

July 17, 2019

<p>To, <b>The Bombay Stock Exchange Limited</b> Corporate Relationship Department 1<sup>st</sup> Floor, New Trading Ring Rotunda Building, P. J. Towers Dalal Street, Mumbai - 400 001 Scrip: <b>506390</b> E-mail: <b>corp.relations@bseindia.com</b></p>	<p>To, <b>The National Stock Exchange of India Limited</b> Listing Department, Exchange Plaza 5<sup>th</sup> floor, Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 Scrip: <b>CLNINDIA</b> E-mail: <b>cmlist@nse.co.in</b></p>
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**Sub.: Notice of the 62<sup>nd</sup> AGM to be held on August 8, 2019**

Dear Sir,

Pursuant to the Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 this is to inform you that the 62<sup>nd</sup> Annual General Meeting of the members of Clariant Chemicals (India) Limited will be held at 4:00 p.m. on Thursday, August 8, 2019, at Registered Office of the Company situated at Reliable Tech Park, Gut No. 31, Village Elthan, Off Thane-Belapur Road, Airoli, Navi Mumbai – 400 708.

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 2, 2019 to Thursday, August 8, 2019 (Both Days Inclusive).

In continuation to our letter dated May 16, 2019 intimating the outcome of Board Meeting, we wish to inform you that 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 12, 2019:

- 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 1, 2019;
- 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 1, 2019.

The Annual report of the Company along with the Notice of the 62<sup>nd</sup> Annual General Meeting is enclosed herewith for your reference and record. Kindly take the same on record and acknowledge the receipt.

Thanking you,

For **Clariant Chemicals (India) Limited**

  
**Amee Joshi**  
Company Secretary



Encl.: As above

Annual Report 2018-19  
**CLARIANT CHEMICALS (INDIA)  
LIMITED**





## Performance, People and Planet **OUR TRANSFORMATIONAL VALUES**

Clariant's brand values – Performance, People, and Planet help us convert resources into innovative sustainable solutions. These values are enablers to achieve a balance between business performance, social interests and environmental targets.

This year's Annual Report highlights our focus on the main threads of Safety, Customer Experience, Research, Innovation and Operational Excellence. This focus enables us to improve our effectiveness in optimization, from manufacturing to improved customer experience, with tailor-made value added offerings.

We have set the wheels in motion to stay focused on the needs of customers while continuing to offer our employees a great place to work, delivering value to our shareholders, and giving back to society through responsible corporate behavior and CSR spend. Staying in touch with megatrends and evolving market drivers, we strive to stay at the top of our customers' mind when they think of Specialty Chemicals.

We believe that India is at the cusp of transforming itself into a vibrant and dynamic developed economy. As a global company, Clariant aspires to be a part of the India growth story. Our keen sense of Discovering Value across our portfolio is the driving force to help us prepare for a better tomorrow – not just for ourselves, but also for all our stakeholders.

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# Board of **DIRECTORS**



**KEWAL HANDA**  
Chairman



**ADNAN AHMAD**  
Vice - Chairman &  
Managing Director



**SUNIRMAL TALUKDAR**  
Director



**DR. (MRS.) INDU SHAHANI**  
Director



**KARL HOLGER DIERSSEN**  
Director (till May 31, 2019)



**ALFRED MUENCH**  
Director



**THOMAS WENGER**  
Director

**CHIEF FINANCIAL OFFICER**

Sanjay Ghadge

**COMPANY SECRETARY**

Ameesh Joshi

**AUDITORS**

Price Waterhouse  
Chartered Accountants LLP

**BANKERS**

Standard Chartered Bank  
Citibank N.A.

**REGISTRAR &  
TRANSFER AGENTS**

Link Intime India Private Limited  
C - 101, 247 Park, L.B.S. Marg  
Vikhroli (West), Mumbai - 400 083  
Maharashtra  
Phone: +91 22 4918 6000  
Email: [rnt.helpdesk@linkintime.co.in](mailto: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](mailto: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

WA - 6, Renaissance Industrial &  
Warehousing Park  
Kalyan - Padgha Road  
Village Vashere, Post Amne  
Taluka Bhiwandi  
District Thane - 421 302  
Maharashtra

Shed Nos. 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

Plot/Phase No. 378/2/2  
Durgapura Colony Road  
Birlagram, Nagda - 456 331  
Madhya Pradesh

Kudikadu, SIPCOT Post  
Cuddalore - 607 005  
Tamil Nadu



# VISION, MISSION AND VALUES

## BRAND VALUES WITH A FOCUS ON PERFORMANCE, PEOPLE AND PLANET

Clariant aspires to be the globally leading company for specialty chemicals and to stand out through above-average value creation for all stakeholders.

To bring this vision to fruition in the context of the drivers of Clariant's external environment, the company builds and maintains leading positions in its businesses and strives for functional excellence in innovation, commercialization and operations as part of its corporate culture.

Clariant's vision is underpinned by its mission to create value by appreciating the needs of:

### CUSTOMERS

– by providing competitive and innovative solutions

### EMPLOYEES

– by adhering to corporate values

### SHAREHOLDERS

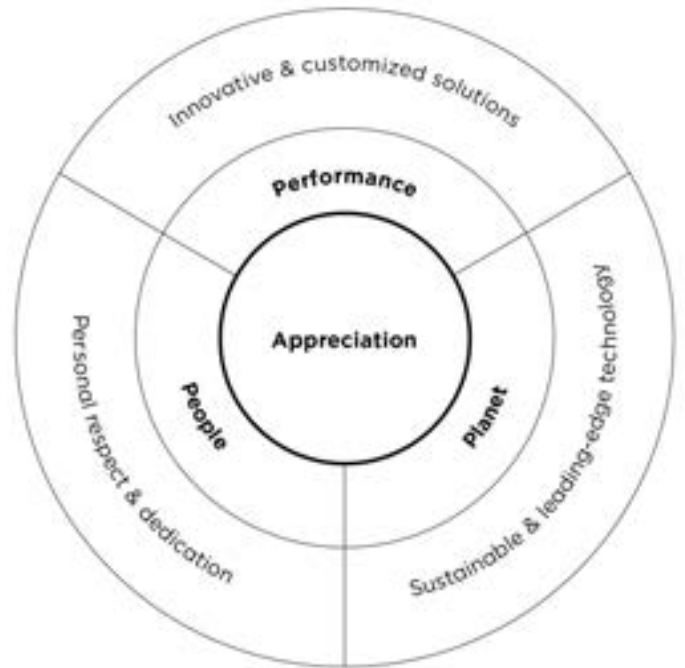
– by achieving above-average returns

### THE ENVIRONMENT

– by acting sustainably

Clariant believes strongly that its brand essence » **appreciation** « is a key driver for successful value creation.

For Clariant, appreciation means putting values at the center of everything the company does in each area where it is active or has an influence: performance, people and the planet.



**PERFORMANCE:** Clariant appreciates its customers by striving for exceptional performance and offering innovative, customized, high-quality solutions.

**PEOPLE:** Clariant expresses appreciation toward its stakeholders and employees with its unflagging commitment to transparency and integrity and by fostering a culture of dialog and mutual respect.

**PLANET:** Clariant embodies appreciation of the planet by protecting the environment and safeguarding natural resources. By using sustainable, cutting-edge technologies, Clariant meets the most stringent standards and sets new benchmarks in the industry.

## CORPORATE VALUES FOR SUSTAINABLE VALUE CREATION

Cultivating a corporate culture that balances business performance, social commitments, and environmental targets, while also upholding the goals of all stakeholders, is essential for generating value and sustainable growth.

Therefore, appreciation is embedded throughout the company’s culture and its six corporate values, which define expectations of employee behaviors and build the company’s reputation and brand:

1. **Drive for Excellence:** Clariant goes for the highest standards to profitably meet customer needs and challenges its achievement for more.
2. **Disciplined Performance Management:** People at Clariant set – and ask for – clear direction and challenging but achievable targets. They give – and ask for – open feedback on measured progress.
3. **Deliver to Promise:** Clariant counts on self-driven employees, who fully leverage their true capabilities and do not over-promise or under-deliver.
4. **Courageous and Decisive Leadership:** Clariant supports risk taking and acceptance of failure while learning from results and chooses the best people for the right places.
5. **Lived Appreciation:** People at Clariant acknowledge strength and advise on areas for improvement. They acknowledge outstanding contributions and celebrate success.



6. **Corporate Responsibility:** People at Clariant care for the welfare of all stakeholders, protect the environment and respect communities. They never cut short a safety procedure and live Clariant’s Code of Conduct.

## Clariant’s Five Pillar Strategy OUR WAY TO MEET OUR OBJECTIVES



**FOCUS ON INNOVATION AND R&D**



**ADD VALUE WITH SUSTAINABILITY**



**REPOSITION PORTFOLIO**



**INTENSIFY GROWTH**



**INCREASE PROFITABILITY**

**PEOPLE EXCELLENCE**



## ADDITIVES



### INFRASTRUCTURE

Clariant's flame retardants are all marketed under the trade name Exolit®. Light stabilizer solutions contribute to making both the coatings and the substrates they protect more resistant to the highly exposed conditions.



### PRINTING AND PACKAGING

Ceridust™ range of micronized waxes are specially designed for efficient and durable printing on packaging films and our special additive AddWorks™ PKG range helps to improve productivity in packaging films.



### AGRICULTURE

AddWorks™ AGC offers solution to protect greenhouse film and extend its service life and optimize the light transmission required to grow UV sensitive crops.



### CONSUMER GOODS

Exolit® range of products are non-halogenated flame retardant based on phosphorus chemistry, which develops its effectiveness through phosphorus/nitrogen synergism.

When incorporated into thermoplastics, it exhibits high processing stability. The carbon foam layer protects the polymer through its heat-insulating effect, reduces further oxygen access and prevents dripping of the thermoplastic.



### HOME AND PERSONAL CARE

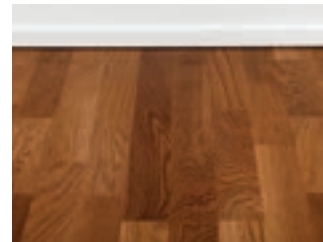
Our functional waxes–Licowax™ are used in shoe shines and offer greater water repellence, with good paste-forming properties with organic hydrocarbon solvents.



### FIBERS

AddWorks™ TFB 117 improves color and both thermal and UV stability thereby giving synergistic stabilizing solution.

## PIGMENTS



### INFRASTRUCTURE

Our products extend from traditional solvent-borne wood stains and clear wood finishes, to environmentally friendly systems such as waterborne and UV-curable wood coatings.

Hostafine® pigment preparations are suitable for water-based transparent wood stains. They can also be used for other applications such as aqueous emulsion paints, glass paints, water-colors, latex and water-resistant inks.



### PRINTING AND PACKAGING

Clariant offers a wide range of standard colorants and high-performance pigments for packaging inks. Our comprehensive portfolio allows our customers to fulfill the diverse requirements of today's packaging.

Our pigments offer optimized performance together with strong focus on product safety and regulatory compliance.

# MASTERBATCHES



## TRANSPORTATION

The challenge when combining pigments for the automotive industry is to balance the specifications of bright, chromatic color shades and sufficient opacity of the coating.

Our products comprise pigments like Hostaperm® with excellent weathering fastness, chromaticity and good dispersibility designed for exterior automotive coatings.



## AGRICULTURE

Color has always been used as a branding and marketing tool in various application fields. Clariant offers a dedicated Agrocer® range of powder pigments, aqueous dispersions based on pigments as well as selected dyes – Sanolin™ and Duasyn® for seed, fertilizer and pesticide coloration.



## HEALTHCARE

Clariant offers a specialized range of solutions for the healthcare industry. We understand that consistent quality is a requirement for our customers and thanks to our market understanding we can assist them at any stage of the development or manufacturing process.

Our healthcare polymer solution - Mevopur® standard color range helps to reduce development time and supports risk management by avoiding color matching process. It meets the regulatory requirements such as U.S Pharmacopia, European Pharmacopia and the Drug Master File of medical and pharmaceutical markets. Standard color range include colors for needle hubs and ophthalmic closure colors.

Our range of Remafin®, white masterbatches are targeted for the use in production of pharmaceutical containers for parenteral, ocular, and nasal drugs.

Mevopur® functional additive masterbatches provide opportunities in areas such as material reduction, friction reduction, protection during gamma sterilization, radiopacity and ink-free marking using laser in medical devices and pharmaceutical packaging.

Clariant and SICPA have jointly developed Plastiward™, a complete in-plastic solution that effectively protects from counterfeiting and dilution, while enabling pharma and medical device companies to guarantee supply chain integrity with low impact on productivity and operations.



## FIBERS

Our wide range of color and functional additive masterbatches and combibatches solutions for polyolefin, polyester and nylon fibers help create brilliant colorful solutions in commercial and residential carpets. These masterbatches are used in rugs, clothing-upholstery, sportswear and apparel, automotive interiors, non-wovens and artificial turfs, adding durability, UV stability, flame retardancy, antibacterial and many other performance properties.



## TRANSPORTATION

Our broad range of color and additive masterbatch products allow automotive manufacturers and their converters to match colors exactly across many different plastic materials, enhancing aesthetics while preventing material degradation due to UV light and heat in internal and external application, while meeting demanding automotive specifications. Hydrocerol® Chemical Foaming Agent (CFA) masterbatches create opportunities for reducing component weight thereby improving fuel efficiency in the vehicles and improving acoustics and dampening vibrations.

# MASTERBATCHES



## PRINTING AND PACKAGING

Our masterbatches offer colorants, special effects and functional enhancements for plastics caps and closure, bottles and trays in food and beverage, consumer care plastic packaging, ensuring safety and regulatory compliance.

Our CESA® range of additive masterbatches which includes slip, anti-block, anti-fog and processing aids are used to enhance the performance and productivity in flexible packaging films.



## INFRASTRUCTURE

Our color and additive masterbatches are used in solar panel black sheet and window films ensuring their longevity and durability. We provide solution to geosynthetics through our UV stabilizers and antioxidant masterbatches.

By using thinner insulation boards with our masterbatches technology, it is possible to have buildings with maximum living space, which results in saving of material used and reduce the production cost.



## HOME AND PERSONAL CARE

Our ColorWorks™ centers provide an opportunity to home and personal care packaging producers to get the ideas, inspiration and technical guidance related to creative application of color and special effects in product design & branding of their products. We provide assistance to expert color designers who can show color and effects in plastic bottles, caps and chip prototypes that simulate real time use.



## AGRICULTURE

We offer functional additive solutions for expected life of agricultural films for greenhouse, crop-protection, mulch and raffia applications through our CESA® range of additive masterbatches which includes agrochemical resistant UV absorbers and light stabilizers, anti-fogging and anti-dripping additives, IR absorbers and photo-selective masterbatches.



## CONSUMER GOODS

Clariant's comprehensive line of color and additive masterbatches offers unprecedented opportunities to improve the properties, performance and quality of finished products, while optimizing productivity and costs in washing machines, dryers, fridges/freezers, dishwashers, small household electrical appliances, computers, consumer electronics/power tools, etc.

Our combi-masterbatches enhance the end use performance along with color, special effects and aesthetics by taking care of the functional requirements such as flame retardancy, UV stability, laser marking, anti-scratch, anti-microbial and anti-static properties thereby improving product safety and standard compliance.

# Discover Value IN INDIA



## HEALTHCARE POLYMER SOLUTIONS FOR MEDICAL AND PHARMACEUTICAL APPLICATIONS

Clariant offers trusted colors and performance-oriented healthcare products regulated by a variety of bodies and standards for this segment.

Healthcare Polymer Solutions range of products **Mevopur**<sup>®</sup> colors and plastic additives has been developed to match healthcare needs, including brand **Remafin**<sup>®-EP</sup>.

Clariant offers a wide and constantly expanding range of color and functional additive masterbatches that enhance the properties of plastics used in the manufacturing of medical devices and pharmaceutical packaging.

The main benefit that the manufacturers of plastic healthcare products derive from Clariant's **Mevopur**<sup>®</sup> is that it reduces risks and improves reliability, which directly translates into health-protecting benefits for patients, consumers and medical professionals. These products are manufactured using thermoplastics and compliant pigments, additives in ISO 13485 certified plants in line with Clariant's policy and focus on sustainability.



## LIQUID MASTERBATCHES FOR SOLID SURFACES

Clariant is exploring new and innovative dimensions in design, flexibility and performance with brand owners and plastics processors.

Clariant's **HiFormer**<sup>™</sup> are suitable for both acrylics and polyester solid

surface. They are typically manufactured in sheet form for fabrication into finished countertops. Solid surface can also be cast into a variety of shapes, including sinks, shower pans and bathtubs. Clariant developed liquid colorants for artificial marble to cater to the new market in India. The purpose of masterbatches is to color artificial marble. **HiFormer**<sup>™</sup> are in liquid form and it is easier for the dispersion of pigments into specific carrier and give bright colors and ease to handle.

Solid surface or artificial marble have applications in office furniture, wash basins, kitchen furniture and consumer goods, thereby widening Clariant's product portfolio and helps in penetrating unbreached market areas. The product is manufactured at Clariant's Vashere site in Maharashtra.



## FRAGRANCE FOR PACKAGING

**CESA**<sup>®-Scent</sup> masterbatches are used in personal care and home care packaging to create consumer attention for product in stores and super markets. It provides exactly the same scent to the packaged products

externally as that of the inner content. By incorporating scent into the packaging, brand interactions can go beyond fleeting attention and engage customers at a deeper level.

Clariant **CESA**<sup>®-Scent</sup> masterbatches are specially designed to withstand multiple thermal cycles without loss of fragrances and provide controlled release of fragrances from plastic articles. The product is manufactured at Clariant's Vashere site in Maharashtra. **CESA**<sup>®-Scent</sup> masterbatches are based on innovative technology, wherein they capture and maintain the long-lasting fragrance effect in plastic packaged products. The technology avoids the loss of fragrance. When used in packaging, it eliminates the need for consumers to open the containers to test inside contents fragrance and thereby avoiding losses and wastage of content.



## FUNCTIONAL MASTERBATCHES FOR RIGID PACKAGING

Clariant partnered with multiple Indian consumer goods packaging companies to providing packaging solutions with less polymer thus offering an environment friendly product.

