ Lakhs	Amount in foreign currency	Amount ₹ Lakhs
(i) Amount receivable on account of export of goods and services				
Currency				
USD	7445681	4913.90	5255520	3311.59
EUR	87299	65.49	64203	49.32
		4979.39		3360.91
(ii) Amount payable on account of import of goods and services				
Currency				
USD	3375109	2233.55	1898866	1196.64
EUR	2569712	1921.99	1762149	1349.72
CHF	308615	211.36	580868	369.94
JPY	-	-	16200000	85.56
		4366.91		3001.86

32 Value of imports on CIF basis :

	15 Months ended 31-03-16 ₹ Lakhs	12 Months ended 31-12-14 ₹ Lakhs
(a) Raw materials	20984.93	20416.50
(b) Components and spare parts	80.40	146.62
(c) Capital goods	342.45	2092.61

	15 Months ended 31-03-16 ₹ Lakhs	12 Months ended 31-12-14 ₹ Lakhs
33 Expenditure in foreign currency (subject to deduction of tax where applicable) :		
(a) Commission	36.94	19.81
(b) Interest	2.11	18.78
(c) Information technology services (Includes capitalised ₹ Nil; Previous year: ₹ 586.50 Lakhs)	1535.88	1973.36
(d) Royalty	86.89	129.49
(e) Legal and consultancy	3.50	219.55
(f) Other expenses	474.83	268.93
34 Earnings in foreign exchange :		
(a) Exports (FOB)	26069.56	25501.15
(b) Others (services rendered, commission, insurance, freight, etc.)	1079.91	2263.62
35 Remittance in foreign currency on account of dividend :		
Number of non-resident shareholders where direct remittances have been made by the Company	3	3
Number of shares of ₹ 10/- each on which dividend is remitted	1,69,02,080	1,69,02,080
Year to which dividend relates		
2015 (Interim)	23662.91	-
2014 (Interim)	-	6591.81
2013 (Final)	-	3380.42

	15 months ended 31-03-16 ₹ Lakhs		12 months ended 31-12-14 ₹ Lakhs	
	Funded	Unfunded	Funded	Unfunded
36 Employee benefits :				
(1) Defined benefits plans - As per actuarial valuation as on 31st March 2016				
(a) Gratuity				
(i) Expenses recognised in the Statement of Profit and Loss for the period				
1. Current service cost	178.74	1.43	127.00	7.49
2. Interest cost	247.00	5.43	207.21	14.26
3. Expected return on plan assets	(177.90)	-	(157.26)	-
4. Net actuarial (gain)/loss recognised during the period	(98.35)	(1.45)	1.58	7.34
5. Past service cost	-	-	-	-
6. Expense recognised in Statement of Profit and Loss [Gratuity expense has been recognised in Contribution to provident and other fund in Note 26 "Employee benefits expense"]	149.49	5.41	178.53	29.09
(ii) Actual return on plan assets for the period				
1. Expected return on plan assets	177.90	-	157.26	-
2. Actuarial gain/(loss) on plan assets	45.40	-	44.05	-
3. Actual return on plan assets	223.30	-	201.31	-
(iii) Net Asset/(Liability) recognised in the Balance Sheet as at period end				
1. Present value of the defined benefit obligation	2117.23	54.40	2200.11	209.62
2. Fair value of plan assets	1829.21	-	1806.29	-
3. Net Asset/(Liability) recognised in the balance sheet	(288.02)	(54.40)	(393.82)	(209.62)
(iv) Change in defined benefit obligation during the period				
1. Present value of obligation at the beginning of the period	2200.11	209.62	2432.48	63.19
2. Current service cost	178.74	1.43	127.00	7.49
3. Interest cost	247.00	5.43	207.21	14.26
4. Benefits Paid	(393.84)	(10.90)	(375.14)	(11.89)
5. Actuarial (gain)/loss on obligation	(52.95)	(1.45)	45.63	7.34
6. Transfer out on sale of Business (Refer note 42) / employee transfers	(224.85)	-	(237.07)	-

