

HELD AT _____ ON _____ TIME _____

Minutes of the 62nd Annual General Meeting of Clariant Chemicals (India) Limited held on Thursday, August 8, 2019 at 04:00 p.m. and concluded at 05:00 p.m. at Registered Office of the Company at Reliable Tech Park, Off Thane-Belapur Road, Airoli, Navi Mumbai – 400 708

Present:

Mr. Kewal Handa	Chairman
Mr. Adnan Ahmad	Vice-Chairman & Managing Director
Mr. Sunirmal Talukdar	Director (Chairperson of Audit Committee and Nomination & Remuneration Committee)
Dr. (Mrs.) Indu Shahani	Director (Chairperson of Stakeholders Relationship Committee)
Mr. Thomas Wenger	Director
Mr. Alfred Muench	Director
Mr. Sanjay Ghadge	Director Finance & Chief Financial Officer
Ms. Ameer Joshi	Company Secretary
Mr. Arvind Daga	Partner, Price Waterhouse Chartered Accountants LLP, Statutory Auditor
Mr. Bhadresh Shah	Proprietor of Bhadresh Shah & Associates, Practicing Company Secretary (Scrutinizer for E-Voting & Poll)

Shareholders Attendance:

Promoters	Represented by Mr. Thomas Wenger & Mr. Sanjay Ghadge
Public	43 members present in person

Statutory Records:

The following Registers/books/documents were laid on the table:

- ◆ Minute Book of Annual General Meeting
- ◆ Register of Proxy with Proxies
- ◆ Register of Directors' Shareholding
- ◆ Signed copy of the
 - Balance Sheet as at March 31, 2019
 - Statement of Profit and Loss & Cash Flow Statement for the year ended March 31, 2019
 - Directors' Report
 - Auditors' Report
 - Secretarial Audit Report
- ◆ Report on Corporate Governance

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- ◆ Memorandum & Articles of Association of the Company
- ◆ Draft Appointment letter of Dr. (Mrs.) Indu Shahani
- ◆ Draft Leave & License Agreement to be entered with Clariant Plastics & Coatings Limited

All the statutory registers, documents, Auditors' Report, Secretarial Audit Report etc. as prescribed under the Companies Act, 2013 were kept available to Shareholders for inspection.

Chairman:

Mr. Kewal Handa, Chairman of the Board took the chair and welcomed the members to the 62nd Annual General Meeting of the Company. After noting that requisite quorum for the meeting was present, he called the meeting to order.

He emphasized that despite a perceptible economic slowdown in India and around the world, Clariant have grown, creating sustainable businesses and values and reported a growth in operating profit by more than 200% and operation EBITDA by 33%. A two-pronged strategy has been followed over the last two years to deliver shareholder value; firstly, ensured profitable growth, by relying upon portfolio restructuring to optimize the core expertise and secondly, strengthened long-term sustainability of the business, through a strong focus on safety, ethics, innovation, compliance and customer centricity. Timely and beneficial changes to business goals and practices, are going to drive the Company's growth despite the headwinds that may occur in the foreseeable future. The directional shift towards value added products, rationalization of portfolio and capacity building resulted in growth of 11.9% in revenue and 20.3% in PBT during the June 2019 quarter.

Notice and Auditors' Report:

With the consent of the members present, the Notice dated May 16, 2019 convening the meeting and the Report of the Directors for the year ended March 31, 2019 was taken as read.

The Audit Report was read by Ms. Ameer Joshi, Company Secretary.

The Chairman then requested Mr. Adnan Ahmad, Vice Chairman & Managing Director to address the shareholders and give a brief overview of business to the shareholders.

Address by Mr. Adnan Ahmad:

Mr. Adnan Ahmad thanked the Chairman and welcomed the shareholders at 62nd Annual General Meeting of Clariant Chemicals (India) Limited. He thanked the shareholders for their constant support to steer the Company further in its new strategic direction.