Clariant offers solutions to fulfill multiple needs of the rigid packaging market in a broad variety of applications, such as polyolefin bottles, thermoformed trays, injection moulded containers, caps and closures. Our masterbatches help personal care, home care and food packaging stand out on crowded store/supermarket shelves while meeting cost, recyclability and sustainability objectives. This product is manufactured at Clariant's Vashere site in Maharashtra.

**Self-Sustaining Polymer (SSP)** is a specially designed masterbatch which can be used to replace upto 20% polymer in polyolefin rigid packaging without affecting the functional properties of end articles such as bottles or containers, ultimately reducing the environmental impact of packaging.



# Building our community

## SOCIAL RESPONSIBILITY INITIATIVES



- The team planted 50 saplings in a plantation drive at Tetavli, near Rabale, and undertook a water conservation activity, both in collaboration with the Hariyali Foundation.



- Clariant arranged a trip for MA Niketan girls on a Sunday in December to Hotel Renaissance and spent the evening celebrating Christmas.



- Clariant gave the children of Sudhagad Education Society's D. G. Tatkare Madhyamik Vidyalaya at Sutarwadi, Roha, a brief introduction to the concepts of light years, birth and death of stars, and our solar system.



- Colleagues spent memorable time over a movie screening with the inmates of Prem Daan in Airoli, an institution that houses destitute women, run by the Missionaries of Charity.



- Clariant collected donations of amenities like grains, clothes, ration etc. from employees for contribution to the Goonj Foundation, towards the Kerala floods.

- Trained some special children at Dnyanganga Bahuviklang Sanstha's Vidyalay, Roha, in sewing, stitching, and embroidering. Utility equipment like blood pressure machine and weighing machine were also donated.



- The employees of Clariant took 175 girls of MA Niketan, and their caretakers, for the screening of the movie - Gold, which emphasizes on the glorious imprint of hockey on our country.

- Supported the reinstallation of the renovated solar heating system to help the children of a Government Ashram school in Sanegav, Roha.

- Supporting the digital drive Clariant donated desktop computers and tables to the underprivileged students of Bharat Commerce School and Kishore Nav Jeevan Sanstha at Nagda.

- Supported the set up of a science laboratory in M. B. Patil English High School, Varse, Roha.

- Donated notebooks and stationary kits to underprivileged children in Government Primary School, Makla, Nagda.

- To highlight the importance of chemistry Clariant provided science laboratory equipment to M. B. More Foundation's Junior College of Arts, Science and Commerce for Women, at Dhatav, Roha.

- Cuddalore site came forward and distributed raincoats for cyclone affected villages of Tamil Nadu.

- Students of Tatkare Charitable Trust's Smt. Geeta D. Tatkare Polytechnic, Gove, were taken around the Roha facility and shown a wide range of products and the efforts taken by Clariant towards Safety and Environment Care.

# Awards & ACCOLADES



## CLARIANT APPLAUDED FOR OCCUPATIONAL HEALTH AND SAFETY

Clariant in Vashere, Maharashtra was awarded a Safety Award in Occupational Safety and Health by the National Safety Council. The site received a Certificate of Appreciation in the Group B-Category: Manufacturing of Chemicals & Chemical Products.



## DMAI AWARDS CLARIANT FOR MERIT IN PIGMENT EXPORTS

Clariant in India was recognized and awarded by DMAI for its outstanding performance in the field of exports of pigments.

## CLARIANT WINS AWARD FOR POLLUTION CONTROL

Clariant received the first award for Pollution Control & Energy Conservation owing to Waste Water Treatment Plants at our Roha and Cuddalore sites.

## CLARIANT AWARDED FOR EXCELLENCE IN ENERGY MANAGEMENT

First prize for Energy Management was awarded to Clariant owing to its continuous efforts towards improving energy management while aiming to reduce greenhouse gas emissions by employing global programs.

## CLARIANT RECOGNIZED FOR DISTINCTION IN WATER CONSERVATION

Clariant has specific focus on water conservation in line with the objectives under Responsible Care® Charter. We were able to achieve an overall saving of 5% of water per ton of production.



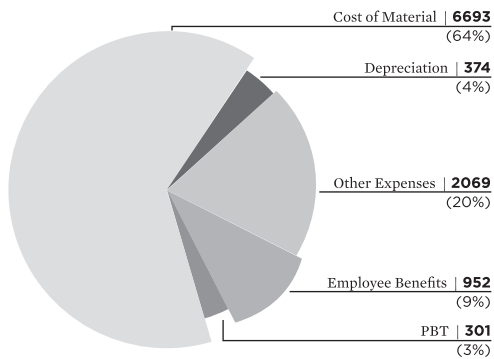
## CLARIANT AWARDED FOR SAFETY AND HAZARD CONTROL

Clariant received the second award for Safety and Hazard Control. Clariant follows a global sustainability policy that covers environment and health safety indicating strong commitment. Safety manual is provided to all our employees and weekly review with the site responsables is also carried out.

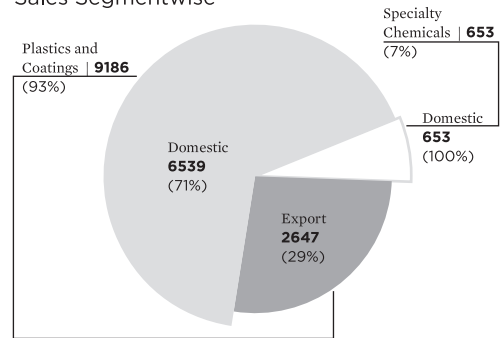


# Financial PERFORMANCE

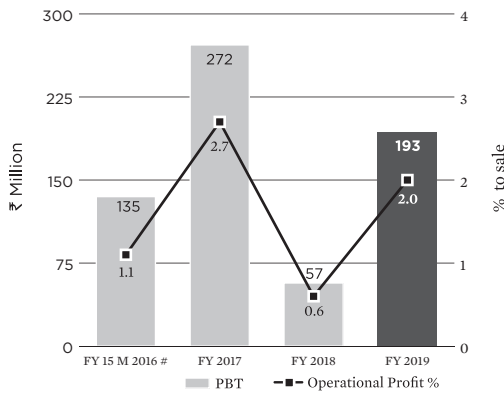
**Distribution of Revenue (₹ Million)**



**Composition of Sales (₹ Million)**  
Sales Segmentwise

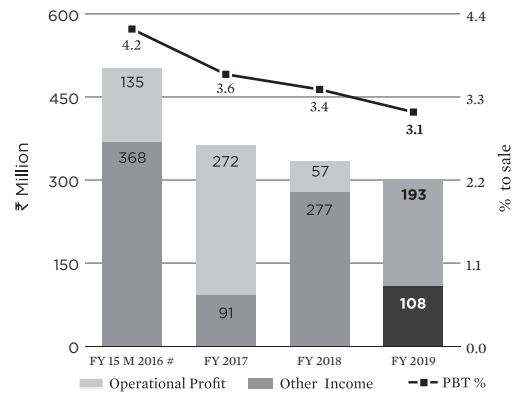


**Operational Profit with % of Sales**



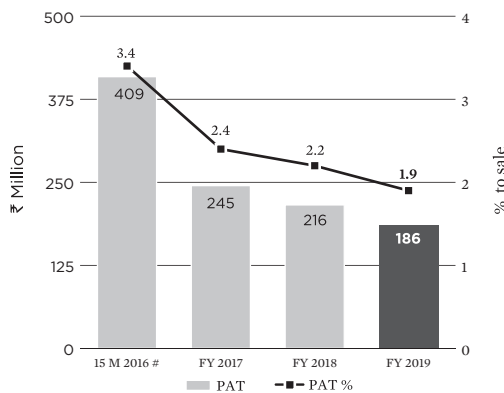
# financial figures are for 15 months period ended March 31, 2016

**PBT with % of Sales**



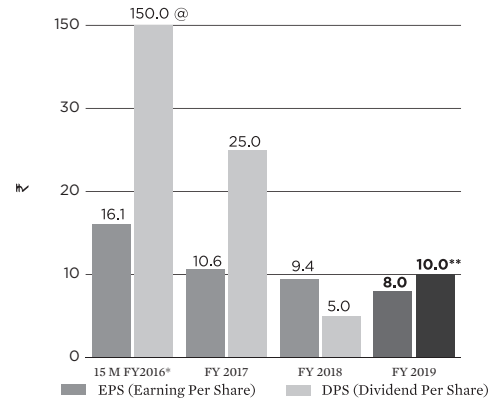
# financial figures are for 15 months period ended March 31, 2016

**PAT with % of Sales**



# financial figures are for 15 months period ended March 31, 2016

**EPS and DPS**



@ Includes interim DPS of 140 paid out of prior period profits from sale of Kolshet site

\* On continuous operations only

\*\* Interim and proposed final dividend

## NOTICE

**NOTICE** is hereby given that the **Sixty Second** Annual General Meeting of the Company will be held at 4:00 p.m. on Thursday, August 8, 2019, at Registered Office of the Company at Reliable Tech Park, Gut No. 31, Village Elthan, Off Thane-Belapur Road, Airoli, Navi Mumbai 400 708, to transact the following business:

### 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. To confirm the declaration and payment of Interim Dividend and to declare Final Dividend on Equity Shares for the year ended March 31, 2019.
3. To appoint a Director in place of Mr. Alfred Muench (DIN 03092351) 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 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.”

### SPECIAL BUSINESS:

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

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

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

**For and on Behalf of the Board**

**Amee Joshi**  
Company Secretary  
ACS 22502

Date: May 16, 2019

**Registered Office:**  
Reliable Tech Park,  
Gut No. 31, Village Elthan,  
Off Thane-Belapur Road,  
Airoli, Navi Mumbai – 400 708

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

**Item No. 4**

The Members of the Company at their 58<sup>th</sup> Annual General Meeting, held on April 24, 2015, had appointed M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company for a term of 4 years, starting from conclusion of 58<sup>th</sup> Annual General Meeting till the conclusion of 62<sup>nd</sup> Annual General Meeting. The term of Price Waterhouse Chartered Accountants LLP will expire on the conclusion of this Annual General Meeting. As per Section 139 of the Companies Act, 2013, M/s. Price Waterhouse Chartered Accountants LLP are eligible to be re-appointed for a second term of five consecutive years.

The Company has received consent letter and confirmation of eligibility under Section 139 and Section 141 of the Companies Act, 2013 from M/s. Price Waterhouse Chartered Accountants LLP to act as the Statutory Auditor of the Company and confirmation that their appointment, if considered and approved, will be within the limit specified under the Companies Act, 2013, along with the Certificate stating that they have subjected themselves to the Peer Review Board of ICAI, pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Considering the quality of audit, global coordination, group auditor alignment, eligibility and recommendation of Audit Committee, the Board of Directors, at their meeting held on May 16, 2019, re-appointed M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditor of the Company from the conclusion of Sixty Second Annual General Meeting till the conclusion of Sixty Seventh Annual General Meeting of the Company, subject to approval of members by an Ordinary resolution.

M/s. Price Waterhouse Chartered Accountants LLP, if appointed as Statutory Auditors of the Company, shall be paid Audit fees for the Financial year 2019-20 as below:

(In ₹)	
<b>Nature of Engagement</b>	<b>FY 2019 - 20</b>
Statutory Audit for 12 months period ending on March 31, 2020	1,958,575
Limited review for the quarter ending on Jun 30, 2019, Sep 30, 2019, Dec 31, 2019	945,000
Group Reporting for the year ending on December 31, 2019	885,805
Corporate Governance Certification	105,000
Tax Audit under Section 44AB of Income tax, Act for the year ended March 31, 2020	157,500
<b>Total</b>	<b>4,051,880</b>

The Board of Directors of the Company recommends the passing of the resolution set forth under Item no. 4 as an Ordinary Resolution for re-appointment of M/s. Price Waterhouse Chartered Accountants LLP.

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

#### Item No. 5

The Members of the Company at their 58<sup>th</sup> Annual General Meeting of the Company held on April 24, 2015, had approved the appointment of Dr. (Mrs.) Indu Shahani (DIN 00112289) as an Independent Director of the Company for a period of four years from April 1, 2015 to March 31, 2019, pursuant to provisions of Section 149 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The term of Dr. (Mrs.) Indu Shahani as an Independent Director expired on March 31, 2019. Pursuant to the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director is eligible for re-appointment on passing of a special resolution by the members of the Company. Dr. (Mrs.) Indu Shahani, Non-Executive Independent Director of the Company, being eligible for re-appointment, has given her consent as well as requisite disclosure along with a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Based on the recommendation of Nomination & Remuneration Committee, the Board of Directors, at their meeting held on February 12, 2019, considered that the continued association of Dr. (Mrs.) Indu Shahani as an Independent Director would be of immense benefit to the Company and it is desirable to continue to avail her expert services.

The Company has received notice in writing from one of the Member of the Company under the provisions of Section 160(1) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, proposing the candidature of Dr. (Mrs.) Indu Shahani for the office of Independent Director of the Company. Upon the approval of the Members of the Company on the said resolution, the appointment shall be formalized by way of issuance of the letter of appointment by the Company to Dr. (Mrs.) Indu Shahani.

In the opinion of the Board of Directors of the Company, she fulfils the conditions specified in the Companies Act, 2013 & rules framed thereunder and the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 as amended for re-appointment of Independent Director and she is independent of the management. Brief profile covering the details of her qualification and experience, as required pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is annexed to this Notice.

The Board of Directors of the Company recommends the passing of the resolution set forth under Item no. 5 as a Special Resolution for re-appointment of Dr. (Mrs.) Indu Shahani.

None of the Directors, Key Managerial Personnel and / or their relatives, except Dr. (Mrs.) Indu Shahani and her relatives are interested and / or concerned in passing of this resolution.

#### Item No. 6

Mr. Thomas Wenger (DIN 08350960) was appointed by the Board of Directors, as an Additional Director of the Company consequent to resignation of Mr. Mario Brocchi with effect from February 12, 2019. Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Article 113 of Articles of Association of Company he holds office as such upto the date of this Annual General Meeting. The Company has received the requisite Form 'DIR 8' from Mr. Thomas Wenger, in terms of Section 164 (2) of the Companies Act, 2013 read with The Companies (Appointment and Qualification of Directors) Rules, 2014, conforming his eligibility for such appointment. Brief profile covering the details of his qualification and experience, as required pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is annexed to this Notice. The Company has received a notice, as required, under Section 160 of the Companies Act, 2013, from one of the members proposing the candidature of Mr. Thomas Wenger for appointment as Non-Executive Director of the Company.

Considering his experience and expertise, the Board recommends the passing of the resolution set forth under Item no. 6 as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel and / or their relatives, except Mr. Thomas Wenger and his relatives are interested and / or concerned in passing of this resolution.

#### Item No. 7

All the intellectual property rights under the brand name of Clariant are owned by Clariant AG and its affiliates which is used by the Clariant group Companies on payment of License fees as per the terms and conditions of License Agreement. License Agreement allows the Company to use the intellectual property rights including global portfolio of brands, proprietary technology, proprietary information, including numerous patents, extensive research and development capabilities and

expertise in best practices. All the products manufactured and/or sold by the Company, are on the basis of the Licenses provided by Clariant Plastics & Coatings AG to the Company under various agreements.

Clariant Plastics & Coatings AG is an affiliate Company and is a “Related Party” as per the definition under Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “LODR Regulations”).

Under LODR Regulations, a transaction involving payments made to a related party with respect to Brand usage or Royalty, if the transaction(s) to be entered into individually, or taken together with previous transactions during a Financial year, exceeds 2% of the annual consolidated turnover of the Company as per its last Audited Financial Statements, shall be considered as material and shall be approved by the Shareholders through a resolution. Accordingly, the resolution set out, is to comply with the new requirement of the LODR Regulations.

In this regard the members are informed that the existing license Agreement expired on March 31, 2019. The Board of Directors, on recommendation of Audit Committee, approved the renewed License Agreement to be entered into with Clariant Plastics & Coatings AG for a period of 2 (two) years for payment of License Fees against usage of the Proprietary Rights, Proprietary Information and Trademarks at a rate of 5% of Net Sales value of finished goods of own production for domestic market and export to third parties after deducting value added tax as per the Profit & Loss Statement of the Company.

The brief terms and conditions of the agreement is provided hereunder:

1.	Name of Related Party	Clariant plastics & Coatings AG
2.	Name of Director or Key Managerial Personnel who is related	Mr. Alfred Muench, being a Director of Clariant Plastics & Coatings AG, is related in the transaction.
3.	Nature of relationship	Affiliate Company under Ind AS 24
4.	Nature of Transaction	Payment of license fees for using Proprietary rights, Proprietary information and Trademarks
5.	Course of Transaction	Done in ordinary course of business and at arm's length price
6.	Value of Transaction	5% of Net Sales value.

As required under Regulation 23 of LODR Regulations, the promoters of the Company, who are (or could potentially be considered as) related party, shall not vote to approve this resolution.

The Board recommends the passing of resolution as set out at Item no. 7 as an Ordinary Resolution.

None of Directors, Key Managerial Personnel and / or their relatives, except Mr. Alfred Muench and his relatives (in capacity of being a common Director) 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 re-appointment of M/s. RA & Co., Cost Accountants, for the conduct of the audit of the cost records of the Company for the Financial year 2019-20, at a remuneration of ₹ 2.30 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.

**For and on Behalf of the Board**

**Amee Joshi**  
Company Secretary  
ACS 22502

Date: May 16, 2019

#### Registered Office:

Reliable Tech Park,  
Gut No. 31, Village Elthan,  
Off Thane-Belapur Road,  
Airoli, Navi Mumbai – 400 708



**NOTES:**

1. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 for the businesses set out under Item No. 4 to 8 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 2, 2019 to Thursday, August 8, 2019 (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 12, 2019:
  - 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 1, 2019;
  - 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 1, 2019.
6. The amount outstanding in the Unpaid Dividend Account in respect of Final Dividend for Financial year 2011 and Interim Dividend for Financial year 2012 will be transferred to Investor and Education Protection Fund after June 2, 2019 and September 2, 2019 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 101, 247 Park,  
L. B. S. Marg, Vikhroli (West),  
Mumbai - 400 083, Maharashtra
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, Link Intime India Private Limited for assistance in this regard.
9. 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.
10. 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.
11. 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.
12. The Annual Report of your Company for the year ended March 31, 2019 is displayed on the website of the Company i.e. [www.clariant.com](http://www.clariant.com).