	15 months ended 31-03-16 ₹ Lakhs		12 months ended 31-12-14 ₹ Lakhs		
	Funded	Unfunded	Funded	Unfunded	
36 Employee benefits : (contd.)					
7. Transferred on account of business acquisition (Refer note 43)	13.29	-	-	129.23	
8. Transferred from unfunded to funded	149.73	(149.73)	-	-	
9. Present value of obligation as at the end of the period	2117.23	54.40	2200.11	209.62	
(v) Changes in fair value of plan asset during the period					
1. Fair value of plan assets as at the beginning of the period	1806.29	-	2070.62	-	
2. Expected return on plan assets	177.90	-	157.26	-	
3. Contributions made	405.02	-	146.57	-	
4. Transfer in / (out) on account of business acquisition / sale and employee transfer to be made (Refer note 42)	(211.56)	-	(237.07)	-	
5. Benefits paid	(393.84)	-	(375.14)	-	
6. Actuarial gain/(loss) on plan assets	45.40	-	44.05	-	
7. Fair value of plan assets as at the end of the period	1829.21	-	1806.29	-	
(vi) Major categories of plan assets as a percentage of total plan assets					
1. Central government securities	29.77%	-	30.16%	-	
2. State government securities	13.97%	-	14.45%	-	
3. Private sector bonds	32.02%	-	37.09%	-	
4. Cash at bank	0.06%	-	0.03%	-	
5. Insurer managed funds	33.27%	-	25.64%	-	
6. Others*	-9.09%	-	-7.37%	-	
*Represents transfer out to be made on sale of Business net of other assets.					
(vii) Actuarial assumptions					
1. Discount rate	8.15%	8.15%	8.20%	8.20%	
2. Expected rate of return on plan assets	8.15%	-	8.00%	-	
3. Salary escalation	6.0%-8.0%	6.0%-8.0%	6.0%-8.0%	6.0%-8.0%	
(viii) The company expects to contribute ₹ 400.00 Lakhs (Previous year : ₹ 200.00 Lakhs) to the funded gratuity plans in the next year.					
(ix) Net assets/(liability) recognised in the balance sheet as at respective period ends and experience adjustments:					
Particulars	(₹ in Lakhs)				
Funded	2016	2014	2013	2012	2011
1. Present value of defined benefit obligation	2117.23	2200.11	2432.48	2942.99	2405.14
2. Fair value of plan assets	(1829.21)	1806.29	2070.62	2501.51	2257.68
3. Funded status [surplus/(deficit)]	(288.02)	(393.82)	(361.86)	(441.48)	(147.46)
4. Experience adjustment arising on:					
a. Plan liabilities	(52.95)	(41.41)	155.53	119.00	(165.16)
b. Plan assets	45.40	44.05	43.45	13.03	52.95
Unfunded					
1. Present value of defined benefit obligation	54.40	209.62	63.19	45.57	43.58
2. Fair value of plan assets	-	-	-	-	-
3. Funded status [surplus/(deficit)]	(54.40)	(209.62)	(63.19)	(45.57)	(43.58)
4. Experience adjustment arising on:					
a. Plan liabilities	(1.45)	(19.94)	3.32	0.41	(23.31)
b. Plan assets	-	-	-	-	-
(x) Gratuity is administered through duly constituted and approved independent trusts and also through Group gratuity scheme with Life Insurance Corporation of India.					
(xi) Future salary increases considered in actuarial valuation take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.					
(xii) Basis used to determine expected rate of return on plan assets: The expected rate of return on plan assets is based on market expectation at the beginning of the period for returns over the entire life of the related obligation.					

	15 months ended 31-03-16 ₹ Lakhs	12 months ended 31-12-14 ₹ Lakhs
36 Employee benefits : (Contd.)		
(b) Other long term benefits		
The defined benefit obligations which are provided for but not funded are as under:		
Compensated Absences	789.64	934.42
(c) As per the actuarial valuation report, there is no liability as at the balance sheet date towards the Company's obligation to make good the shortfall in interest rate as compared to statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952.		
2. During the period the Company has recognised the following amounts in Note 26 "Employee benefits expense"		
Salaries, wages, bonus includes compensated absences	153.55	275.39
Contribution for provident fund and other funds includes :		
Provident fund and family pension	366.14	310.37
Superannuation fund	236.98	246.28
Gratuity fund	154.90	207.62
Other funds	9.26	7.31
Total	767.28	771.58

37 Related party disclosures as required by AS-18 "Related Party Disclosures" are given below :-

(a) Enterprises where control exists:

- (i) Ultimate Holding Company
 - Clariant AG, Switzerland
- (ii) Principal Shareholders (subsidiaries of the ultimate holding Company) :
 - EBITO Chemiebeteteiligungen AG
 - Clariant Participations AG
 - Clariant International AG

(b) Other related parties in the Clariant group with whom the Company has transactions:

Fellow subsidiary companies :