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Last year's performance:

He highlighted that concerted effort towards anticipating risk has made the Company agile enough to adopt and adapt quickly to any market dynamic and Despite the sustained headwinds to the business in the last few years, the operating profit grew to 19 crores, 3 times increase over the last year despite a 21% decline in top-line of the Masterbatches business.

He reiterated that behind the solidity and success lies an intrinsic desire to transition on a high-performance path; channelize and empower the resource pool and move with on-ground impact. This was achieved on the back of an '*Input to Output*' approach which aimed at the following:

- A. **For Pigments:** Pushing for top-line growth, tiding over inflationary pressure and utilizing export opportunities;
- B. **For Masterbatches:** Stronger focus on utilization of assets and furthering our value to volume proposition.

Mr. Adnan Ahmad addressed the shareholders with three priority areas which were identified to steer the business:

- 1) **Cost Optimization:** The Management was aimed at reducing overall costs, better aligning KPIs, improving ROI and revenue metrics, while also upgrading the long-term organizational strategy. Closure of Nandesari plant lead to Roha facility manufacturing beyond pigments, expanding the use of existing assets. The Company will continue to further consolidate the business to ensure optimum utilization of resources.
- 2) **Customer Centricity:** To this effect, when much of the industry had its concerns over the implementation and integration of GST, Clariant was quick to adapt to the new reality and alter the processes to become future-ready. It is hardly surprising then, that the Company has become a benchmark for the industry for its exemplary adoption and execution of GST.
- 3) **Risk mitigation:** This has been the long-term strategy to prepare for and lessen the effects of uncertainties emerging in the domestic context as well as global scenario. To this effect, the Company has diversified the bets with exports contributing to 27% of our total sales revenue. The Company also directed 90% of the output from the Cuddalore plant in Tamil Nadu towards exports. As part of our long-term capex plan, the Company has laid the foundation for the manufacturing of a one-of-its-kind product in India which will be supplied to customers around the world from October 2019.

1) Performance

The Dividend for the year 2018-19 came from the revenue from operations of the Company which has increased to almost double to INR 40 Crores.



CHAIRMAN'S INITIALS

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The Company's operating profit has grown from 5.7 crores to 19.3 crores which has grown more than three times.

Exports continue to grow year-on-year at 6%;

- Operational EBITDA grew by 33%, from 43 crores to 57 crores;
- Profit before Tax is at INR 30.14 crore;
- Total dividend for the year amounts to INR 10 per share, which is a payout of more than 100% of the profit for the year ended March 31, 2019;
- Clariant remains a zero-debt Company with no long-term borrowings.

He emphasized upon the contribution and hard work of the 780 employees of the Company that drove Company's sustainable growth. The Company reported a Profit Before Tax (PBT) of Rs. 18.4 crore for the quarter ended June 2019, as compared to PBT of Rs. 15.3 crore for the quarter ended June 2018 – a growth of 20.3%.

Conclusion

Beyond the numbers, Clariant in India continues to be a people-driven organization reserving a special emphasis on Sustainability, Safety, Compliance and motivated by Ethics above all. This is our license to operate and essential for business continuity. In this light, we endorse and advocate pioneering efforts to create a zero-injury environment, speak-up culture, strong ethical leadership, better awareness and a greater commitment. Among these, the adoption of basic safety imperatives and Life Saving Rules are vital for any world-class manufacturing Company.

2019 will be and is about driving top-line and bottom line growth. Given our preparedness in the last few years, including the structural and organizational mobility, we have a strong platform to establish ourselves as a major supplier of specialty chemicals to the world. Our drive for excellence inspires to uphold our 'Performance, People and Planet' values and the same is echoed in our culture to do good.

Questions:

After completion of Mr. Adnan Ahmad's address, the Chairman invited questions and comments from the members relevant to the Accounts of the Company for the year ended March 31, 2019.