13. 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.
14. 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 62<sup>nd</sup> 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 1, 2019 shall exercise their vote by electronic means.
15. **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 Monday, August 5, 2019 (09:00 a.m.) to Wednesday, August 7, 2019 (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 (record date) August 1, 2019 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](http://www.evotingindia.com).
- (iii) Click on Shareholders/ Members
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID.
  - For NSDL: 8 Character DP ID followed by 8 digits Client ID.
  - 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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details	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.
<b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>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).</li> </ul>

- (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 changed 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. 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
16. 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.
17. 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 1, 2019 may obtain the login ID and password by sending an email to [investor.relations.India@clariant.com](mailto:investor.relations.India@clariant.com) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning their Folio No. / DP ID and Client ID.
18. 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.
19. 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 48 hours 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.
20. 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](http://www.clariant.com) and on the website of CDSL : [www.cdslindia.com](http://www.cdslindia.com).

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

<b>Name of Director</b>	<b>Mr. Alfred Muench</b>	<b>Dr. (Mrs.) Indu Shahani</b>	<b>Mr. Thomas Wenger</b>
Type	Non-Executive Director	Non-Executive Independent Director	Non-Executive Director
Date of Birth	24/06/1960	17/07/1951	01/08/1973
Date of Appointment	26/04/2011	16/07/2013	12/02/2019
Qualification	Attorney at Law from Basel University.	Bachelors in Commerce, Ph. D in Commerce from Mumbai University.	Masters in Arts, from University of Basel, Executive MBA from Washington University in St. Louis and completed Clariant Advanced Management Programme from London Business School.
No. of Equity Shares held	NIL	NIL	NIL
Expertise in Specific Functional area	Expertise in Legal and Business Administration.	Leadership, Teaching and Academics.	Corporate Finance, Treasury, Tax, Corporate Controlling, Strategic M&A, Divestments and Strategic Integration Projects.
Directorships held in other Listed Companies	NIL	Bajaj Electricals Limited Colgate Palmolive (India) Limited United Spirits Limited	NIL
Particulars of Committee Chairmanship / Membership held in other Listed Companies	NIL	<u>Bajaj Electricals Limited</u> Member - Audit Committee Member - Stakeholders' Relationship Committee <u>Colgate Palmolive (India) Limited</u> Member - Audit Committee <u>United Spirits Limited</u> Member - Audit Committee Member - Stakeholders' Relationship Committee	NIL
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 62<sup>nd</sup> Annual Report together with the Audited Statement of Accounts for the Year ended March 31, 2019.

### 1. Financial performance of the Company

Particulars	(₹ in lakhs)	
	Year ended 31.03.2019	Year ended 31.03.2018
Sales (Gross - including excise duty)	<b>98,393.89</b>	99,345.41
Less: Excise duty	-	1,511.23
Sales (Net of excise duty)	<b>98,393.89</b>	97,834.18
<b>Profit before tax</b>	<b>3,014.48</b>	3,341.40
Less: Tax expenses (Incl. deferred tax)	<b>1,158.48</b>	1,181.33
<b>Profit after tax</b>	<b>1,856.00</b>	2,160.07
Add: Balance brought forward from previous period	<b>48,304.09</b>	53,143.64
Amount available for appropriation	<b>50,160.09</b>	55,303.71
<b>Appropriations</b>		
Dividend (Including Interim & Final)	<b>2,308.18</b>	5,770.45
Corporate tax on dividend	<b>474.46</b>	1,174.75
Other comprehensive income (OCI)	<b>(2.28)</b>	54.42
<b>Balance carried forward to the balance sheet</b>	<b>47,379.73</b>	48,304.09

### 2. Review of operations

The Company's operations reported sales for the year ended March 31, 2019 stood at ₹ 98,393.89 lakhs as against ₹ 97,834.18 lakhs for the previous year ended March 31, 2018. Of the total sales revenue for the year under review, 27% is contributed by exports. The Pigments business showed a growth of 12.1%; the Additives business recorded a growth of 29.1%; while the Masterbatches business de-grew by 21.1%, due to the strategic shift in focus on differentiated product offerings – viz emphasis on specialized products, and not on commoditized products. This shift in strategic approach resulted in an operating profit growth of more than 200%.

### 3. Dividend

The Board of Directors are pleased to recommend a Final Dividend of ₹ 5/- per share (50%). The Final Dividend together with tax thereon entails cash outflow of ₹ 1,391.30 lakhs and a payout of 74.7% of Profit for the year ended March 31, 2019. The total dividend for the period under review amounts to ₹ 10/- per share (100%), including interim dividend of ₹ 5/- per share (50%) as compared to ₹ 5/- per share (50%) paid for the previous year.

Pursuant to the requirement of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company have formulated and adopted Dividend Distribution Policy which is available on the website of the Company at [www.clariant.com](http://www.clariant.com).

### 4. 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) Regulations, 2015, Report on Corporate Governance, Management Discussion and Analysis as well as Practising Company Secretary's Certificate confirming the compliance with the conditions of corporate governance are attached herewith and forms part of this Annual Report.

### 5. 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 year 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.

### 6. Material changes between the date of the Board report and end of financial year

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### 7. Subsidiary Company

As on March 31, 2019, the Company does not have any subsidiary.

## 8. Details of Directors and Key Managerial Personnel

During the year under review, Mr. Thomas Wenger was appointed as an Additional Director of the Company effective from February 12, 2019 in place of Mr. Mario Brocchi who resigned from the Company effective from closing working hours of February 12, 2019, consequent to change in leadership role, within Clariant group. The Board placed on record their sincere appreciation to Mr. Mario Brocchi for the contribution made during his tenure. Pursuant to provisions of Section 161 of the Companies Act, 2013, Mr. Thomas Wenger holds office till the conclusion of this Annual General Meeting. The Board recommends the appointment of Mr. Thomas Wenger as a Director not liable to retire by rotation to the shareholders at the ensuing Annual General Meeting.

The first term of Dr. (Mrs.) Indu Shahani as an Independent Director of the Company expired on March 31, 2019. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, at their respective meeting held on February 12, 2019, approved the re-appointment of Dr. (Mrs.) Indu Shahani for a second term of five consecutive years from April 1, 2019 subject to the approval of member by a special resolution at the ensuing Annual General Meeting.

The Company have received notices in writing from Members of the Company under the provisions of Section 160(1) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, proposing the candidature of Mr. Thomas Wenger and Dr. (Mrs.) Indu Shahani for the office of Directors of the Company.

Further, consequent to resignation from the leadership role of Clariant Group, Mr. Karl Holger Dierssen has resigned from the Directorship of the Company to be effective from closing working hours of May 31, 2019. The Board placed on record their sincere appreciation to Mr. Karl Holger Dierssen for the contribution made during his tenure.

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

The above appointment/re-appointment forms part of the Notice of the 62<sup>nd</sup> Annual General Meeting and the respective resolutions are recommended for your approval.

The brief profiles of Directors, seeking appointment /re-appointment, covering details of their qualification and experience, as required pursuant to the SEBI (Listing

Obligations & Disclosure Requirements) Regulations, 2015, is annexed to the notice of this Annual General Meeting.

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.

There were no changes in the Key Managerial Personnel of the Company during the year.

## 9. Audit Committee

The details on 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 year under review.

## 10. Number of meeting of the Board

During the year under review, the Board of Directors met 4 times on May 15, 2018, August 9, 2018, November 1, 2018, and February 12, 2019.

## 11. 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 year ended March 31, 2019 are annexed to this report as “Annexure A”.

## 12. 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 constitutes of following members:

Name	Category
Dr. (Mrs.) Indu Shahani	Chairperson Independent Director
Mr. Kewal Handa	Independent Director
Mr. Adnan Ahmad	Vice-Chairman & Managing Director
Mr. Karl Holger Dierssen	Non-Executive Director (till May 31, 2019)

Your Company also has in place a CSR policy and the same is available on the website of the Company at [www.clariant.com](http://www.clariant.com). A detailed report as per Rule 8 of the



Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as “Annexure B”.

### 13. 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 available on the website of the Company at [www.clariant.com](http://www.clariant.com).

### 14. Board Evaluation and Familiarisation programme

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 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](http://www.clariant.com).

### 15. Particulars of Employee

As per provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosure pertaining to the particulars of employees who are in receipt of remuneration as prescribed under the said Section is annexed as “Annexure C”.

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 the 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.

### 16. 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 year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit and loss of the Company for that period;
- (iii) The Directors have 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 have prepared the annual accounts on a going concern basis;
- (v) The Directors have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 17. Statutory Auditor & Audit Report

The term of M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors, will expire on the conclusion of the ensuing Annual General Meeting. Being eligible, the Board of Directors, on recommendation of Audit Committee, at their meeting held on May 16, 2019, approved the re-appointment of Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company for a second term of five consecutive years from conclusion of the ensuing Annual General Meeting till the conclusion of Sixty-Seventh Annual General Meeting of the Company, subject to approval of members by an Ordinary resolution.

The resolution for re-appointment of M/s. Price Waterhouse Chartered Accountants LLP is mentioned in the Notice of Annual General Meeting and forms part of this report.

M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors, in their report, have commented 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. 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.

#### 18. Cost Audit

The Board of Directors, in pursuance of order under 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 of the Company for the Financial year 2019-20, subject to approval of Central Government, if any. The cost audit report for the 12 months ended March 31, 2018 has been filed on due date.

#### 19. Secretarial Audit Report

Pursuant to provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board have appointed M/s J. R. Ahuja & Co., Company Secretary, as Secretarial Auditor to carry out the secretarial audit for the Financial year 2018-19.

The Secretarial Audit Report is annexed herewith as “**Annexure D**”. The Secretarial Auditors Report does not contain any qualification, reservation or adverse remark and is self – explanatory and thus does not require any further comments.

#### 20. 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.

#### 21. Extract of Annual Return

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, an extract of the Annual Return in Form MGT-9 is annexed herewith as “**Annexure E**”.

#### 22. Risk management policy

The Company has a robust Risk Management to identify, 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.

#### 23. 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](http://www.clariant.com).

All the Related Party Transactions entered during the year under review were in ordinary course of business and on arm’s length basis. All the Related Party Transactions are placed before Audit Committee for review and approval. Prior omnibus approvals 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 annexed as “**Annexure F**”.

#### 24. 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 the notes forming part of Financial Statements.

#### 25. Public Deposits

During the year 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.

#### 26. 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.

#### 27. 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 Financial year ended March 31, 2019, no complaints were received for sexual harassment of women at workplace.

**28. Details in respect of frauds reported by auditors under sub-section (12) of Section 143 of the Companies Act, 2013 “other than those which are reportable to the Central Government”**

No matters of actual or alleged fraud has been reported by the auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

**29. 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

**Kewal Handa**

Chairman  
DIN (00056826)

**Adnan Ahmad**

Vice-Chairman & Managing Director  
DIN (00046742)

Navi Mumbai, May 16, 2019

## ANNEXURE A

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

#### A. Conservation of Energy

##### (i) Steps taken or impact on conservation of energy:

- Optimization of “drying equipment” resulted in saving of energy in form of steam and electricity
- Reduction in ice consumption by calibrating ice meter and monitor consumption as per season.
- Monitoring & rectification was done for steam trap
- “Air Leak Audit” conducted at site to identify any potent risk
- Increased use of treated recycled water in the plants
- Promoted use of LED lights across site to reduce energy consumption.
- Reduced water requirement per ton of the product
- Reduction of batch cycle time led to improvement in efficiency
- Started dry-cleaning the floor instead of wet cleaning to save water
- Use of high-pressure water spray machines for changeover
- Awareness of utility consumptions and conservation increased amongst the workforce

##### (ii) Steps taken by the Company for utilizing alternate sources of energy:

- Trials of biodiesel usage conducted to replace existing fuel in Hot Air Generation Unit.
- Agro-Mass Briquettes, being the most economical fuel, are used to produce 95% of steam required on site
- Use of transparent roof sheets and Solar Tubes for natural lights thereby leading to reduction in energy consumption on lighting equipment
- Use of Turbo Ventilators for extraction of heat from the building

##### (iii) Capital investment on energy conservation equipment: ₹ 66.34 lakhs

#### B. Technology Absorption

##### (i) The efforts made towards technology absorption:

- Lot of efforts were initiated by Company’s Product Development and Innovation Group to work on Top Line Innovations and Life cycle innovation projects. To support these initiative, we obtained some technological support from Clariant Global Product Experts in terms of process know how to ensure value added performance to the customers in their respective applications.

##### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- Use of technological support led to product customization.

##### (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

##### (iv) The expenditure incurred on Research and Development: Nil

#### C. Foreign exchange earnings and outgo

The particulars of foreign exchange earned and used during the year is given below:

The Foreign Exchange earned ₹ **26,856.66 lakhs** (previous period ₹ 25,312 lakhs).

Foreign Exchange used ₹ **25,687.00 lakhs** (previous period ₹ 27,993 lakhs).

For and on behalf of the Board of Directors

**Kewal Handa**

Chairman  
DIN (00056826)

**Adnan Ahmad**

Vice-Chairman & Managing Director  
DIN (00046742)

Navi Mumbai, May 16, 2019

# ANNEXURE B

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

(Particulars required as per the 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 forms one of the key pillars of the Company's strategy globally. We strive to nurture sustainable local development and add value to the local economy in which we operate.

The CSR Policy of Clariant in India has been framed adhering to the Corporate Citizen Activities (CCA) guidelines of Clariant International and in accordance with Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules 2014. The Policy is applicable to all our sites and Headquarter in India and the emphasis is towards allocation of resources and employee engagement to the marginalized groups in the Society.

The company has identified and is working effectively to make a difference to the society in following focus areas:

- Education – Focusing on Science and Chemistry
- Safety and Health Care
- Community Support – Focusing on Women empowerment.

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. The projects are identified in the vicinity of its sites and aims to achieve a long term, positive impact on society. Projects implemented in this year include:

- Enhancing infrastructure development and providing education support to schools
- Bettering infrastructure towards improved health care facilities

- Creating awareness on Safety, Health and nutrition among children and adults and promoting environment sustainability

#### b. Activities

With CSR themes clearly outlined, the activities are identified with a clear strategy and philosophy to maximize the impact. The projects are supported by senior representatives within the company to drive them effectively. The projects are initiated either through Direct employee engagement or through NGO partners.

#### c. Governance

Clariant has a dynamic structure in place for effective implementation of CSR projects and activities. The implementation of all activities is taken under guidance of the Board of Directors. The Board has empowered the CSR Committee to closely monitor and report its progress. The Company adopts a comprehensive approach while initiating, implementing, monitoring and utilizing the CSR budgets. The commitment is ensured at the beginning of the year and the budgets are allocated as per the long term and short term projects of each site.

### 2. Composition of CSR Committee

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

The Composition of the CSR Committee is as follows:

Dr. (Mrs.) Indu Shahani	Independent Director, Chairperson
Mr. Kewal Handa	Independent Director
Mr. Adnan Ahmad	Vice - Chairman & Managing Director
Mr. Karl Holger Dierssen (till May 31, 2019)	Non - Executive Director

### 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): ₹ 2,972.95 lakhs

**4. Prescribed CSR Expenditure** (2% of the amount as in item 3. Above): ₹ 59.46 lakhs**5. Details of CSR spent during the financial period April 1, 2018 to March 31, 2019:**

- a. Total amount to be spent for the Financial year: ₹ 59.46 lakhs
- b. Amount unspent, if any: ₹ 12.71 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	Carried out major repair and renovation work of a school at Roth Khurd Grampanchayat	Education	Roha (Maharashtra)	7,48,332	7,48,332	7,48,332	Indirect
2	Company used computers given to NGO's/ZP Schools at the local schools near HQ and all Sites	Education	All sites of the Company	8,52,900	8,52,900	8,52,900	Direct
3	Sky gazing activity uncovered by Clariant in collaboration with Khagol Mandal for students of Navjivan Shikshan Prasarak Mandal Khamb's Shramik Vidyalay	Education	Roha (Maharashtra)	4,109	4,109	4,109	Direct
4	Desilting of Water Bodies	Community	Cuddalore (Tamil Nadu)	4,00,000	4,00,000	4,00,000	Indirect
5	Sapling plantation was undertaken at Tetavali in collaboration with Hariyali Foundation	Community	Airoli (Maharashtra)	12,188	12,188	12,188	Direct
6	Organised a Movie show for children at MA Niketan	Community	Airoli (Maharashtra)	53,800	53,800	53,800	Direct
7	Paid teachers' fee for the year to Kishore Nav Jeevan Sanstha	Education	Nagda (Madhya Pradesh)	50,000	50,000	50,000	Indirect
8	Carried out repair work of Solar Water Heater System of Sanegav Ashramshala	Health	Roha (Maharashtra)	49,900	49,900	49,900	Direct
9	Provided laboratory Equipment to M B More Foundation's Junior College and Arts, Science & Commerce Women College, Dhatav	Education	Roha (Maharashtra)	1,73,865	1,73,865	1,73,865	Direct
10	Provided equipment to Dnyanganga Bahuviklang Sanstha's Vidyalay run for specially abled children	Education	Roha (Maharashtra)	70,013	70,013	70,013	Direct
11	Provided raincoats for cyclone effected villages	Community	Cuddalore (Tamil Nadu)	48,000	48,000	48,000	Indirect
12	Constructed Shed at Jalampura Prathmik Shala	Education	Rania (Gujarat)	2,00,002	2,00,002	2,00,002	Indirect

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
13	Dietary guidance arranged for students and mothers at Sanegav High School through a Medical Consultant	Education	Roha (Maharashtra)	2,750	2,750	2,750	Direct
14	Arrangement of movie and snacks for specially abled at Premdaan	Community	Airoli (Maharashtra)	13,650	13,650	13,650	Direct
15	Handover of Science Laboratory to M B Patil English School	Education	Roha (Maharashtra)	2,02,184	2,02,184	2,02,184	Direct
16	Sky gazing activity uncovered by Clariant in collaboration with Khagol Mandal for students of Sudhagad Education Society's D G Tatkare Madhyamik Vidyalaya	Education	Roha (Maharashtra)	2,130	2,130	2,130	Direct
17	Donated notebooks, exam kits and stationery and other help to Makala School	Education	Nagda (Madhya Pradesh)	9,606	9,606	9,606	Direct
18	Donated 12 Computer tables to Bharat Commerce School	Education	Nagda (Madhya Pradesh)	28,454	28,454	28,454	Direct
19	Promoted Tourism by participating in the Panchmahotsav	Community	Kalol (Gujarat)	1,00,000	1,00,000	1,00,000	Indirect
20	Hand over of washrooms at Chhatrapati Shivaji Vidyalaya	Community	Roha (Maharashtra)	2,38,529	2,38,529	2,38,529	Direct
21	Aid to Kerala Cyclone relief	Community	Airoli (Maharashtra)	11,20,149	11,20,149	11,20,149	Direct
22	Revamping & Servicing of RO Unit in BCI School	Education/Health	Nagda (Madhya Pradesh)	20,813	20,813	20,813	Direct
23	Repairing of damaged flooring of classroom in Government school	Education	Nagda (Madhya Pradesh)	23,760	23,760	23,760	Direct
24	Donated color printers to Z P Vashere school	Education	Vashere (Maharashtra)	5,684	5,684	5,684	Direct
25	Provided Cupboard and water Filter to Z P Urdu School, Talavali	Education	Vashere (Maharashtra)	34,006	34,006	34,006	Direct
26	Repairing of chairs, door, Window, Table at the School, Makala	Education	Nagda (Madhya Pradesh)	8,552	8,552	8,552	Indirect
27	Administrative costs	-	-	2,02,064	2,02,064	2,02,064	-
	<b>Spend ₹</b>			<b>46,75,440</b>	<b>46,75,440</b>	<b>46,75,440</b>	



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

Clariant considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. During the year 2018-19, our major focus was on 3 strategic areas, firstly, Promote excellence in Chemistry (ChemX); secondly, Extend the safety and health priority to the Community (Suraksha Dhaal); and lastly, Educate and empower the girl /women (Janani Pathshala) to address local concerns with a far-reaching impact. In Health Sector, last year too, the Company conducted a blood donation campaign for children from Thalassemia across its sites and Headquarter (HQ). More than 350 employees, both Company and Contract, donated blood. This is the third year we have had this campaign across Sites and at HQ. This year we completed 37 projects on Education, 6 projects on Health and 12 projects on Community Welfare out of which we had 19 non-monetary projects, where around 637 employees participated in CSR activities near their Sites and HQ and devoted roughly 1050 hours of personal time.