Clariant (China) Ltd.	Clariant Masterbatches (Shanghai) Ltd.
Clariant (Japan) K.K.	Clariant Masterbatches (Thailand) Ltd.
Clariant (Malaysia) Sdn Bhd	Clariant Masterbatches Benelux SA
Clariant (Mexico) S.A. de C.V.	Clariant Masterbatches Norden AB
Clariant (Singapore) Pte. Ltd.	Clariant Masterbatches(France)
Clariant (Thailand) Ltd.	Clariant Prodotti (Italia) S.p.A.
Clariant (Türkiye) Boya ve Kimyevi Maddeler Sanayi ve Ticaret A.S.	Clariant Produkte (Deutschland) GmbH
Clariant Chemicals (China) Ltd.	Clariant Produkte (Schweiz) AG
Clariant Chemicals (Huizhou) Co., Ltd.	Clariant S.A.
Clariant Chemicals (Taiwan) Co., Ltd.	Italtinto S.r.l.
Clariant Chemicals Pakistan (Pvt) Ltd.	PT Clariant Indonesia
Clariant Corporation	Clariant (Australia) Pty. Ltd.
Clariant Ibérica Producción S.A.	Clariant (Gulf) FZE
Clariant India Limited (Formerly Clariant India Private Limited)	Clariant Masterbatch Ibérica S.A.
Clariant Chemicals Pakistan (Pvt.) Ltd.(New Company wef 30.09.2013)	Clariant Medical Specialties India Limited
Clariant Masterbatches (Deutschland) GmbH	Clariant Plastics & Coatings AG
Clariant Masterbatches (Saudi Arabia) Ltd.	Clariant Polska, Sp. z.o.o.
Clariant Plastics & Coatings , (Italia) S.p.A.(Formly Known as Clariant Masterbatches (Italia) S.p.A)	

(C) Key management personnel :

Executive Directors

- Dr. D. Parikh
- B.L. Gaggar (up to 30.06.2015)

	15 months ended 31-03-16 ₹ Lakhs	12 months ended 31-12-14 ₹ Lakhs
Transactions entered into with related parties during the period and balances as at the period end:		
(i) Principal Shareholders :		
Transactions during the period :		
Clariant International AG		
Purchase of goods	5198.24	6938.86
Indenting commission received	548.64	460.94
Services rendered	170.83	469.89
Information technology service charges	1044.52	1019.04
Royalty expense	86.89	129.49
Expenses recovered	312.71	124.34
Dividend paid	8505.00	3584.25
EBITO Chemieeteiligungen AG		
Dividend paid	11433.91	4818.58
Expenses Recovered (Misc Exps)	4.45	-
Clariant Participations AG		
Dividend paid	3724.00	1569.40
Balances outstanding as at the period end :		
Trade payables	335.06	1387.12
Trade receivables	3.08	181.51
Buy back of Shares		
EBITO Chemieeteiligungen AG	9525.21	-
Clariant Participations Ltd	3102.34	-
Clariant International Ltd	7085.23	-
(ii) Fellow subsidiaries :		
Transactions during the period :		
Sales of goods		
Clariant (Singapore) Pte. Ltd.	24004.57	23473.88
Others	181.56	121.29
Purchase of goods		
Clariant (China) Ltd.	2398.22	2271.24
PT Clariant Indonesia	-	56.32
Clariant Plastics & Coatings AG	1654.68	-
Others	620.66	449.41
Purchase of capital goods		
Clariant Masterbatches (Deutschland) GmbH	14.15	50.92
Clariant Produkte (Deutschland) GmbH	-	36.85
Rental income		
Clariant India Limited	201.44	146.31
Clariant Medical Specialties India Limited	15.47	-
Security deposit received for rent		
Clariant India Limited	41.28	57.87
Services rendered		
Clariant India Limited	1168.43	118.11
PT Clariant Indonesia	-	2.40
Others	-	0.77
Indenting Commission received		
Clariant (China) Ltd.	167.52	133.19
Clariant Masterbatches (Thailand)	22.98	11.32
Clariant (Singapore) Pte. Ltd.	3.30	2.82
Others	8.37	14.24