Mr. Harshad Laxmidas Savani raised following queries:

- Why the profitability of the Company has dropped in last 10 years
- Earning per share has been increased only due to payment of dividend from the General Reserves
- Share market is reflecting growth but the Share price of Clariant is going down

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- Why Balance Sheet reflecting low investments
- Why inventory has gone up
- Segregation of Local and EXIM constituents in the revenue and expenditure
- Why there is a lot of balance in the Unclaimed Dividend Accounts
- How much Forex has been earned and how weaker Rupee will impact it

Mr. Prakash Raikar raised following queries:

- What is Clariant global strategy when it is divesting 90% of business by divesting BU – MB and Pigments
- How much does BU – MB, India contributes to Global Business
- Why diversification is not done, 25% of sales is from top customer
- Why Mr. Adnan Ahmad is paid so much
- Is Company selling minor assets to generate revenue

Mr. Nilesh Madhao Sheode raised following queries and observations:

- Shift the venue of Annual General Meeting to Thane
- Why the rate of Dividend declared is less
- Why the Share value is going down, is there any depression period
- Why not the Company seeks Buyback option

Mr. Kewal Handa and Mr. Adnan Ahmad responded to the comments and replied to the questions raised by Shareholders.

Voting by Poll:

Since there were no further comments/questions, the Chairman ordered Poll on following Ordinary & Special businesses specified in the Notice of the meeting dated May 16, 2019 and requested all the shareholders to cast their vote on each and every item of the Notice before leaving the meeting. The closing time of Poll was 05:00 p.m.

Sr. No.	Item
Ordinary Business	
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019, together with the Reports of the Directors and Auditors thereon.
2.	Confirm the declaration and payment of Interim Dividend and to declare Final Dividend for the year ended March 31, 2019.
3.	To appoint a Director in a place of Mr. Alfred Muench (DIN 03092351) who retires by rotation and being eligible, offers himself for re-appointment.
4.	Re-appointment of M/s Price Waterhouse Chartered Accountants LLP as the Statutory Auditors of the Company for a second term of 5 consecutive years.
Special Business	
5.	Re-appointment of Dr. (Mrs.) Indu Shahani as an Independent Director for a second term of 5 consecutive years.

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6.	Appointment of Mr. Thomas Wenger (DIN 08350960) as a Non-Executive Director.
7.	Approval for Material Related Party Transaction with Clariant Plastics & Coatings Limited.
8.	To ratify the remuneration of M/s RA & Co., Cost Accountants for conducting Cost Audit of the Company for the Financial year 2019-20.

The Chairman then requested Ms. Ameer Joshi, Company Secretary to explain the Poll procedure to the shareholders.

Ms. Ameer Joshi explained the shareholders that in line with the provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, voting by show of hands is no longer permitted at the general meeting where e-voting has been offered to the shareholders. Therefore, at 62nd AGM of the Company, voting right is provided by means of E-Voting and Poll.

As per the provisions of Section 108 of the Companies Act, 2013 and the Rules made thereunder read with provisions of Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company had provided E-Voting facility to its members to exercise their right to vote through Electronic means on all the businesses specified in the Notice. The E-voting period commenced from August 5, 2019 (9:00 a.m.) to August 7, 2019 (5:00 p.m.). The E-voting facility was disabled thereafter.

For the members who attended the 62nd AGM of the Company and were entitled to vote but have not exercised their right to vote by electronic means, voting by way of Poll was ordered by the Chairman.

She informed that the Company has appointed Mr. Bhadrash Shah, proprietor of Bhadrash Shah & Associates, Practicing Company Secretary as Scrutinizer to scrutinize the E-voting process and voting by way of Poll.

After the shareholders had cast their votes by way of Poll, the Ballot boxes were sealed by the Scrutinizer.

The results of E-Voting and Poll were announced by the Company on August 9, 2019, to the Stock Exchanges and was also uploaded on the website of the company www.clariant.com.

Results of E-Voting and Poll:

The results of E-Voting (conducted on August 5, 2019 to August 7, 2019) and the Poll conducted at the 62nd Annual General Meeting held on August 8, 2019, was announced on August 9, 2019 and uploaded on the website of the Company. The following resolutions, as mentioned in the Notice of 62nd Annual General Meeting, were passed by the shareholders with requisite majority.