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's thrust continues to increase the Company's CSR spend on the basis of merit of the CSR projects both monetary as well as non-monetary in the coming years.

**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  
DIN (00112289)

**Adnan Ahmad**  
Vice-Chairman & Managing Director  
DIN (00046742)

Navi Mumbai, May 16, 2019

## ANNEXURE C

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 12 months ended March 31, 2019	Ratio of Remuneration to median remuneration of employees
1.	Mr. Adnan Ahmad Vice-Chairman & Managing Director	522.83	85.6

**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. 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:

Executive Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/(decrease) in remuneration in the Financial year
<b>Mr. Adnan Ahmad</b> Vice-Chairman & Managing Director	Nil
<b>Mr. Sanjay Ghadge</b> Chief Financial Officer	3.6%
<b>Ms. Ameer Joshi</b> Company Secretary	14.1%

iii. The percentage increase in the median remuneration of employees in the Financial year: 2%

iv. The number of permanent employees on the rolls of Company as on March 31, 2019: 780

v. 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: 7.36%

Average Percentile Increase for managerial personnel: 2.7%

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

For and on behalf of the Board of Directors

**Kewal Handa**  
Chairman  
DIN (00056826)

**Adnan Ahmad**  
Vice-Chairman & Managing Director  
DIN (00046742)

Navi Mumbai, May 16, 2019

## ANNEXURE D

**FORM NO. MR-3****Secretarial Audit Report****For the Financial year ended March 31, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**Clariant Chemicals (India) Limited**

Reliable Tech Park, Gut No. 31, Village Elthan,  
Off Thane - Belapur Road, Airoli, Navi Mumbai - 400 708  
Maharashtra  
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 as the 'Company'). This 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other returns maintained by the Company for the financial year ended March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of 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'):-
  - 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 read with Amendments;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 read with Amendments, regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) The other laws that are applicable specifically to the Company are as follows:
  - a) Factories Act, 1948;
  - b) Environment Protection Act, 1986 and other applicable environmental laws;
  - c) Hazardous Waste (Management and Handling) Rules, 1989 and Amendment Rules, 2003;

- d) All applicable labour laws including Industrial Disputes Act, 1947, Minimum Wages Act, 1948, Employees' Provident Fund & Miscellaneous Provisions Act, 1952, etc.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I 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.

To,  
The Members,  
**Clariant Chemicals (India) Limited**  
Reliable Tech Park, Gut No. 31, Village Elthan,  
Off Thane Belapur Road, Airoli, Navi Mumbai - 400708  
Maharashtra  
CIN: L24110MH1956PLC010806

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

Adequate notice is given to all directors to schedule the Board Meetings, agenda 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 decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Date: May 13, 2019  
Place: Mumbai

FCS No. 9079; C.P. No. 10563

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For J R Ahuja & Co.**  
Company Secretary

**Jagdish Ahuja**  
Proprietor

Date: May 13, 2019  
Place: Mumbai

FCS No. 9079; C.P. No. 10563

## ANNEXURE E

**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****For the Financial year ended on March 31, 2019**

[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 - 400 708 Maharashtra Tel: 022 7125 1000 Fax: 022 7125 1201 <b>Email id: <a href="mailto:investor.relations.India@clariant.com">investor.relations.India@clariant.com</a></b> <b>Website: <a href="http://www.clariant.com">www.clariant.com</a></b>
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083 Maharashtra Tel: 022 49186000 Fax: 022 49186060 <b>Email id: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></b>

**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	63
2.	Colours, Dyes and Pigments	20224	20

**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
-	-	-	-	-	-

**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 April 1, 2018				No. of Shares held at the end of the year March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoters</b>									
<b>1)</b>	<b>Indian</b>									
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)									
	i. Trusts	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
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	11772050	0	11772050	51.00	11772050	0	11772050	51.00	0.00
d	Banks/ Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
e	Any Other (specify)									
	<b>Sub Total (A)(2)</b>	<b>11772050</b>	<b>0</b>	<b>11772050</b>	<b>51.00</b>	<b>11772050</b>	<b>0</b>	<b>11772050</b>	<b>51.00</b>	<b>0.00</b>
	<b>Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>11772050</b>	<b>0</b>	<b>11772050</b>	<b>51.00</b>	<b>11772050</b>	<b>0</b>	<b>11772050</b>	<b>51.00</b>	<b>0.00</b>
<b>B</b>	<b>Public Shareholding</b>									
1)	Institutions									
a	Mutual Funds / UTI	2013280	50	2013330	8.72	1398180	50	1398230	6.06	-2.66
b	Alternate Investment Funds	342956	0	342956	1.49	306597	0	306597	1.33	-0.16
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 Investor	151858	0	151858	0.66	12821	0	12821	0.06	-0.60
f	Financial Institutions / Banks	292340	2335	294675	1.28	314923	2285	317208	1.37	0.09
g	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
h	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
i	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j	Others (specify)									
	i. Foreign Banks	971	0	971	0.00	971	0	971	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>2801405</b>	<b>2385</b>	<b>2803790</b>	<b>12.15</b>	<b>2033492</b>	<b>2335</b>	<b>2035827</b>	<b>8.82</b>	<b>-3.33</b>
2	Non-Institutions									
a	Bodies Corporate									
	i. Indian	916193	0	916193	3.97	1248864	0	1248864	5.41	1.44
	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	5657501	530967	6188468	26.81	5884230	417198	6301428	27.30	0.49



Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2018				No. of Shares held at the end of the year March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	332600	32395	364995	1.58	587138	20250	607388	2.63	1.05
c	NBFCs registered with RBI	0	0	0	0.00	17169	0	17169	0.07	0.07
d	Others (specify)									
	i. Non-Resident Indian	467757	2210	469967	2.04	481370	1537	482907	2.09	0.05
	ii. Overseas corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
	iii. IEPF	90125	0	90125	0.39	99641	0	99641	0.43	0.04
	iv. Clearing Members	104204	0	104204	0.45	114342	0	114342	0.50	0.05
	v. Trust	38145	2090	40235	0.17	5266	2090	7356	0.03	-0.14
	vi. Foreign National	370	0	370	0.00	0	0	0	0.00	0.00
	vii. HUF	329647	0	329647	1.43	393193	0	393193	1.70	0.27
	viii. Office Bearers	0	1754	1754	0.01	0	1633	1633	0.01	0.00
	<b>Sub Total (B)(2)</b>	<b>7936542</b>	<b>569416</b>	<b>8505958</b>	<b>36.85</b>	<b>8831213</b>	<b>442708</b>	<b>9273921</b>	<b>40.18</b>	<b>3.33</b>
	<b>Total Public Shareholding (B) = (B) (1)+(B)(2)</b>	<b>10737947</b>	<b>571801</b>	<b>11309748</b>	<b>49.00</b>	<b>10864705</b>	<b>445043</b>	<b>11309748</b>	<b>49.00</b>	<b>0.00</b>
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Grand Total (A+B+C)</b>	<b>22509997</b>	<b>571801</b>	<b>23081798</b>	<b>100.00</b>	<b>22636755</b>	<b>445043</b>	<b>23081798</b>	<b>100.00</b>	<b>0.00</b>

**B) Shareholding of Promoters:**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year – April 1, 2018			Shareholding at the end of the year - March 31, 2019			% 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	Clariant Plastics and Coatings Ltd	7662624	33.20	0.00	7662624	33.20	0.00	0.00
2	Ebito Chemiebeteteiligungen AG	4109426	17.80	0.00	4109426	17.80	0.00	0.00
	<b>Total</b>	<b>11772050</b>	<b>51.00</b>	<b>0.00</b>	<b>11772050</b>	<b>51.00</b>	<b>0.00</b>	<b>0.00</b>

**C) Change in Promoters' Shareholding:**

Sr. No.	Name of Promoter	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of Total Shares of the Company				No. of shares	% of total Shares of the Company
1	<b>Clariant Plastics And Coatings Ltd</b>	<b>7662624</b>	<b>33.20</b>					
	Changes during the year			-	-	-	-	-
	<b>At the end of the year</b>	<b>7662624</b>	<b>33.20</b>					
2	<b>Ebito Chemiebeteteiligungen Ag</b>	<b>4109426</b>	<b>17.80</b>					
	Changes during the year			-	-	-	-	-
	<b>At the end of the year</b>	<b>4109426</b>	<b>17.80</b>					

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

Sr. No.	Shareholders Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
<b>1</b>	<b>SBI MAGNUM MIDCAP FUND</b>	<b>946500</b>	<b>4.10</b>					
	Changes during the year			18 May 2018	-35207	Transfer	911293	3.95
				18 Jan 2019	-250000	Transfer	661293	2.86
	<b>At the end of the year</b>	<b>661293</b>	<b>2.86</b>					
<b>2</b>	<b>DSP SMALL CAP FUND</b>	<b>704000</b>	<b>3.05</b>					
	Changes during the year			14 Dec 2018	-817	Transfer	703183	3.05
				21 Dec 2018	-16802	Transfer	686381	2.97
				28 Dec 2018	-5057	Transfer	681324	2.95
				04 Jan 2019	-1954	Transfer	679370	2.94
				08 Mar 2019	-4275	Transfer	675095	2.92
				15 Mar 2019	-31943	Transfer	643152	2.79
				22 Mar 2019	-4137	Transfer	639015	2.77
				29 Mar 2019	-10514	Transfer	628501	2.72
	<b>At the end of the year</b>	<b>628501</b>	<b>2.72</b>					
<b>3</b>	<b>BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.</b>	<b>440450</b>	<b>1.91</b>					
	Changes during the year			30 Nov 2018	2000	Transfer	442450	1.92
				07 Dec 2018	7000	Transfer	449450	1.95
				14 Dec 2018	17953	Transfer	467403	2.02
				21 Dec 2018	22500	Transfer	489903	2.12
				28 Dec 2018	16300	Transfer	506203	2.19
				31 Dec 2018	5000	Transfer	511203	2.21
				04 Jan 2019	5000	Transfer	516203	2.24
				22 Feb 2019	6500	Transfer	522703	2.26
				01 Mar 2019	5000	Transfer	527703	2.29
				15 Mar 2019	24800	Transfer	552503	2.39
				22 Mar 2019	10000	Transfer	562503	2.44
				29 Mar 2019	13000	Transfer	575503	2.49
	<b>At the end of the year</b>	<b>575503</b>	<b>2.49</b>					
<b>4</b>	<b>VANTAGE EQUITY FUND</b>	<b>251000</b>	<b>1.09</b>					
	Changes during the year			-	-	-	-	-
	<b>At the end of the year</b>	<b>251000</b>	<b>1.09</b>					
<b>5</b>	<b>NIHAR NILEKANI</b>	<b>212012</b>	<b>0.92</b>					
	Changes during the year			-	-	-	-	-
	<b>At the end of the year</b>	<b>212012</b>	<b>0.92</b>					
<b>6</b>	<b>GENERAL INSURANCE CORPORATION OF INDIA</b>	<b>173061</b>	<b>0.75</b>					
	Changes during the year			-	-	-	-	-
	<b>At the end of the year</b>	<b>173061</b>	<b>0.75</b>					
<b>7</b>	<b>FRR SHARES AND SECURITIES LTD</b>	<b>520</b>	<b>0.00</b>					
	Changes during the year			06 Apr 2018	30	Transfer	550	0.00

Sr. No.	Shareholders Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
				13 Apr 2018	-20	Transfer	530	0.00
				18 May 2018	-500	Transfer	30	0.00
				25 May 2018	-30	Transfer	0	0.00
				27 Jul 2018	20	Transfer	20	0.00
				03 Aug 2018	-20	Transfer	0	0.00
				18 Jan 2019	250000	Transfer	250000	1.08
				22 Feb 2019	-60000	Transfer	190000	0.82
				01 Mar 2019	-45000	Transfer	145000	0.63
				15 Mar 2019	140	Transfer	145140	0.63
				22 Mar 2019	-22140	Transfer	123000	0.53
	<b>At the end of the year</b>	<b>123000</b>	<b>0.53</b>					
<b>8</b>	<b>SHWETA HARDIK PATEL HARDIK BHARAT PATEL</b>	<b>0</b>	<b>0.00</b>					
	Changes during the year			22 Feb 2019	60000	Transfer	60000	0.26
				01 Mar 2019	45000	Transfer	105000	0.45
	<b>At the end of the year</b>	<b>105000</b>	<b>0.45</b>					
<b>9</b>	<b>NATIONAL INSURANCE COMPANY LTD</b>	<b>96551</b>	<b>0.42</b>					
	Changes during the year			-	-	-	-	-
	<b>At the end of the year</b>	<b>96551</b>	<b>0.42</b>					
<b>10</b>	<b>ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE MANUFACTURING EQUITY FUND</b>	<b>67542</b>	<b>0.30</b>					
	Changes during the year			-	-	-	-	-
	<b>At the end of the year</b>	<b>67542</b>	<b>0.30</b>					

**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 (April 1, 2018 to March 31, 2019)	
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company

NIL

**V. INDEBTEDNESS: NIL**

Indebtedness of the Company including interest outstanding / accrued but not due for payment for the year ended March 31, 2019.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR THE YEAR ENDED MARCH 31, 2019:

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Mr. Adnan Ahmad Vice-Chairman & Managing Director
1.	Gross Salary	157.60
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	
	(b) Value perquisites under Section 17(2) Income Tax Act, 1961	65.76
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	
2.	Share based payments	136.56
3.	Sweat Equity	-
4.	Commission	-
	- As % of Profit	
	- Others, Specify	
5.	Others	
	Provident Fund & Superannuation Fund	22.09
	Performance Bonus	140.82
	<b>Total (A)</b>	<b>522.83</b>
	Ceiling as per the Act (Being 5% of the Net Profit of the Company calculated as per Section 198 of Companies Act, 2013)	<b>₹ 145.72 lakhs</b>

### B. Remuneration of other Directors:

(₹ in lakhs)

Sr. No.	Name of the Director	Fee for attending Board / Committee Meetings	Commission	Others	Total
<b>1.</b>	<b>Independent Directors</b>				
	Mr. Kewal Handa	8.00	10.00	-	18.00
	Mr. Sunirmal Talukdar	9.65	8.00	-	17.65
	Dr. (Mrs.) Indu Shahani	7.15	6.00	-	13.15
	<b>Total (1)</b>	<b>24.80</b>	<b>24.00</b>	<b>-</b>	<b>48.80</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>				
	Mr. Alfred Muench	-	-	-	-
	Mr. Karl Holger Dierssen	-	-	-	-
	Mr. Mario Brocchi	-	-	-	-
	Mr. Thomas Wenger	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>24.80</b>	<b>24.00</b>		<b>48.80</b>
	Ceiling as per the Act (Being 1% of the Net Profit of the Company calculated as per Section 198 of Companies Act, 2013)				<b>₹ 29.14 lakhs</b>

Notice

Directors' Report

Management Discussion &  
Analysis ReportReport on  
Corporate Governance

Financial Report

**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. Sanjay Ghadge Chief Financial Officer	Ms. Ameer Joshi Company Secretary	
1.	Gross Salary	200.97	20.53	221.50
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	
	(b) Value perquisites under Section 17(2) Income Tax Act, 1961 of the Income Tax Act, 1961	70.15	-	70.15
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	
2.	Share based payments	16.25	-	16.25
3.	Sweat Equity			
4.	Commission - As % of Profit - Others, Specify			
5.	Others Contribution to Provident Fund & Superannuation Fund, Leave encashment etc.		2.57	2.57
	Performance Bonus	48.04	2.34	50.38
	<b>Total (C)</b>	<b>335.41</b>	<b>25.44</b>	<b>360.85</b>

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

For and on behalf of the Board of Directors

Navi Mumbai, May 16, 2019

**Kewal Handa**  
Chairman  
DIN (00056826)

**Adnan Ahmad**  
Vice-Chairman & Managing Director  
DIN (00046742)

## ANNEXURE F

### FORM AOC-2

Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 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 year ended March 31, 2019:

(₹ 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. Ltd.	Sale of finished goods as per the purchase order raised from time to time.	On Going	Ordinary course of business and at arm's length price	-	NIL	24,199.15

For and on behalf of the Board of Directors

Navi Mumbai, May 16, 2019

**Kewal Handa**  
Chairman  
DIN (00056826)

**Adnan Ahmad**  
Vice-Chairman & Managing Director  
DIN (00046742)



## MANAGEMENT DISCUSSION & ANALYSIS

### Economic Overview

Global economic activity slowed during 2018. Global output is estimated to have grown by 3.6% in 2018, which is 0.3% lower than estimated earlier and 0.1% lower than in 2017. The slowdown reflected the impact of multiple factors like decline in China growth followed by regulatory majors, strict credit policies, and slowdown in Euro economy more than expected. Global growth forecasts for 2019 and 2020 have been estimated 3.3% and 3.6% respectively. The revision reflects lower than expected growth and the expected impact of the macroeconomic topics mentioned above along with concern over increase in trade tensions between U.S. and China. Within this scenario, the Indian economy continued to be one of the fastest growing major economies with the IMF estimating that the country would grow at 7.3% in 2019 and 7.5% in 2020.