	15 months ended 31-03-16 ₹ Lakhs	12 months ended 31-12-14 ₹ Lakhs
Transactions entered into with related parties during the period and balances as at the period end: (contd.)		
Commission Paid		
Clariant Chemicals Pakistan (Pvt.) Ltd.	16.18	2.06
Clariant (Pakistan) Ltd.	-	0.75
Expenses recovered		
Clariant India Limited	36.67	1224.77
Clariant (Türkiye) Boya ve Kimyevi Maddeler Sanayi ve Ticaret A.S.	17.85	-
Clariant (China) Ltd.	-	1743
Clariant Masterbatches (France)	-	2.47
Others	1.06	0.99
Consideration for the Transfer of Assets		
Clariant India Limited	89.01	-
Consideration for the sale of ICS Business		
Clariant India Limited	4200.00	-
Reimbursement of IT infrastructure set up cost		
Clariant India Limited	-	266.42
Services Received		
Clariant India Limited	352.22	-
Clariant Polska, Sp. z.o.o.	113.33	-
Clariant (Australia) Pty. Ltd.	0.92	-
Clariant (Gulf) FZE	0.16	-
Balances outstanding as at the period end :		
Trade payables	2327.78	394.90
Trade receivables	4748.35	4225.84
(iii) Key management personnel :		
Remuneration		
Dr. D. Parikh	845.22	793.31
B.L. Gaggar	145.31	173.49
Payable balance :	197.05	174.44

38 Segment Information :

(As required by Accounting Standard (AS) - 17 Segment Reporting) :

(a) The Company is organised into two primary business segments as follows:

(i) **Pigments and Colors :**

Includes pigments, pigment preparations, additives and masterbatches.

(ii) **Dyes and Specialty Chemicals :**

Includes dyestuff, synthetic resins, binder materials, functional effects and coating, auxiliaries and chemicals.

(b) The secondary segments of the Company are geographical segments mainly:

(i) India

(ii) Outside India

(c) Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting system.

(d) (i) **Segment revenue and results :**

Segment revenue and expenses are directly attributable to segments. It does not include interest income, interest expense and income tax. Revenue and expenses which relate to the company as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocated corporate expenses (Net)".

(ii) **Segment assets and liabilities :**

Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivable and inventories. Segment liabilities primarily include trade payables and other current and non-current liabilities.

Assets and liabilities that cannot be allocated among the segments are shown as a part of unallocable corporate assets and liabilities respectively.

38. Segment Information : (contd.)

Information about primary business segments:	15 months ended 31-03-16 ₹ Lakhs			12 months ended 31-12-14 ₹ Lakhs		
	Pigments and Colors	Dyes and Specialty Chemicals	Total	Pigments and Colors	Dyes and Specialty Chemicals	Total
Revenue (Net)						
External sales	100497.57	13482.80	113980.37	71782.81	29037.68	100820.49
Results						
Segment results	3344.97	415.17	3760.14	1073.02	1202.00	2275.02
Unallocated corporate expenses (Net)			183.84			(1900.34)
Operating profits			3943.98			374.68
Interest Income			556.98			120.87
Finance costs			(72.50)			(112.80)
Profit before exceptional items and taxation			4428.46			382.75
Exceptional items, credit (net) (Refer note 29)			2353.48			118358.50
Profit before taxation and after exceptional items			6781.94			118741.25
Current tax			(689.61)			(25008.15)
Deferred tax			(1148.29)			(316.38)
Tax adjustments of prior years (net)			342.69			914.83
Profit after tax			5286.73			94331.55
Other information						
Segment assets	72728.60	763.26	73491.86	66733.02	6202.25	72935.27
Unallocated corporate assets			15680.71			111305.00
Total assets			89172.57			184240.27
Segment liabilities	18268.59	64.66	18333.25	18374.73	1119.02	19493.75
Unallocated corporate liabilities			7682.47			25144.91
Total liabilities			26015.72			44638.66
Capital expenditure	6593.99	-	6593.99	21606.17	1495.38	23101.55
Unallocated corporate capital expenditure			-			19.32
Total capital expenditure			6593.99			23120.87
Depreciation / Amortisation	5504.15	30.34	5534.49	3094.65	207.16	3301.81
Unallocated corporate depreciation			13.07			21.93
Total depreciation/amortisation			5547.56			3323.74
Non cash expenses other than depreciation/amortisation	276.38	5.07	281.45	97.36	26.06	123.42
Unallocated corporate non cash expenses other than depreciation/amortisation			80.70			9.49
Total Non cash expenses other than depreciation/ amortisation			362.15			132.91
Information about secondary segments:	15 months ended 31-03-16 ₹ Lakhs			12 months ended 31-12-14 ₹ Lakhs		
	India	Outside India	Total	India	Outside India	Total
External sales	87017.31	26963.06	113980.37	74556.20	26264.29	100820.49
Carrying amount of segment assets	68512.47	4979.39	73491.86	69574.36	3360.91	72935.27
Additions to tangible and intangible assets	6593.99	-	6593.99	23101.55	-	23101.55