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Ordinary Business:1) Ordinary Resolution for adoption of Audited Results and Reports thereon

“RESOLVED THAT the Audited Financial Statements comprising of Statement of Profit & Loss Account for the year ended March 31, 2019 and Balance Sheet and Cash Flow Statement as at March 31, 2019 along with Schedules and Notes forming part of the Audited Financial Statements, placed before the meeting, be and are hereby adopted.”

2) Ordinary Resolution for confirmation of payment of Interim Dividend and declaration of Final Dividend

“RESOLVED THAT an Interim Dividend of Rs. 5/- (Rupees Five Only) per equity share on 2,30,81,798 fully paid equity shares of face value of Rs. 10/- each, for the Financial year ended March 31, 2019, declared by the Board of Directors at their meeting held on November 1, 2018 and paid to the members whose names appear in the register of members as on record date of November 15, 2018, be and is hereby approved as Interim Dividend for the Financial year 2018-19;

RESOLVED FURTHER THAT the Final Dividend of Rs. 5/- (Rupees Five Only) per equity share at the rate of 50% of the face value of Rs. 10/- each, be and is hereby declared for the Financial Year ended March 31, 2019, on 23,081,798 Equity Shares of the Company.”

3) Ordinary Resolution for appointment of Mr. Alfred Muench (as Director), liable to retire by rotation

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with applicable rules made thereunder, Mr. Alfred Muench (DIN 03092351), who retires by rotation and being eligible, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

4) Ordinary Resolution for re-appointment of M/s Price Waterhouse Chartered Accountants LLP as Statutory Auditors

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, 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 the provisions of Articles of Association, the members hereby re-appoints M/s Price Waterhouse Chartered Accountants LLP (Firm Registration Number – 012754N/N500016) as Statutory Auditors of the Company to hold office for a second term of five consecutive years from the conclusion of Sixty Second Annual General Meeting till the conclusion of Sixty Seventh Annual General Meeting.”

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Special Business:5) Special Resolution for Re-appointment of Dr. (Mrs.) Indu Shahani as an Independent Director

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Dr. (Mrs.) Indu Shahani (DIN 00112289), being eligible 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 her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years from April 1, 2019 to March 31, 2024;

RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6) Ordinary Resolution for appointment of Mr. Thomas Wenger as Non-Executive Director

“RESOLVED THAT Mr. Thomas Wenger (DIN 08350960), who was appointed by the Board of Directors of the Company w.e.f. February 12, 2019, and who holds office as such upto the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 (hereinafter referred to as Act) read with Article 113 of Articles of Association of the Company and in respect of whom the Company has received a notice under Section 160 of the Act, proposing his candidature for the office of a Director and being eligible be and is hereby appointed as a Director of the Company liable to retire by rotation.”

7) Ordinary Resolution for approval of Material Related Party Transactions

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of members be and is hereby given to enter into a License Agreement with Clariant Plastics & Coatings Limited (hereinafter referred to as “the Licensor”) (a related party as per Indian Accounting Standard 24) for taking on license all the proprietary rights, proprietary information and trademarks belonging to the Licensor, as defined under the said License



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Agreement, for a period of two years starting from April 1, 2019 till March 31, 2021;

RESOLVED FURTHER THAT approval of members be and is hereby accorded for payment of Royalty at a rate of 5% of Net Sales value of own production for domestic market and export to third parties, which may exceed the limit of 2% of annual consolidated turnover of the Company for the respective Financial year during the term of the agreement;

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

- 8) Ordinary Resolution for ratification of remuneration to M/s RA & Co., Cost Accountants for Cost Audit for the Financial year 2019-20

“**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 2019-20 to conduct audit of Cost Accounts of the Company be hereby paid the Fees of Rs. 2.30 lakhs plus service tax and reimbursement of out of pocket expenses at actuals.”

Date of Entry: August 23, 2019
Date of Signing: September 5, 2019
Place of Signing: Mumbai



Mr. Kewal Handa
CHAIRMAN