### Industry Overview: Specialty Chemicals

Specialty chemicals comprise low volume, high value chemicals with specific applications. They constitute a significant part of the Indian chemical industry. These chemicals add functionality to the working of various products and add value to them. Due to the increasing demand for value-added high performance products in all spheres of life of Indian consumers today, the demand for specialty chemicals is expected to grow. Side by side, with a shift in manufacturing to the East and India's export competitiveness, India's position as a manufacturing hub for specialty chemicals is expected to strengthen. This trend is already becoming apparent in segments such as agrochemicals and colorants, in which a significant part produced in India is exported.

Globally, the specialty chemicals industry is differentiated from bulk chemicals by extensive R&D and innovation. However, such a demarcation does not exist in India due to the generic nature of the produce of the specialty chemicals industry. Nevertheless, the specialty chemicals space is an amalgamation of many unique sub-segments, which witness different industry dynamics.

The Indian chemical industry is the third largest producer in Asia and the sixth largest producer globally, according to the Ministry of Commerce, FICCI and CII. It accounts for about 2.11% of GDP and has an estimated market size of USD 160 Billion, within which, specialty chemicals account for about approximately USD 32 Billion.

The domestic market for specialty chemicals is expected to be buoyed by the increased adoption of specialty chemicals and their increased usage in different end use industries. Paint coatings and construction chemicals, colorants, Active Pharmaceutical Ingredients (APIs), personal care chemicals and flavors & fragrances are the specific segments that are expected to do well in the Indian market.

Indian specialty chemical companies are strong in the export market with colorants, dyes and pigments being the key export-oriented products. India has talented, low cost manpower in addition to the low cost of production and this is a definite advantage in the export markets. India has also ensured that it is abreast of global regulations and competitive manufacturing practices. These measures have also enhanced the competitiveness and cost-effectiveness of the manufacturers in the local market.

Pigments are used as colorants in paints, packaging, printing inks, plastics, etc. The rising consumer spend is expected to drive increased demand for organic colorants in printing ink and plastics, while growth in construction activity would aid the demand for paints and coatings. Though the local demand for organic pigments is expected to grow 7.0% per year, however India is expected to outperform and register 12-15% growth every year, including export. The per capita consumption of colorants estimated at 50-60 grams is far below the European consumption of 400 grams. Consumer preference have skewed towards products with bright, good quality and radiant colors which command a premium over the typical white/black colors. Exterior paints with vibrant colors, bright colored magazines pages, colorful advertising on hoardings, banners, pamphlets with vivid colors, evocative packaging, etc. are some of the examples of changing consumer preferences.

The Indian masterbatch industry is estimated to grow at 9.5% year-on-year for the next 5 years. The long term market growth potential is immense, mainly driven by increasing local demand for polymers. The current per capita consumption of plastics is estimated to be 11kgs, which is far below the world consumption level of 28kgs. Processors are increasingly looking at global opportunities with leading players having entrepreneur flair. Rising middle class and FDI is driving sophistication in many market segments. Additional investments are coming in the packaging segment (flexible & rigid) as protection & shelf life of the food articles & beverages is increasingly being preferred by the consumers. Our extensive portfolio provides multiple solutions for flexible & rigid packaging. We have combination

masterbatches to impart the necessary enhanced performance to meet the unmet needs of this segment.

Recycling of polymers is a key topic from governance perspective, hence intelligent solutions such as paint free & metallization free are in demand. Our current portfolio offers selective solution to meet these emerging requirements. Our country is becoming a hub for medical tourism so local production of medical devices is growing. Our Healthcare product line offers tailor-made solutions with necessary stringent global compliance norms as quick win for customers for various end applications. Growing demand and complex designs in the automotive, electrical & electronics industry are resulting in an opportunity to serve with our tailor-made engineering polymers and high temperature masterbatch solutions.

### Company Profile and Performance

Clariant Chemicals (India) Limited manufactures and sells specialty chemicals. Its product range has been classified into two business segments: Plastics and Coatings (Pigments, Additives and Masterbatches) and Specialty Chemicals (Dyestuff, Synthetic Resin, Functional Effect and Coatings, Auxiliaries and Chemicals). The Company's products & solutions are used in various sectors of the economy, such as agriculture, infrastructure, home and personal care, packaging, consumer goods, fibers, transportation and healthcare.

The parent Company – the Clariant Group – is a focused and innovative specialty chemicals company. The group contributes to value creation with innovative and sustainable solutions for customers from many industries. Its portfolio is designed to meet very specific needs with as much precision as possible. At the same time, its research and development are focused on addressing the megatrends of today, such as energy efficiency, renewable raw materials, emission-free mobility, and conserving finite resources.

At Clariant, 'Discover Value' lies at the heart of everything. It guides the Company's research and is the driving force motivating its people to look deeper and discover value for itself, its clients and shareholders and for the world at large.

### Financial and Operational Performance Review

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the 'Act'.

The Company's operations reported sales for the year ended March 31, 2019 stood at ₹ 98,393.89 lakhs as against ₹ 97,834.18

lakhs for the previous year ended March 31, 2018. Of the total sales revenue for the year under review, 27% is contributed by exports. The Pigments business showed a growth of 12.1%; the Additives business recorded a growth of 29.1%; while the Masterbatches business degrew by 21.1%, due to the strategic shift in focus on differentiated product offerings viz. emphasis on specialized products, and not on commoditized products. This shift in strategic approach resulted in an operating profit growth of more than 200%.

The Company remains committed and focused on its drive for sustainable growth in all the markets that it operates, through focused strategic approach, optimal cost management and by introducing innovative products.

### Comparative Financial Performance of Operations

(₹ in lakhs)

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Sales	<b>98,394</b>	97,834
Operational profit	<b>1,932</b>	566
Other income*	<b>1,082</b>	2,775
Profit before tax	<b>3,014</b>	3,341
Operational PBDIT before other income (% to sales net of excise duty)	<b>5.8</b>	4.5
ROCE (%)	<b>3.0</b>	3.5
Earnings per share (₹)	<b>8.0</b>	9.4
Cash earnings per share (₹)	<b>24.3</b>	25.7
Book value per share (₹)	<b>267.1</b>	270.6

\* Other Income of previous year includes ₹ 2,012 lakhs from sale of commercial and residential apartment whereas current year includes income of ₹ 100 lakhs from sale of residential apartment.

### Details of Key Financial Ratios

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Debtor turnover ratio	<b>18.4%</b>	17.9%
Inventory turnover ratio	<b>18.7%</b>	16.9%
Interest coverage ratio	<b>49</b>	57
Current ratio	<b>1.92:1</b>	2.00:1
Debt equity ratio	<b>No borrowings</b>	No borrowings
Operating profit margin (%)	<b>2.0%</b>	0.6%
Net profit margin (%)	<b>1.9%</b>	2.2%

The Company remains a zero-debt company with no long-term borrowings. On the request of the Company over non-availability/ utilization of the proposed limits rated by CARE, they have withdrawn the outstanding ratings assigned. The Company has sustained its performance in efficient management of working capital. The year-end ratio of inventory to sales is 19%, receivables to sales is 18% and the net working capital to sales is 18%. Net cash from operations during the year before the tax payment was ₹ 4,062.83 lakhs (previous year ₹ 2,104.50 lakhs).

### **Business segments and performance**

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods and services delivered or provided.

The Company's reportable segments are a) Plastics and Coatings and b) Specialty Chemicals

#### **Plastics and Coatings**

This segment comprises of pigments, additives and masterbatches.

**Pigments** are used for coloring paint, ink, plastic, fabric, cosmetics 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. The Company'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 of 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. We have a significant presence in paints, coatings, ink and plastic applications and have positioned ourselves as the preferred supplier to major players in the domestic market.

Pigments business contributes 67.8% to the total sales in the Plastics and Coatings segment and the ratio of the domestic to export sales is 62:38. During the year, the Pigments business has recorded sales of ₹ 65,310 lakhs, marking a growth of 12.1%, on a like-to-like comparable period basis of 12 months.

**Additives** are performance chemicals, which are used to enhance 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, automotive, textiles, printing, and packaging. The additives business of the Company is evolving by focusing on high technology products from Clariant affiliates to meet the demand of the domestic markets.

During the year, the Additives business contributed ₹ 2,690 lakhs to sales. This translates into a growth of 29.1% over the previous 12 month period, on a like-to-like comparable period basis. With our rich product portfolio and a growing demand for additives in the domestic market, the Company foresees a wide scope for growth in this business.

**Masterbatches** bring life to plastics, as they add performance and colors. Masterbatches are produced by encapsulating a minimum of two or more ingredients in a polymer medium, using an equipment called 'extruder'. The strands that come out of an extruder are then cooled and cut into granules. They offer robust and versatile products with the necessary compliance adherence to our valuable customers. We cater to different industry segments such as fiber, automotive, consumer goods, electrical & electronics, packaging, pharma & healthcare. We are working as a solution provider to make our customers successful by delivering products meeting local and global standards. Our focus has been on environmentally safe products and light weight solutions with an effort to conserve energy at each stage of the process. We are well equipped in labs with rich experience team members to do the development and trials before the product is offered to market.

Our strategy since 2018, is to focus on differentiated product offerings, asset optimization and strategic commodity business. Consequently, we have closed our Nandesari plant in Baroda and shifted production to other existing plant, leading to better utilization of assets, with better margins.

The Masterbatches business contributed 29.4% to sales to the pigments and colors segment. It recorded sales of ₹ 28,280 lakhs during the year, posting a 21.1% decrease over previous year, mainly due to the change in strategy to enhance value.

#### **Specialty Chemicals**

The specialty chemicals segment includes products which have application in textile, paper, emulsion and leather industry. Post divestment of textile, paper and emulsion (TPE) business and leather services business 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 amount to ₹ 6,530 lakhs and are included in this segment.

## Internal Financial Control Systems

The Company has internal control systems commensurate with the size and nature of its business. Corporate policies, management information and reporting systems for key operational areas form part of overall control mechanisms. To supplement the internal control process, the Company has engaged the services of independent firms of professionals to function as auditors. Being authorized by the Audit Committee to assess the adequacy and compliance of internal control process, they provide their report which includes their 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, the 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 the Company's policies and procedures
- Safeguarding assets
- Prevention and detection of fraud and error
- Reliability, completeness and accuracy of accounts
- Timely reporting of information (financial, non-financial, internal and external)

The internal financial controls and governance processes are duly reviewed for adequacy and effectiveness by an independent chartered accountant. Based on its evaluation, the Audit Committee has concluded that, as of March 31, 2019, the internal financial controls were adequate and operating effectively.

## Human Resources

The Company acknowledges that its committed and talented workforce is the key factor driving sustainable performance and growth. As one of the most critical assets of the Company, its people are responsible for its competitive advantage. In line with its business imperatives, emphasis continues to be on recruiting and retaining the most relevant talent. These resources are then nurtured, developed, motivated and empowered so that their performance is optimized.

The Company continuously conducts various growth and development enhancing initiatives for entry level and mid-level managers. It also follows a reward and recognition philosophy and its policies have always been instrumental in retaining and motivating employees. It also constantly endeavors to ensure that compensations and rewards are offered for exceptional efforts made and benefits are flexible, and market aligned. Industrial Relations remained cordial at all plants during the year. The total number of employees on the rolls of the Company, as on March 31, 2019 was 780 as against 800 on March 31, 2018.

## Environment, Corporate Sustainability and Social Responsibility

Clariant in India commits itself to ethical and sustainable operations and development in all business activities. We believe sustainability is a pre-requisite to our growth and our license to operate in the long term and we strive for sustainable competitiveness and top performance. Clariant is committed to the Responsible Care® Global Charter and Clariant Chemicals (India) limited is a Responsible Care® holder since 2013. Our commitment to Responsible Care® underlines our focus on sustainable value creation.

Sustainability is one of the five strategic pillars of Clariant's business strategy. It helps us identify and provide value adding solutions with outstanding economic, environmental and social performance. It is an integral part of the way we work and this helps us to position ourselves in the market, build a competitive advantage through differentiation, support profitable growth, create added value for our stakeholders, build a brand image and reputation and also anticipate and mitigate risk. Many of our newly developed products coming from our innovation pipeline are a result of our focus on sustainability and enables us to stand out among the competitive portfolio in the marketplace. Clariant implements initiatives to reduce environment, health and safety risks during production, storage, distribution and the disposal of waste. These include efficient use of energy and resources and continuous improvement of our processes to minimize the impact of our activities on the environment.

## Initiatives under the Together for Sustainability (TfS), Responsible Mica Initiative (RMI) and Nicer Globe programs

Clariant as a member of the TfS initiative continues to drive audits and assessments with its suppliers, supporting them towards higher sustainable performance. As a Responsible Care® company, we take responsibility to support medium and small sized chemical companies which are our raw material suppliers, to help them improve their Environmental, Safety, and Health (ESH) performance as sustainable partners for our future.



Clariant has recently joined the Responsible Mica Initiative, to support local communities where Mica is being mined in some of the North Eastern districts of India. Although Clariant does not directly purchase Mica and has no direct contact with Mica mines, the company does use pearl and effect pigments that are based on Mica in the production of certain masterbatch products. Reflecting our deep commitment to sustainability, Clariant is taking a proactive approach to support this initiative which will help improve the living conditions of children, so they can receive education instead of working for the livelihood of their families.

Clariant is also a founder member of Nicer Globe, a transportation safety initiative of the Indian Chemical Council, where we are actively involved with other member companies to help improve safe transportation of hazardous chemicals in India.

### **Clariant listing in the Dow Jones Sustainability Index (DJSI)**

Clariant has been successfully listed again in DJSI, the world-renowned sustainability index and is ranked among the top 6% of companies in its sector in both the DJSI Europe and the DJSI World. 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 is committed to international initiatives and partnerships within the chemical industry and broader stakeholder community engagement and incorporates the 10 principles of the UN Global Compact into its policies and procedures. We attach special emphasis to Product Stewardship so that our products can be used over their entire life cycle in a safe manner for employees, customers and all other stakeholders.

Corporate Social Responsibility continues to be an integral part of our corporate philosophy. In line with our Corporate Guideline and our CSR Policy, framed under Companies (Corporate Social Responsibility Policy) Rules, 2014, Clariant continues to contribute in the focus areas of Education, Safety and Healthcare, and Community Support to have a positive impact on the communities around its sites in India.

### **Outlook, Opportunities and Challenges**

#### **Outlook & Opportunities**

- The Indian specialty chemicals market is growing at almost twice the global average. Further, India's large population base with lower per capita consumption of chemicals and relatively strong GDP growth outlook (7-8% over the next few years) suggests untapped potential.

- High growth expected in colour masterbatches as manufacturing of consumer goods & packaging continue to accelerate.
- The Government's Make in India initiative will facilitate the industry with common infrastructure and a consequent rapid flow of FDI into the sector which will accelerate growth.
- The Indian specialty chemicals industry continues to be benefited due to skilled and efficient manpower.
- The Company also has an added advantage of product development capabilities, branding and distribution, in addition to having a parent company with strong research capabilities, which can be applied in domestic products as well.

#### **Challenges**

- Pigment industry is highly dependent on supply of raw materials from China. Due to the local government's actions to reduce air and water pollution, many companies have been shut down temporarily or forever resulting in massive supply chain disruptions. As a result, prices have increased across the world with uncertainty in availability. The challenges are being addressed by evaluating multiple alternate materials and new vendors with agility, securing supplies to the extent possible.
- Volatile change in oil prices due to unfavorable macro-economic scenario may have negative impact.
- The cost of compliance could make operations increasingly economically unviable. Ability to scale up, offering differentiated products through innovations, implementing an effective sales and marketing strategy and maintaining high levels of regulatory standards will clearly separate winners from the crowds in this space.

#### **Risks and Mitigation**

Clariant follows Enterprise Risk Management (ERM) tools to define, identify and assess, report and drive the mitigation of risk throughout the group. The tool is designed to provide risk score measures for each of the potential risks as well as its financial, reputational and operational impact. It also provides risk improvement plans, critical success factors and target dates to control risks.

The Company has aligned its policy on risk assessment to that of the global approach and risk assessment reports are reviewed at regular intervals. The Company has also adopted a focused

approach towards risk management in the form of a corporate insurance program. The goal of this program is to optimize the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to the business operations of the Company at its various locations.

As part of the global policy, the relevant parameters for all manufacturing sites are analyzed to minimize the risk associated with protection of environment, safety of operations and health of people at work. These are then monitored regularly with reference to statutory regulations prescribed by 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 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 standards and to provide employees with a good understanding of Anti-Trust/Competition laws, Clariant has launched and imparted trainings on the aforesaid topics.

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 a 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.

### 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 law 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

**Kewal Handa**  
Chairman  
DIN (00056826)

**Adnan Ahmad**  
Vice-Chairman & Managing Director  
DIN (00046742)

Navi Mumbai, May 16, 2019



## REPORT ON CORPORATE GOVERNANCE

### Principles of Corporate Governance

The Corporate Governance policy in the Company encompasses the simple tenets of integrity, transparency, accountability and fairness in whatever the Company does. 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. 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 AG, a global leader in the field of Specialty Chemicals and headquartered in Muttensz near Basel, is an ultimate Holding of the Company, which directly or indirectly owns group Companies / affiliates worldwide. 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 out of which 3 are Independent Directors, 3 are Non-Executive Directors and 1 in whole time employment, 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 year ended March 31, 2019, 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 March 31, 2019		
		Number of Board Meetings held during the tenure of the Director		Last AGM held on August 9, 2018	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Kewal Handa DIN 00056826 Chairman	Non-Executive Independent	4	4	Attended	5	4	3

Name of the Director	Category	Particulars of Attendance			No. of other Directorships* and Committee Memberships/ Chairmanships in Indian Public Companies# as on March 31, 2019		
		Number of Board Meetings held during the tenure of the Director		Last AGM held on August 9, 2018	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. Adnan Ahmad DIN 00046742 Vice-Chairman & Managing Director	Executive	4	4	Attended	2	3	None
Mr. Sunirmal Talukdar DIN 00920608	Non-Executive Independent	4	4	Attended	3	2	2
Dr. (Mrs.) Indu Shahani DIN 00112289	Non-Executive Independent	4	3	Absent	4	7	1
Mr. Alfred Muench DIN 03092351	Non-Executive	4	2	Absent	2	1	None
Mt Karl Holger Dierssen <sup>1</sup> DIN 06739356	Non-Executive	4	2	Attended	None	None	None
Mr. Mario Brocchi <sup>2</sup> DIN 07091950	Non-Executive	4	3	Attended	None	1	None
Mr. Thomas Wenger <sup>3</sup> DIN 8350960	Non-Executive	0	NA	NA	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) Limited.