	15 Months ended 31-03-16 ₹ Lakhs	12 Months ended 31-12-14 ₹ Lakhs
39 Operating Leases :		
As Lessee :		
(a) Lease payments recognised as rent in the Statement of Profit and Loss for the period in respect of (Refer note 28) :		
Premises, vehicles and computers	1307.03	1357.50
[includes minimum lease payments ₹ 997.36 Lakhs (Previous year ₹ 898.55 Lakhs)]		
(b) There are no restrictions such as those concerning dividends, additional debt and further leasing, imposed by the lease agreements entered into by the Company.		
(c) Some of the agreements provide for increase in rent.		
(d) Some of the agreements provide for early termination by either party with a notice period which varies from 1 month to 9 months.		
(e) Under some of the agreements, refundable interest free deposits have been given.		
(f) Contingent rent payments in respect of vehicles are dependent upon the excess of actual usage, if any, over stipulated usage.		
(g) The total of future minimum lease payments under non-cancellable operating leases are as follows:		
For a period not later than one year	704.05	651.01
For a period later than one year and not later than five years	3149.72	2873.29
Later than five years	2305.78	3360.26
Total [Refer note 30 (b) (ii)]	6159.55	6884.56
As Lessor :		
The company has given certain buildings on operating lease. The lease arrangements for 11 months to 4 years are cancellable and are generally renewable by mutual consent or mutually agreeable terms. The rental income of ₹ 278.10 Lakhs (Previous year ₹ 195.04 Lakhs) on such lease is included in Other Income (Refer note 22).		
40 Earnings per share :		
(a) Weighted average number of shares	25,342,186	26,660,745
(b) Face value per share (In ₹)	10.00	10.00
(c) Net profit for the period (Total operations) (₹ Lakhs)	5286.73	94331.55
(d) Basic and diluted earnings per share (In ₹) (Total operations)	20.86	353.82
41 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of intimations received from suppliers. This has been relied upon by the auditors.		
	31-03-16 ₹ Lakhs	31-12-14 ₹ Lakhs
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	371.03	665.15
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	28.87
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	3335.91	1934.82
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	8.99	-
(g) Further interest remaining due and payable for earlier periods	28.87	-

42 Discontinuing operations

- (a) The Company has executed the Business Transfer Agreement on July 31, 2015 and has sold/transferred on August 01, 2015 the business of Industrial and Consumer Specialties (ICS), included in the Dyes and Specialty Chemicals Segment, along with employees, assets, liabilities and including all licenses, permits, consents and approvals on a going concern basis by way of a slump sale on a “as is where is basis” to Clariant India Ltd. for an aggregate consideration of ₹ 4200 Lakhs. The profit on sale of the ICS business amounting to ₹ 2656 Lakhs is shown under “Exceptional Items, credit (net)” (Refer note 29). The Capital Gains tax arising from the transaction is included in “Tax Expense”.
- (b) The company had sold its Leather services business, relating to Dyes and Specialty Chemicals Segment, to Stahl India Private Ltd. on April 30, 2014.
- (c) Necessary information relating to the discontinuing operations is as follows

	As of and 15 months ended 31.03.16 ₹ Lakhs	As of and 12 months ended 31.12.14 ₹ Lakhs	
	ICS	ICS	Leather
Revenue	3802.00	9307.00	8470.56
Expenditure	4116.86	9993.29	7309.67
Profit before tax	(314.86)	(686.29)	1160.89
Tax Expense	(107.00)	233.00	395.00
Profit after tax	(207.86)	(453.29)	765.89
Total Assets	2849.12	2625.82	-
Total Liabilities	1305.35	1269.31	-
Net cash from operating activities	(429.56)	30.13	(2994.65)
Net cash from investing activities	34.44	(402.30)	(606.55)
Net cash from financing activities	-	-	-

- 43** The Company after obtaining necessary approvals from the Board of Directors, vide an agreement dated March 31, 2015, acquired the “Carbon Black Business” from Lanxess India Private Limited (Lanxess) effective close of business hours on March 31, 2015, comprising the Carbon Black Dispersion plant located at Nagda, India, together with its respective assets, liabilities and employees as a going concern on a slump sale basis for a lump sum consideration of ₹ 1346 Lakhs (including non compete fees) after working capital adjustment, as at March 31, 2015. The excess of consideration paid to Lanxess over the fair value of net assets acquired is considered as goodwill.