<sup>1</sup> Resigned from the Directorship of the Company w.e.f. closing working hours of May 31, 2019.

<sup>2</sup> Resigned from the Directorship of the Company w.e.f. closing working hours of February 12, 2019.

<sup>3</sup> Appointed as Non-Executive Director w.e.f. closing working hours of February 12, 2019.

## 2.2 Names of the listed entities where the Director holds Directorship:

Sr. No.	Name of the Director	Name of other listed entity(s)	Category of Directorship
1.	Mr. Kewal Handa (Chairman)	R M Drip & Sprinklers Systems Ltd Mukta Arts Ltd Borosil Glass Works Ltd Greaves Cotton Ltd Union bank of India Ltd	Independent Director Independent Director Independent Director Independent Director Non-Executive - Nominee Director - Chairperson
2.	Mr. Adnan Ahmad (Vice-Chairman & Managing Director)	None	NA
3.	Dr. (Mrs.) Indu Shahani (Independent Director)	United Spirits Ltd Colgate-Palmolive (India) Ltd Bajaj Electricals Ltd	Independent Director Independent Director Independent Director

Sr. No.	Name of the Director	Name of other listed entity(s)	Category of Directorship
4.	Mr. Sunirmal Talukdar (Independent Director)	India Carbon Ltd Sasken Technologies Ltd	Independent Director Independent Director
5.	Mr. Alfred Muench (Non-Executive Director)	None	NA
6.	Mr. Karl Holger (Non-Executive Director)	None	NA
7.	Mr. Thomas Wenger (Non-Executive Director)	None	NA

### 2.3 Matrix setting out the skills/expertise/competence of Board:

The Board of Company comprises of qualified individuals who bring the required skills, competencies, expertise and diversity to the Board that allows them to contribute efficiently. The Board and Committees thereof, are committed to ensure that Company is compliant with the highest standard of Corporate Governance.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

1. Strategic thinking & Vision
2. Leadership
3. Drive for Innovation & Improvement
4. Driving a culture of Safety
5. Stakeholders' Relationship & Management
6. Global Business
7. Commercial Management
8. Social Responsibility
9. Risk Management
10. Corporate Governance, Finance & Taxation

### 2.4 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.

### 2.5 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 year under review, the Board of Directors held 4 meetings on May 15, 2018, August 9, 2018, November 1, 2018 and February 12, 2019.

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.

### 2.6 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>

## 2.7 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 12, 2019 and attended by all the Independent Directors of the Company. The Independent Directors, inter alia, reviewed the following;

- the performance of Non-Independent Directors and the Board as a whole;
- 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.

## 2.8 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 at the Board Meeting held on May 16, 2019.

## 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 year under review, four meetings were held on May 15, 2018, August 9, 2018, November 1, 2018 and February 12, 2019. 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	Chairman	4	4
Mr. Kewal Handa	Member	4	4
Dr. (Mrs.) Indu Shahani	Member	4	3
Mr. Mario Brocchi <sup>1</sup>	Member	4	3
Mr. Thomas Wenger <sup>2</sup>	Member	0	NA

<sup>1</sup> Resigned w.e.f. closing working hours of February 12, 2019;

<sup>2</sup> Appointed w.e.f. closing working hours of February 12, 2019.

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. Sunirmal Talukdar, Chairman of the Committee was present at the Annual General Meeting held on August 9, 2018.

The Vice-Chairman & Managing Director, Statutory Auditors, Internal Auditors and Cost Auditors are invitees to the meetings of the Audit Committee. Ms. Ameer Joshi acts as Secretary to the Committee.

### 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 are briefly described as under:

- 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, reappointment 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;
- x) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

### 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 year under review, two meetings were held on May 15, 2018 and February 12, 2019. 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. Sunirmal Talukdar	Chairman	2	2
Mr. Kewal Handa	Member	2	2
Mr. Alfred Muench	Member	2	1

Ms. Ameer Joshi acts as Secretary to the Committee.

#### 3.2.2 Terms of reference:

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a Policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors, other Directors and Key Managerial Personnel;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- Identifying persons who are qualified to become Key Managerial Personnel (KMP) in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.

- Identifying persons who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- To recommend to the Board on Remuneration payable to the Whole Time Directors, Key Managerial Personnel and Senior Executives.

#### 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.

The Nomination & Remuneration Policy is available on the website of the Company at [www.clariant.com](http://www.clariant.com)

#### 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 provisions of the Companies Act, 2013 read with Rules framed thereunder.

The details of remuneration paid / payable to the Directors for the year ended March 31, 2019 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, 2019
Mr. Kewal Handa	8.00	-	10	18	Nil
Mr. Sunirmal Talukdar	9.65	-	8	17.65	Nil
Dr. (Mrs.) Indu Shahani	7.15	-	6	13.15	Nil
Mr. Adnan Ahmad#	Nil	522.83	-	522.83	Nil

\* Exclusive of service tax.

# Mr. Adnan Ahmad has been appointed as Vice-Chairman & Managing Director of the Company w.e.f June 1, 2017 till April 2, 2020. The appointment of Mr. Adnan Ahmad may be terminated by giving not less than three months' notice to other party.

During the year under review, the Company had availed the consultancy service of Conexus Social Responsibility Private Limited, wherein Mr. Kewal Handa is a Director and a Shareholder (holding 30%), for developing Corporate Social Responsibility (CSR) strategy for Clariant in India. The Company had paid ₹ 1,08,464/- as Consultancy fees during FY 2018-19. The said service was provided by Mr. Manish Handa, son of Mr. Kewal Handa, who is also a Director of Conexus Social Responsibility Private Limited.

Other than this, 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 AG.

### 3.3. Stakeholders' Relationship Committee

#### 3.3.1 Composition and Meetings:

During the year under review, four meetings were held on May 15, 2018, August 9, 2018, November 1, 2018 and February 12, 2019. 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	4	3
Mr. Adnan Ahmad	Member	4	4
Mr. Sunirmal Talukdar	Member	4	4

Ms. Ameer Joshi acts as Secretary to the Committee.

Mr. Sunirmal Talukdar was appointed as the Chairman of the meeting held on August 9, 2018, where leave of absence was granted to Dr. (Mrs.) Indu Shahani.

#### 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

The Company and Link Intime India Private Limited (the Share Transfer Agent) attend 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) Regulation, 2015, investors' grievance redressal status and the number of pending complaints are reported every quarter to the Stock Exchanges. There were no investor complaint pending as on March 31, 2019. Detail of Investors' Complaint received and resolved during the year ended March 31, 2019 is given below;

Nature of Complaints	Number of Complaints Received	Number of Complaints Resolved
Non-receipt of Share Certificates	5	5
Non-receipt of Annual Reports	3	3
Non-receipt of Declared Dividend	3	3
Non-receipt of Share Certificates - Duplicate cum Transmission	2	2
Non-Receipt of Securities After Transfer/Transmission	1	1
Others	1	1
<b>Total</b>	<b>15</b>	<b>15</b>

### 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 year under review, one meeting was held on May 15, 2018. The composition and details of the meeting 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. Adnan Ahmad	Member	1	1
Mr. Karl Holger Dierssen	Member	1	1
Mr. Kewal Handa	Member	1	1

## 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
59 <sup>th</sup>	August 12, 2016 4.00 p.m.	Airoli HQ - Reliable Tech Park, Thane-Belapur Road, Airoli, Navi Mumbai 400 708.	i) Shifting of Registers and Index of Members.
60 <sup>th</sup>	August 11, 2017 4.00 p.m.	Airoli HQ - Reliable Tech Park, Thane- Belapur Road, Airoli, Navi Mumbai 400 708.	i) Approval of appointment and remuneration payable to Mr. Adnan Ahmad, Vice-chairman and Managing Director for a period of three years w.e.f April 3, 2017.
61 <sup>st</sup>	August 9, 2018 4.00 p.m.	Airoli HQ - Reliable Tech Park, Thane- Belapur Road, Airoli, Navi Mumbai 400 708.	None

During the year under review, no Postal Ballot was conducted in accordance with Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014.

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on August 8, 2019.

## 6. Disclosures

### 6.1 Related party transactions:

Related party transactions have been disclosed under Note 41 of Significant accounting policies & notes forming part of the Financial Statements of Audited Accounts in accordance with "Indian Accounting Standard 24" 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

### 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 year under review.

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 year 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, Mr. Adnan Ahmad, 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](http://www.clariant.com). All the Board Members and Senior Management personnel have affirmed compliances with the code for the year ended March 31, 2019.

### 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 year ended March 31, 2019 are prepared in conformity with the Indian Accounting Standards (Ind AS).

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

During the year 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 behavior, 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 SEBI Regulations 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** : Thursday, August 8, 2019 at 04.00 p.m.  
**Venue** : Registered Office

## 8.2 Financial Calendar:

- Financial Year April 1 to March 31.

Proposed Calendar for FY 2019-20

1 <sup>st</sup> Quarter Results	August 8, 2019
2 <sup>nd</sup> Quarter Results	November 6, 2019
3 <sup>rd</sup> Quarter Results	February 14, 2020
Annual Results	On or before May 30, 2020
Annual General Meeting	In the month of August 2020

## 8.3 Dates of Book Closure:

Book Closure dates	August 2, 2019 to August 8, 2019 (Both days inclusive)
--------------------	-----------------------------------------------------------

## 8.4 Listing of Shares:

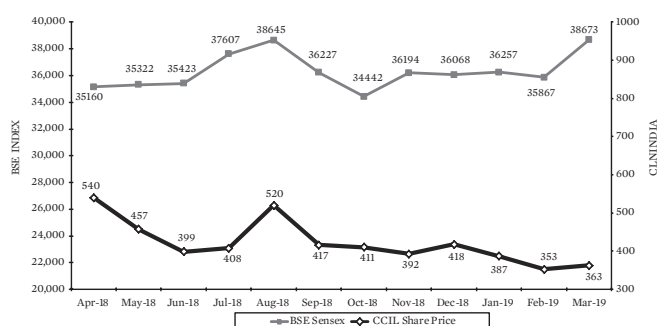
Shares of the Company are listed on BSE Ltd. (BSE) under Stock ID 'CLNINDIA' and National Stock Exchange of India Limited (NSE) under the code 'CLNINDIA'. The Company has paid the listing fees up to March 31, 2020 to both the Stock Exchanges.

## 8.5 Corporate Identification Number (CIN) of the Company: 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.)
2018-19						
April 18	568.80	531.25	51468	568.90	525.60	213529
May 18	574.00	435.00	167545	574.00	431.65	396702
June 18	466.00	396.50	43807	465.70	395.00	173828
July 18	419.90	380.15	56578	422.00	375.10	156827
August 18	537.10	401.00	127599	538.75	401.55	617650
September 18	538.80	415.00	75577	538.00	412.90	279305
October 18	425.10	375.00	65854	424.00	374.10	357141
November 18	418.00	383.05	54563	415.00	381.50	224559
December 18	427.00	383.40	39975	427.30	380.95	278077
January 19	420.00	378.80	148802	419.00	380.05	326663
February 19	390.55	320.00	48828	391.95	318.00	355354
March 19	384.90	336.35	313031	376.95	337.00	611637

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



## 8.8 Address for correspondence:

### A) Share Transfer Agents:

Link Intime India Private Limited  
C 101, 247 Park, L B S Marg, Vikhroli (West),  
Mumbai - 400 083, Maharashtra.

Tel: 022 - 49186000

Email id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Contact Person: Miss Sujata Poojary

**E-mail ID for Investor Services:**

[investor.relations\\_India@clariant.com](mailto: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- 400 708, Maharashtra.

Tel: 022 - 71251000

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 Aadhar Card, 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, 2019:

Sr. No.	Category	No of Shares held	Percentage of Shareholding
<b>A Promoters' Holding</b>			
<b>Foreign Promoters</b>			
(a)	Clariant Plastics & Coatings Limited	7662624	33.20
(b)	EBITO Chemiebetriebe AG	4109426	17.80
<b>Sub-Total</b>		<b>11772050</b>	<b>51.00</b>
<b>B Institutional Investors</b>			
(a)	Mutual Funds /Alternate Investment Funds	1704827	7.39
(b)	Financial Institutions/ Banks	318179	1.38
(c)	Insurance Companies	0	0.00
(d)	Foreign Portfolio Investors (Corporate)	12821	0.06
(e)	Foreign Institutional Investors	0	0.00
<b>Sub-Total</b>		<b>2035827</b>	<b>8.83</b>
<b>C Others</b>			
(a)	Domestic Companies	1363206	5.91
(b)	Non Resident Indians/Trusts	490263	2.12
(c)	Indian Public	7303642	31.64
(d)	Foreign Nationals	0	0.00
(e)	Government Companies	0	0.00
(f)	Investor Education and Protection Fund	99641	0.43
(g)	NBFCs Registered with RBI	17169	0.07
<b>Sub-Total</b>		<b>9273921</b>	<b>40.17</b>
<b>D Total Public Shareholding (B+C)</b>		<b>11309748</b>	<b>49.00</b>
<b>TOTAL (A+D)</b>		<b>23081798</b>	<b>100.00</b>

22,636,755 equity shares of the Company are held in dematerialized form constituting 98.07% of the paid up capital as on March 30, 2019. The total number of shareholders as on March 30, 2019 is 39,105\*.

\*No. of Shareholders are not clubbed as per their PAN.

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

Sr. No.	Name of the Shareholder	As at 30-Mar-19		As at 31-Mar-18	
		No. of shares	%	No. of shares	%
1	Clariant Plastics and Coatings Ltd	7662624	33.20	7662624	33.20
2	Ebito Chemiebetriebe AG	4109426	17.80	4109426	17.80
3	SBI Magnum Midcap Fund	661293	2.86	946500	4.10
4	DSP Small Cap Fund	628501	2.72	704000	3.05
5	Bajaj Allianz Life Insurance Company Ltd.	575503	2.49	440450	1.91
6	Vantage Equity Fund	251000	1.09	251000	1.09

### 8.11 Distribution of shareholdings as at March 31, 2019:

No. of equity shares held	Shareholders		Equity Shares held	
	Numbers	%	No. of shares	%
1 - 500	36187	92.54	3346381	14.50
501 - 1000	1702	4.35	1270409	5.50
1001 - 2000	720	1.84	1036952	4.49
2001 - 3000	185	0.47	461567	2.00
3001 - 4000	97	0.25	338333	1.47
4001 - 5000	66	0.17	300899	1.30
5001 - 10000	86	0.22	605080	2.62
10001 & above	62	0.16	15722177	68.12
<b>Total</b>	<b>39105*</b>	<b>100.0000</b>	<b>23081798</b>	<b>100.0000</b>

\*No. of Shareholders are not clubbed as per their PAN.

### 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:

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

**8.15 Credit Ratings:**

On the request of the Company over non-availability/ utilization of the proposed limits rated by CARE, they have withdrawn the outstanding ratings assigned.

**8.16 Certificate from Company Secretary:**

A Certificate from M/s. J R Ahuja & Co., Practising Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI and/or Ministry of Corporate Affairs, or any such statutory authorities, is annexed at the end of this report.

**8.17 Fees paid to Statutory Auditors:**

Details of fees paid to the Statutory Auditors, in connection of the work related to Audit carried out by them and other activities as approved by the Audit Committee, for the Financial year 2018-19, as below:

(₹ In lakhs)	
Nature of Engagement	FY 2018 - 19
As auditors	18.65
For other services	20.31
For reimbursement of expenses	4.14
<b>Total</b>	<b>43.10</b>

**8.18 Recommendation of Committee:**

There were no recommendations of any Committee of the Board which is not accepted by the Board during the Financial year 2018-19. All the Committee recommendations have been duly accepted by the Board after deliberations.

**8.19 Instances of Sexual Harassment of Women:**

The particulars of instances of sexual harassment of women at workplace of Clariant is as follows:

Number of complaints filed during the Financial year	None
Number of complaints disposed of during the Financial year	NA
Number of complaints pending as on end of the Financial year	Nil

**8.20 Utilization of funds raised through Preferential allotment or Qualified Institutions Placement:**

The Company has not allotted any specified security to anyone on Preferential basis or to Qualified Institutional Buyers in terms of Regulation 32 (7A) of SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015.

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

In terms of the provisions of Section 124 & 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company is obliged to transfer dividends which remain Unpaid or Unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account to the credit of the Investor Education and Protection Fund ("IEPF") established by the Central Government.

Further, in addition to the Unpaid or Unclaimed Dividend required to be transferred by the company to IEPF, equity shares relating to such Unclaimed/ Unpaid Dividend and lying unpaid/unclaimed for seven consecutive years or more are also required to be transferred to the Investor Education and Protection Fund Suspense Account ("IEPF Suspense Account").

In accordance with the requirements as set out in the IEPF Rules, the company have transferred 99,641 shares to IEPF Suspense Account as on March 31, 2019. The

Company has uploaded the details of such shareholders on its website [www.clariant.com](http://www.clariant.com).

Members are hereby informed that the 7 years period pertaining to Final Dividend for the Financial year 2011 and Interim Dividend for Financial year 2012 will expire on June 2, 2019 and September 2, 2019 respectively and thereafter the amount standing to the credit in the said accounts and the shares in respect of such unclaimed dividend 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.

Due date of completion of 7 years for various outstanding Dividend accounts is given below;

Financial Year/ period	Date of Declaration	Date of completion of seven years
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
2015-16(Final)	12.08.2016	18.09.2023
2016-17 (Final)	11.08.2017	16.09.2024
2017-18 (Final)	09.08.2018	14.09.2025
2018-19 (Interim)	01.11.2018	07.12.2025

Please note that no claim shall lie against the Company in respect of the unclaimed dividend amount and equity shares transferred to IEPF, pursuant to IEPF Rules. Shareholders can however claim both the unclaimed dividend amount and the equity shares transferred to IEPF Suspense Account from IEPF Authority by making an Application in Form IEPF-5 online and sending the physical copy of the same duly signed (as per registered signature) along with requisite documents enumerated in the said Form IEPF-5 to the Company at its registered office or to Link Intime for verification of the claim.

## 9.2 Detail 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	369 shareholders 63395 shares
Number of shareholders who approached the issuer for transfer of unclaimed shares during the year	08 Shareholders
Number of unclaimed shares were transferred during the year	20692 shares
Number of shareholders involved in IEPF4	15 shareholders
Number of shares involved in IEPF4	937 shares
Aggregate number of shareholders and the outstanding unclaimed shares as at end of the year	346 shareholders 41766 shares

The voting rights on the outstanding unclaimed shares shall remain frozen till the rightful owner of such shares claims the 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](http://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 performances 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 year ended March 31, 2019 does not contain any audit qualification.

**9.7.4** 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 16, 2019. 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

**Kewal Handa**  
Chairman  
(DIN 00056826)

**Adnan Ahmad**  
Vice-Chairman & Managing Director  
(DIN 00046742)

Navi Mumbai, May 16, 2019

## PRACTISING COMPANY SECRETARY'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members,  
**Clariant Chemicals (India) Limited**  
Reliable Tech Park, Gut No. 31, Village Elthan,  
Off Thane Belapur Road, Airoli, Navi Mumbai - 400 708  
Maharashtra.  
CIN: L24110MH1956PLC010806

### **Sub : Practising Company Secretary's Certificate Regarding Compliance of Conditions of Corporate Governance**

We have examined the compliance of the conditions of Corporate Governance by Clariant Chemicals (India) Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, as adopted by the Company for ensuring compliance to 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 above mentioned SEBI Listing Regulations for the year ended on March 31, 2019.

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

**For J R Ahuja & Co.,**  
Company Secretary

**Jagdish Ahuja**  
Proprietor  
FCS No. 9079; C.P. No. 10563

Place : Mumbai  
Date : 16<sup>th</sup> May 2019

## CERTIFICATE FROM PRACTISING COMPANY SECRETARY

To,  
The Members,  
**Clariant Chemicals (India) Limited**  
Reliable Tech Park, Gut No. 31, Village Elthan,  
Off Thane - Belapur Road, Airoli, Navi Mumbai - 400 708  
Maharashtra.  
CIN: L24110MH1956PLC010806

**Sub: Certificate from a Company Secretary in Practice as per Clause 10(i) of Schedule V to the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015**

This is to certify that on the basis of records maintained by M/s Clariant Chemicals (India) Limited (the Company) and as available at the Ministry of Corporate Affairs (MCA) website and also declarations received from the following directors of the Company that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/MCA or any such statutory authority.

SN	DIN	Name of the Director
1	00046742	ADNAN WAJHAT AHMAD
2	00056826	KEWAL KUNDANLAL HANDA
3	00112289	INDU RANJIT SHAHANI
4	00920608	SUNIRMAL TALUKDAR
5	03092351	ALFRED CHRISTIAN MUNCH
6	06739356	KARL HOLGER DIERSSEN
7	08350960	THOMAS WENGER

**For J. R. Ahuja & Co.**  
Company Secretary

Date: 13<sup>th</sup> May 2019  
Place: Mumbai

**Jagdish Ahuja**  
Proprietor  
FCS No. 9079; C.P. No. 10563

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Clariant Chemicals (India) Limited

#### Report on the audit of the financial statements

#### Opinion

- We have audited the accompanying financial statements of Clariant Chemicals (India) Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
- 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 Companies Act, 2013 ("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, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of contingencies and provision for Income tax and Indirect tax matters</p> <p>The Company has various ongoing Income tax and Indirect tax matters under litigation. Given below are the relevant notes to the Financial Statements:</p> <p>Note 34 – Contingent liabilities and commitments</p> <p>Note 6 – Indirect taxes recoverable includes INR 1,446.03 lakhs towards amount paid under protest for on-going litigations.</p> <p>Note 22 – Provision for Indirect tax matters.</p> <p>The non-current tax assets (net) includes INR 1,445.37 lakhs towards amount paid under protest for on-going Direct tax litigations.</p> <p>The assessment of likely outcome of the tax matters and related outflow of resources involves significant judgement on the positions taken by the management which are based on the application and interpretation of law.</p> <p>We have considered these matters to be a key audit matter given the magnitude of potential outflow of economic resources and uncertainty of the possible outcome.</p>	<p><b>Our procedures included the following:</b></p> <p>(i) Understanding and evaluating the design and testing of operating effectiveness of controls in respect of assessment of income tax and indirect tax matters.</p> <p>(ii) Reading the orders received by the Company from the tax authorities.</p> <p>(iii) Discussing ongoing matters under dispute and developments with the Management and the Audit Committee.</p> <p>(iv) Where relevant, reading opinions of Management's external consultants on the tax matters.</p> <p>(v) Independently assessing the management's judgement on contingencies and provision of income tax and indirect tax matters.</p> <p>(vi) Involving auditor's tax experts to assist us in the assessment of the possible outcome of certain cases.</p> <p>(vii) Assessing the adequacy of disclosures in the financial statements.</p> <p>Based on the above procedures, the management's assessment of the contingencies and provisions was considered to be appropriate.</p>



## Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no

realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Report on other legal and regulatory requirements**
13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  14. 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 books of accounts and other books and papers maintained in electronic mode has not been maintained over servers physically located in India.
    - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
    - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 14 (b) above.
    - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
    - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements.
      - ii. The Company has long-term contracts as at March 31, 2019 for which there were no material

foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

**Arvind Daga**

Partner

Place: Navi Mumbai

Membership Number: 108290

Date: May 16, 2019

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## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14(g) of the Independent Auditors' Report of even date to the members of Clariant Chemicals (India) Limited on the financial statements for the year ended March 31, 2019.

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Clariant Chemicals (India) Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Arvind Daga**

Partner

Place: Navi Mumbai

Membership Number: 108290

Date: May 16, 2019

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 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 year ended March 31, 2019

- 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 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. 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, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- 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. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, 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, the Company is generally regular in depositing undisputed statutory dues in respect of income tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 39 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of excise and value added tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs) #	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax and Local Sales Tax Acts	Sales Tax and value added tax liability including interest and penalty, as applicable	2.27	1996-97 to 1998-99	High Court of Tamil Nadu
		996.51	2002-03, 2004-05, 2005-06, 2007-08 to 2012-13	Sales Tax Appellate Tribunals of Maharashtra
		783.00	1992-93, 1998-99, 2001-02 to 2003-04, 2005-06 to 2007-08, 2009-10, 2012-13 to 2016-17	Appellate Authority - up to Commissioner's level



Name of the statute	Nature of dues	Amount (₹ in lakhs) #	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty including interest and penalty, as applicable	415.63	2000-01 to 2008-09	Tribunals of various states
		211.52	1994-95 to 1997-98, 2000-01	Appellate Authority - up to Commissioner's level
Service Tax under Finance Act, 1994	Service Tax including interest and penalty, as applicable	131.77	1997-98, 2006-07 to 2010-11	High Court
		60.67	2006-07 to 2011-12	Tribunals of various states
		0.75	1996-97, 2002-03 to 2004-05	Appellate Authority - up to Commissioner's level
Income Tax Act, 1961	Income Tax including interest and penalty, as applicable	1772.22	1982-83 to 1986-87, 1989-90, 1991-92, 1993-94, 1995-96, 1997-98 to 2001-02, 2011-12	Income Tax Appellate Tribunal
		294.16	2001-02 to 2002-03, 2013-14	Appellate Authority - up to Commissioner's level

# net of amounts paid under protest.

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**Arvind Daga**  
Partner

Place: Navi Mumbai  
Date: May 16, 2019

Membership Number: 108290

**BALANCE SHEET** as at March 31, 2019

	Notes	31-03-19	(₹ in Lakhs) 31-03-18
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3A	26,232.40	27,509.88
(b) Capital work-in-progress		2,145.91	1,041.26
(c) Investment property	4	-	-
(d) Goodwill	3B	4,023.65	4,023.65
(e) Other intangible assets	3C	658.15	789.80
(f) Financial assets			
(i) Loans	5	970.74	927.42
(g) Other non-current assets	6	1,853.87	1,597.88
(h) Non-current tax assets (net)		5,985.27	6,327.44
		41,869.99	42,217.33
<b>Current assets</b>			
(a) Inventories	7	18,352.30	16,798.62
(b) Financial assets			
(i) Investments	8	1,207.35	4,074.27
(ii) Trade receivables	9	18,153.06	17,784.34
(iii) Cash and cash equivalents	10	2,813.51	2,014.11
(iv) Bank balances other than (iii) above	10	695.62	765.01
(v) Loans	11	52.81	90.95
(vi) Other financial assets	12	112.55	205.02
(c) Other current assets	13	6,195.99	4,575.95
(d) Assets classified as held for sale	14	-	733.01
		47,583.19	47,041.28
<b>TOTAL ASSETS</b>		<b>89,453.18</b>	<b>89,258.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	2,308.18	2,308.18
(b) Other equity	16	59,334.86	60,152.67
		61,643.04	62,460.85
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Provisions	17	1,312.24	1,252.18
(b) Deferred tax liabilities (net)	18	1,515.22	2,057.96
		2,827.46	3,310.14
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	19		
(a) Total outstanding dues of micro and small enterprises		622.48	344.74
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		18,297.66	18,008.61
(ii) Other financial liabilities	20	2,988.90	2,746.36
(b) Other current liabilities	21	286.16	364.54
(c) Provisions	22	1,235.21	746.60
(d) Current tax liabilities (net)		1,552.27	1,276.77
		24,982.68	23,487.62
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>89,453.18</b>	<b>89,258.61</b>
Significant accounting policies	1	-	-
Critical estimates and judgements	2	-	-

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, 16<sup>th</sup> May, 2019

For and on behalf of the Board,  
**K. Handa**

**A. Ahmad**

**S. Talukdar**

**S. Ghadge**

**A. Joshi**

Navi Mumbai, 16<sup>th</sup> May, 2019

Chairman  
DIN:00056826

Vice-Chairman & Managing Director  
DIN:00046742

Director  
DIN:00920608

Chief Financial Officer

Company Secretary  
Membership No. A22502

## STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2019

	Notes	Year ended 31-03-19	(₹ in Lakhs) Year ended 31-03-18
<b>REVENUE</b>			
Revenue from operations	23	<b>1,02,809.27</b>	1,02,866.54
Other income	24	<b>1,081.80</b>	2,774.96
<b>Total revenue</b>		<b>1,03,891.07</b>	1,05,641.50
<b>EXPENSES</b>			
Cost of materials consumed	25	<b>58,710.00</b>	59,228.33
Purchase of stock-in-trade		<b>9,259.59</b>	8,576.67
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	<b>(1,044.17)</b>	(1,239.64)
Excise duty		-	1,511.23
Employee benefits expense	27	<b>9,517.12</b>	9,060.38
Finance costs	28	<b>62.34</b>	59.76
Depreciation and amortisation expense	29	<b>3,742.55</b>	3,772.23
Other expenses	30	<b>20,629.16</b>	21,331.14
<b>TOTAL EXPENSES</b>		<b>1,00,876.59</b>	1,02,300.10
<b>Profit before tax</b>		<b>3,014.48</b>	3,341.40
<b>Tax expense :</b>			
Current tax		<b>1,702.44</b>	833.49
Deferred tax	18	<b>(543.96)</b>	291.14
Tax adjustments of prior years (net)		-	56.70
		<b>1,158.48</b>	1,181.33
<b>Profit for the year</b>	31	<b>1,856.00</b>	2,160.07
<b>Other comprehensive income (net of tax)</b>			
(Items that will not be reclassified to profit or loss)			
(a) Remeasurement of the defined benefit plans		<b>3.50</b>	(83.23)
(b) Income tax relating to Items that will not be reclassified to profit or loss	18	<b>(1.22)</b>	28.81
		<b>2.28</b>	(54.42)
<b>Total comprehensive income for the year</b>		<b>1,858.28</b>	2,105.65
Basic and diluted earnings per share (of ₹ 10/- each) (in ₹)	36	<b>8.04</b>	9.36

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, 16<sup>th</sup> May, 2019

For and on behalf of the Board,  
**K. Handa**

**A. Ahmad**

**S. Talukdar**

**S. Ghadge**

**A. Joshi**

Navi Mumbai, 16<sup>th</sup> May, 2019

Chairman  
DIN:00056826

Vice-Chairman & Managing Director  
DIN:00046742

Director  
DIN:00920608

Chief Financial Officer

Company Secretary  
Membership No. A22502

## STATEMENT OF CHANGES IN EQUITY

(All amounts in ₹ Lakhs, unless otherwise stated)

## Equity share capital and Other equity

For the year ended 31-03-19

Particulars	Equity Share Capital	Reserves and Surplus					Total Other Equity
		Capital Reserve	Capital Redemption Reserve	General Reserve	Deemed Contribution from Parent	Retained Earnings	
<b>Balance as at 01-04-18</b>	<b>2,308.18</b>	<b>730.11</b>	<b>495.39</b>	<b>10,492.29</b>	<b>130.79</b>	<b>48,304.09</b>	<b>60,152.67</b>
Profit for the year	-	-	-	-	-	1,856.00	1,856.00
Other comprehensive income for the year	-	-	-	-	-	2.28	2.28
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,858.28</b>	<b>1,858.28</b>
Final dividend paid (₹ 5 per share)	-	-	-	-	-	(1,154.09)	(1,154.09)
Interim dividend paid (₹ 5 per share)	-	-	-	-	-	(1,154.09)	(1,154.09)
Tax on final dividend	-	-	-	-	-	(237.23)	(237.23)
Tax on interim dividend	-	-	-	-	-	(237.23)	(237.23)
Recognition of share based expenses during the year	-	-	-	-	106.55	-	106.55
<b>Balance as at 31-03-19</b>	<b>2,308.18</b>	<b>730.11</b>	<b>495.39</b>	<b>10,492.29</b>	<b>237.34</b>	<b>47,379.73</b>	<b>59,334.86</b>

For the year ended 31-03-18

Particulars	Equity Share Capital	Reserves and Surplus					Total Other Equity
		Capital Reserve	Capital Redemption Reserve	General Reserve	Deemed Contribution from Parent	Retained Earnings	
<b>Balance as at 01-04-17</b>	<b>2,308.18</b>	<b>730.11</b>	<b>495.39</b>	<b>10,492.29</b>	<b>122.76</b>	<b>53,143.64</b>	<b>64,984.19</b>
Profit for the year	-	-	-	-	-	2,160.07	2,160.07
Other comprehensive income for the year	-	-	-	-	-	(54.42)	(54.42)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,105.65</b>	<b>2,105.65</b>
Final dividend paid (₹ 25 per share)	-	-	-	-	-	(5,770.45)	(5,770.45)
Tax on final dividend	-	-	-	-	-	(1,174.75)	(1,174.75)
Recognition of share based expenses during the year	-	-	-	-	8.03	-	8.03
<b>Balance as at 31-03-18</b>	<b>2,308.18</b>	<b>730.11</b>	<b>495.39</b>	<b>10,492.29</b>	<b>130.79</b>	<b>48,304.09</b>	<b>60,152.67</b>

## Nature and purpose of reserves

- (a) **Capital Reserve:** During amalgamation, the excess of share capital of transferor companies over the cost of consideration paid is treated as capital reserve.
- (b) **Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.
- (c) **General Reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (d) **Deemed Contribution from Parent:** The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.
- (e) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

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, 16<sup>th</sup> May, 2019

For and on behalf of the Board,  
**K. Handa**

Chairman  
DIN:00056826

**A. Ahmad**

Vice-Chairman & Managing Director  
DIN:00046742

**S. Talukdar**

Director  
DIN:00920608

**S. Ghadge**

Chief Financial Officer

**A. Joshi**

Company Secretary  
Membership No. A22502

Navi Mumbai, 16<sup>th</sup> May, 2019

## CASH FLOW STATEMENT for the year ended March 31, 2019

	Year ended 31-03-19 ₹ Lakhs	Year ended 31-03-18 ₹ Lakhs
<b>A. Cash flow from operating activities :</b>		
<b>Profit before tax</b>	<b>3,014.48</b>	3,341.40
Adjustments for :		
Depreciation and amortisation expense	<b>3,742.55</b>	3,772.23
Impairment on assets held for sale	-	146.23
Unrealised foreign exchange loss/(gain) (net)	<b>(12.93)</b>	42.24
Interest income	<b>(10.98)</b>	(63.26)
Dividend income from Investments	<b>(108.83)</b>	(209.22)
Net gain on disposal of property, plant and equipment	<b>(127.58)</b>	(277.81)
Net gain on disposal of investment properties	-	(1,752.78)
Net (gain) / loss on financial assets mandatorily measured at FVTPL	<b>18.00</b>	(116.32)
Employee share based payment expenses	<b>106.55</b>	8.03
Allowances for credit losses	<b>96.18</b>	77.76
Finance costs	<b>62.34</b>	59.76
Property, plant and equipment written-off	-	12.16
<b>Operating profit before working capital changes</b>	<b>6,779.78</b>	5,040.42
Adjustments for (Increase)/Decrease in working capital :		
Trade receivables	<b>(564.22)</b>	(439.35)
Other current assets	<b>(1,620.04)</b>	(1,058.30)
Other non current assets	<b>(116.91)</b>	(564.49)
Other financial assets	<b>131.02</b>	(67.74)
Inventories	<b>(1,553.68)</b>	(1,237.62)
Trade payables	<b>679.03</b>	1,359.08
Non current provisions	<b>63.56</b>	264.65
Current provisions	<b>488.61</b>	(19.02)
Other current liabilities	<b>(78.38)</b>	(864.41)
Other financial liabilities	<b>(145.94)</b>	(308.72)
<b>Cash generated from operations</b>	<b>4,062.83</b>	2,104.50
Direct taxes paid- (net of refunds) (refer note at the end of cash flow statement)	<b>(1,084.77)</b>	(2,211.36)
<b>Cash flow before exceptional items</b>	<b>2,978.06</b>	(106.86)
<b>Net cash generated from / (used in) operating activities</b>	<b>2,978.06</b>	(106.86)

	Year ended 31-03-19 ₹ Lakhs	Year ended 31-03-18 ₹ Lakhs
<b>B. Cash flow from investing activities :</b>		
Purchase of property, plant and equipment (including Capital work-in-progress)	<b>(3,238.43)</b>	(2,909.47)
Sale of property, plant and equipment	<b>896.64</b>	317.28
Sale of investment properties	-	1,757.25
Purchase of current investments	<b>(1,05,999.83)</b>	(1,14,243.23)
Sale of current investments	<b>1,08,848.75</b>	1,21,533.10
Interest received	<b>36.65</b>	32.92
Dividend received	<b>108.83</b>	209.22
<b>Net cash generated from investing activities</b>	<b>652.61</b>	6,697.07
<b>C. Cash flow from financing activities :</b>		
Finance costs	<b>(48.63)</b>	(59.77)
Dividend / dividend tax paid	<b>(2,782.64)</b>	(6,945.20)
<b>Net Cash (used in) financing activities</b>	<b>(2,831.27)</b>	(7,004.97)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>799.40</b>	(414.76)
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>	<b>2,014.11</b>	2,428.87
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (Refer note 10)</b>	<b>2,813.51</b>	2,014.11

Note : Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

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, 16<sup>th</sup> May, 2019

For and on behalf of the Board,  
**K. Handa**  
Chairman  
DIN:00056826

**A. Ahmad**  
Vice-Chairman & Managing Director  
DIN:00046742

**S. Talukdar**  
Director  
DIN:00920608

**S. Ghadge**  
Chief Financial Officer

**A. Joshi**  
Company Secretary  
Membership No. A22502

Navi Mumbai, 16<sup>th</sup> May, 2019



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2019

### Company Information:

Clariant Chemicals (India) Limited (the 'Company') is a public limited Company domiciled in India and is listed on the Bombay Stock Exchange Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). Its registered office is situated at Reliable Tech Park, Gut no. 31, Village Elthan, off Thane-Belapur road, Airoli, Navi Mumbai - 400 708, Maharashtra, India. The company is engaged inter alia, in manufacturing and selling Specialty Chemicals. The Company has its own manufacturing sites in the State of Maharashtra, Tamil Nadu, Gujarat and Madhya Pradesh.