44 Corporate Social responsibility

- (a) Gross amount required to be spent by the company during the 15 months period is ₹ 161.77 Lakhs
- (b) Amount spent during the period on :

Particulars	In Cash ₹ Lakhs	Yet to be paid in cash ₹ Lakhs	Total ₹ Lakhs
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	44.18	-	44.18

- 45** Pursuant to the sale of Industrial and Consumer Specialties business in the current period and sale of Leather Services business in the previous year (Refer note 42), acquisition of Carbon Black business in current period (Refer note 43) and change in accounting year of the company [Refer note 1 (a)], the figures of the current period are not comparable with those of the previous year. Figures for the previous year have been regrouped / reclassified wherever necessary to correspond with the current period’s classification / disclosure.

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016

Arvind Daga
Partner

Membership No. 108290

For and on behalf of the Board,

K. Handa
Chairman
DIN:00056826

D. Parikh
Vice- Chairman & Managing Director
DIN:6504537

S. Talukdar
Director
DIN:920608

I. Shahani
Director
DIN:112289

R. Kamdar
Chief Financial Officer

A. Joshi
Company Secretary
Membership No. A22502

Navi Mumbai, 20th May, 2016

Navi Mumbai, 20th May, 2016

FINANCIAL PERFORMANCE

10 Years' Highlights

(₹ Million)

	Financial year ended 31st March	Financial Year Ended 31st December									
		##2016	2014	2013	2012	2011	2010	2009	2008	2007	**2006
I OPERATING RESULT											
Gross Sales	12321.1	10824.8	12900.1	11459.9	10158.6	10347.6	9732.2	10014.5	9517.1	7538.9	
Net Sales	11398.0	10082.0	12132.0	10712.3	9560.8	9747.1	9213.4	9163.9	8614.4	6870.4	
Gross Earning Before Depreciation/Impairment and Taxation +	997.6	370.6	1369.8	1547.1	1722.0	1895.1	2079.4	1375.7	1021.3	655.7	
Profit Before Taxation #	678.2	11874.1	2257.8	1423.1	3954.1	1653.2	1631.1	1072.9	493.3	507.8	
Profit After Taxation	528.7	9433.2	1667.7	1013.0	3040.4	1124.2	1081.4	674.8	317.9	328.7	
Equity Dividend	3963.3	1039.8	799.8	733.2	1599.6	799.8	666.5	506.6	266.6	479.9	
II FINANCIAL POSITION											
Gross Fixed Assets @	5873.6	5520.4	4051.8	4088.3	3944.1	3554.8	3556.6	3985.1	3819.6	3831.7	
Net Fixed Assets @	3647.8	3640.9	2041.7	1879.7	1853.8	1592.4	1527.3	1646.0	1719.1	1651.8	
Investments	689.7	330.1	2674.0	2346.5	2665.1	1918.4	1245.0	578.4	294.3	465.0	
Net Current Assets	2188.5	10187.6	1100.2	842.8	383.0	159.8	698.5	1008.3	1164.8	1128.2	
Equity	230.8	266.6	266.6	266.6	266.6	266.6	266.6	266.6	266.6	266.6	
Reserves	6084.9	13693.6	5476.9	4748.5	4587.7	3404.4	3211.3	2909.8	2827.6	2835.8	
Shareholders' Fund	6315.7	13960.2	5743.5	5015.1	4854.3	3671.0	3477.9	3176.4	3094.2	3102.4	
Loans and Deferred Payment Credits	-	94.5	-	-	2.0	10.5	20.5	30.9	40.7	62.1	
Capital Employed	6315.7	14054.7	5743.5	5015.1	4856.3	3681.5	3498.4	3207.3	3134.9	3164.5	
III PER EQUITY SHARES											
Earning ₹ #	20.86 Not Annualised	353.82	62.55	38.00	114.04	42.16	40.56	25.31	11.92	12.33 Not Annualised	
Dividend	150.0	39.0	30.0	27.5	60.0	30.0	25.0	19.0	10.0	18.0	

After exceptional items.

+ Before exceptional items.

** Figures are for nine months ended December 31, 2006.

@ Include Capital Advances.

Figures are for 15 months ended March 31, 2016 and hence are not directly comparable to those of earlier years.



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