### Note 1: Significant accounting policies

#### (a) Basis of preparation of financial statements:

##### Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the 'Act'.

##### Historical cost convention

These financial statements have been prepared on historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value;
- assets held for sale - measured at fair value less cost to sale;
- defined benefit plans - plan assets measured at fair value and
- share-based payments

##### New and amended standards applied by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 01 2018:

- Ind AS 115 Revenue from Contracts with Customers
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The effect of changes in Foreign Exchange Rates

- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 40, Investment Property
- Amendment to Ind AS 28, Investment in Associates and Joint ventures and Ind AS 112, Disclosure of interests in other entities

The Company had to change its accounting policies following adoption of Ind AS 115 - Refer Note 1(d). The adoption of above standards and amendments did not have any material impact on amount recognised in prior periods and are not expected to significantly affect the current or future periods.

Ind AS 115, Revenue from contracts with customers, deals with revenue recognition and establishes principles for disclosing useful information about revenue and cash flows arising from these contracts. This standard replaces Ind AS 18, Revenue Recognition, and Ind AS 11, Construction Contracts, and related interpretations. It is effective for accounting periods beginning on or after April 01, 2018.

The Company applied Ind AS 115 for the first time by using modified retrospective method of adoption with the date of initial application of April 01, 2018. Under this method, the company recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at April 01, 2018. Comparative prior period has not been adjusted.

Clariant as a manufacturer and seller of industrial goods is engaged to the largest extent in transactions that are accounted for in the same manner under Ind AS 115 as under the previous standards. Administrative procedures are such that contracts with customers are readily identifiable once they are agreed upon. Performance obligations for products and services can be identified by individual product numbers, which are also invoiced individually, allowing for the determination and allocation of the transaction price. Revenues from the sale of goods are recognized at a point in time. Services are normally invoiced separately and commensurate with the services rendered and thus recognized over time. As an industrial company with a large number of customers placing relatively small orders at a time, the Company does not incur substantial contract-related costs.

As a consequence, the recognition and valuation rules required by Ind AS 115 did not have any material impact on the financial statements of the Company.

**New and amended standards and interpretations not yet effective and have not been early adopted by the Company.**

- **Ind AS 116 – Leases**

Nature of change: On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 01, 2019. This standard replaces current guidance in Ind AS 17 and is a far-reaching change in accounting by lessees in particular.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The standard includes two recognition exemption for leases: leases of 'low-value' assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing right to use the underlying asset during the lease term except for leases of biological assets, service concession arrangements, licenses of intellectual property, rights held by a lessee under licensing agreements and exploration of resources. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

Impact: The Company is evaluating the impact of the standard on its financial statements.

- **Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12**

Nature of change: On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 which notified Appendix C to Ind AS 12, Income Taxes. The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee.

This amendment clarifies how the recognition and

measurement requirements of Ind AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. The amendment applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation is effective for annual periods beginning on or after April 01, 2019.

Impact: The Company is evaluating the impact of the standard on its financial statements.

- **Prepayment Features with Negative Compensation, Amendments to Ind AS 109**

Nature of change: On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 which notified amendment to Ind AS 109, Financial Instruments.

This amendment enables entities to measure certain pre-payable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract'.

That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

The interpretation is effective for annual periods beginning on or after April 01, 2019.

Impact: The Company is evaluating the impact of the standard on its financial statements.

Notes forming part of the financial statements for the year ended March 31, 2019

- **Long-term Interests in Associates and Joint Ventures, Amendments to Ind AS 28**

Nature of change: On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 which notified amendment to Ind AS 28, Investments in Associates and Joint Ventures.

The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under Ind AS 109, Financial Instruments before applying the loss allocation and impairment requirements in Ind AS 28 Investments in Associates and Joint Ventures.

The interpretation is effective for annual periods beginning on or after April 01, 2019.

Impact: The Company is evaluating the impact of the standard on its financial statements.

- **Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19**

Nature of change: On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 which notified amendment to Ind AS 19, Employee Benefits.

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling.
- separately recognise any changes in the asset ceiling through Other Comprehensive Income.

The interpretation is effective for annual periods beginning on or after April 01, 2019.

Impact: The Company is evaluating the impact of the standard on its financial statements.

- **Annual Improvements to Ind AS**

Nature of change: On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 which notified the following improvements to Ind AS

- Ind AS 23, “Borrowing Cost”- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
- Ind AS 103, “Business Combination”- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.
- Ind AS 111, “Joint arrangements”- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.
- Ind AS 12, “Income Taxes”- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

Previously, it was unclear whether the income tax consequences of dividend should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

The interpretation is effective for annual periods beginning on or after April 01, 2019.

Impact: The Company is evaluating the impact of the standard on its financial statements.

There are no other standards, changes in standards and interpretations that are not in force up to reporting period that the Company expects to have a material impact arising from its application in its financial statements.

**(b) Segment reporting**

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Company.

The Company's reportable segments under Ind AS 108 are as follows:

Plastics and Coatings: Includes pigments, pigment preparations, additives and masterbatches.

Specialty Chemicals: Includes dyestuff, synthetic resins, functional effects and coating, auxiliaries and chemicals.

During the previous year the Company has renamed its Segment names from "Pigments and Colors" to "Plastics and Coatings" and "Dyes and Specialty Chemicals" to "Specialty Chemicals". Company has four Business Units (BU) for reporting purposes, grouped into two Business Areas (BA) (reportable segments), in accordance with Ind AS 108, Operating Segments:

- Plastics and Coatings (BU Additives, BU Masterbatches, BU Pigments)
- Specialty Chemicals (BU ICS)

**(c) Foreign currency translation**

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency viz. Indian Rupee, are recognised at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss in the period in which they arise. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**(d) Recognition of revenue from contracts with customers**

Sales of goods and services are recognized in line with the requirements of Ind AS 115, Revenue from contracts with customers. Revenue is measured based on the

consideration the Company expects to receive in exchange for the goods or services. Revenue from sales of goods is recognized in the income statement when control has been transferred to the buyer, which is usually upon delivery, at a fixed or determinable price, and when collectability is reasonably assured. Delivery is defined based on the terms of the sale contract. Revenue from services is recognized when the respective services have been rendered. Revenue is reported net of goods and service tax, returns, discounts and rebates. Rebates to customers are provided for in the same period that the related sales are recorded based on the contract terms.

The Company does not expect to have any contracts where the period between transfer of the promised goods or services to customer and payment by the customer exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

A receivable is recognised when the goods are delivered as this is the point of time that the consideration is unconditional because only the passage of time is required before the payment is due.

**(e) Recognition of revenues from interest and dividends**

Interest income is recognized on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity when it is determined that such income will accrue to the Company. Dividends are recognized when the right to receive the payment is established.

**(f) Income tax**

Income tax expense represents the sum of current tax and deferred tax.

The current tax expense or credit for the year is the tax payable on the current period's taxable income based on the applicable enacted income tax rate in accordance with the Income Tax Act, 1961, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, items that are never taxable/deductible and unused tax losses/ tax credits.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases

Notes forming part of the financial statements for the year ended March 31, 2019

of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than in a business combination) that affects neither accounting profit nor taxable profit. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### **(g) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. All leasing arrangements of the Company as a lessee or a lessor are assessed and classified as operating leases.

As a lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease.

Rent expenses under operating leases (net of any incentives received from the lessor) are charged to statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase. The respective leased assets are included in the balance sheet based on their nature.

#### **(h) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes are indicative in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment.

#### **(i) Cash and cash equivalents**

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, cheques/drafts on hand and balances with banks of current and term deposit account, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdraft.

#### **(j) Assets held for sale**

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. An impairment loss is recognised



for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition. Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognized. Assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities for assets held for sale are presented separately from other liabilities in the balance sheet.

**(k) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for credit losses.

**(l) Inventories**

Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, packing materials, work in progress, finished goods, stock-in-trade and stores and spares are stated at the lower of cost and net realisable value. Cost of raw materials and stock-in-trade include cost of purchases. Cost of work-in-progress and finished goods include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure (allocated on the basis of normal operating capacity).

**(m) Investments and other financial assets**

**Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income or through statement of profit or loss account.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI).



Notes forming part of the financial statements for the year ended March 31, 2019

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss(FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain / (losses) in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial

Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

### Derecognition of financial assets

A financial asset is derecognised only when the Company

- has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

**(n) Offsetting financial instruments**

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**(o) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on a pro-rata basis on the straight-line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013, except in case of certain assets, wherein based on technical evaluation, a different useful life has been considered. The estimated useful lives of assets are as follows:

<b>Asset</b>	<b>Useful Life</b>	<b>Asset</b>	<b>Useful Life</b>
Factory building	30 Years	Computers	3 Years
Office building	60 Years	Furniture and fixture	10 Years
Roads	5 to 10 Years	Office equipment	5 Years
Plant and equipment	10 Years	Vehicles	5 to 8 Years
Hardware mainframes and Servers	6 Years	Leasehold improvements	10 Years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are re-viewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit or loss.

**(p) Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties have a useful life of 60 years.

**(q) Goodwill**

Goodwill on acquisitions of business is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances are indicative of impairment and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which is Pigment and Masterbatches.

Notes forming part of the financial statements for the year ended March 31, 2019

**(r) Intangible assets**

**Trademarks**

Directly acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses if any.

**Amortisation methods and periods**

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Asset	Useful Life
Trademarks	10 Years
Non-compete fees	3 Years

**(s) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid as at the end of balance sheet date. The amounts are unsecured and are generally paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(t) 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 year 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.

**(u) Employee benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

These liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The Company presents provision for leave salaries as current and non-current based on actuarial valuation considering estimates of avaiement of leave, separation of employee, etc. An employee is entitled to be paid the entire accumulated leave balance immediately on separation from the Company, as per the policy of the Company.

**Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, ex-gratia gratuity, provident fund; and
- (b) defined contribution plans such as superannuation fund, employee's state insurance and other funds.

**Defined Benefit Plans**

The company has Defined Benefit Plans for post-employment benefits in the form of Provident Fund (treated as a Defined Benefit Plan on account of guaranteed interest benefit) and Gratuity. Provident Fund and Gratuity fund are recognised by the Income-tax authorities and administered through trustees and/or LIC. Liability for

Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary.

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### **Defined contribution plans**

The Company's contribution to superannuation fund, employee's state insurance and other funds are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **Share-based payments**

Group share-based payments benefits are provided to few employees under senior management level settled by ultimate holding Company, Clariant AG, Switzerland and accordingly classified as equity settled share-based payments.

Equity-settled share-based payments to employees are recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit or loss, with a corresponding adjustment to equity. The fair value of shares granted is calculated based on market value of shares, as at grant date

#### **Bonus plans**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### **Termination benefits**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

#### **(v) Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **(w) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes forming part of the financial statements for the year ended March 31, 2019

## (x) Earnings per share

### Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## (y) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupee in Lakh as per the requirement of Schedule III of the 'Act', unless otherwise stated.

## Note 2: Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Estimation of taxes - Note 34
- Estimated goodwill impairment - Note 3B.
- Estimation for the accounting of employee benefits - Note 39
- Allowance for credit losses on trade receivable - Note 1 (m) and 9
- Measurement of useful lives for property, plant and equipment and intangible assets - Note 1 (o) (q) and (r).
- Estimation of Provision for Inventory - Note 7

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes forming part of the financial statements for the year ended March 31, 2019

**3 Property, plant and equipment / goodwill / other intangible assets**

Description	Gross block				Depreciation / Amortisation					Net block	
	As at 01-04-18	Additions	Deductions	Asset classified as held for sale (Refer Note 14)	As at 31-03-19	As at 01-04-18	Deductions	For the year	Asset classified as held for sale (Refer Note 14)	As at 31-03-19	As at 31-03-19
<b>3A Property, plant and equipment</b>											
Land freehold	2,524.61	-	-	-	2,524.61	-	-	-	-	-	2,524.61
Land leasehold	770.87	-	-	-	770.87	26.53	-	12.07	-	38.60	732.27
Buildings	12,405.89	500.88	9.27	-	12,897.50	2,111.97	0.90	603.88	-	2,714.95	10,182.55
Plant and equipment	19,597.20	1,745.39	90.27	-	21,252.32	7,614.86	63.76	2,327.47	-	9,878.57	11,373.75
Furniture and fixtures	1,093.95	52.41	-	-	1,146.36	288.69	-	14.40	-	303.09	843.27
Office equipment	2,300.54	47.00	90.92	-	2,256.62	1,555.63	90.14	522.48	-	1,987.97	268.65
Vehicles	764.92	23.77	20.75	-	767.94	350.42	20.38	130.60	-	460.64	307.30
<b>Total</b>	<b>39,457.98</b>	<b>2,369.45</b>	<b>211.21</b>	<b>-</b>	<b>41,616.22</b>	<b>11,948.10</b>	<b>175.18</b>	<b>3,610.90</b>	<b>-</b>	<b>15,383.82</b>	<b>26,232.40</b>
<b>3B Goodwill</b>											
<b>Goodwill</b>	<b>4,023.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,023.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,023.65</b>
<b>3C Other intangible assets</b>											
Trademarks	1,214.52	-	-	-	1,214.52	424.72	-	131.65	-	556.37	658.15
Non compete fees	53.00	-	-	-	53.00	53.00	-	-	-	53.00	-
<b>Total</b>	<b>1,267.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,267.52</b>	<b>477.72</b>	<b>-</b>	<b>131.65</b>	<b>-</b>	<b>609.37</b>	<b>658.15</b>

Description	Gross block				Depreciation / Amortisation					Net block	
	As at 01-04-17	Additions	Deductions	Asset classified as held for sale (Refer Note 14)	As at 31-03-18	As at 01-04-17	Deductions	For the year	Asset classified as held for sale (Refer Note 14)	As at 31-03-18	As at 31-03-18
<b>3A Property, plant and equipment</b>											
Land freehold	2,513.75	10.86	-	-	2,524.61	-	-	-	-	-	2,524.61
Land leasehold	1,393.36	-	-	622.49	770.87	40.53	-	14.75	28.75	26.53	744.34
Buildings	12,296.11	485.56	26.08	349.70	12,405.89	1,545.55	2.23	632.86	64.21	2,111.97	10,293.92
Plant and equipment	17,919.92	1,767.23	89.95	-	19,597.20	5,361.55	62.65	2,315.96	-	7,614.86	11,982.34
Furniture and fixtures	1,101.41	8.00	15.46	-	1,093.95	180.56	14.70	122.83	-	288.69	805.26
Office equipment	2,041.19	311.17	51.82	-	2,300.54	1,211.94	49.22	392.91	-	1,555.63	744.91
Vehicles	639.01	131.62	5.71	-	764.92	214.48	5.31	141.25	-	350.42	414.50
<b>Total</b>	<b>37,904.75</b>	<b>2,714.44</b>	<b>189.02</b>	<b>972.19</b>	<b>39,457.98</b>	<b>8,554.61</b>	<b>134.11</b>	<b>3,620.56</b>	<b>92.96</b>	<b>11,948.10</b>	<b>27,509.88</b>
<b>3B Goodwill</b>											
<b>Goodwill</b>	<b>4,023.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,023.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,023.65</b>
<b>3C Other intangible assets</b>											
Trademarks	1,214.52	-	-	-	1,214.52	293.07	-	131.65	-	424.72	789.80
Non compete fees	53.00	-	-	-	53.00	32.98	-	20.02	-	53.00	-
<b>Total</b>	<b>1,267.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,267.52</b>	<b>326.05</b>	<b>-</b>	<b>151.67</b>	<b>-</b>	<b>477.72</b>	<b>789.80</b>

**Note 3A: Property, plant and equipment**

Buildings include ₹ 450/- (31-03-18 : ₹ 450/-) being the cost of shares in co-operative housing society

**Note 3B: Goodwill**

Goodwill has been allocated for impairment testing purposes to the cash-generating units as follows :

Cash generating unit (CGU)	31-03-19 ₹ Lakhs	31-03-18 ₹ Lakhs
Pigment business	894.11	894.11
Masterbatches business	3,129.54	3,129.54
<b>TOTAL</b>	<b>4,023.65</b>	<b>4,023.65</b>

The recoverable amount of both the CGU are determined based on a value in use calculation which uses cash flow projections covering a five-year period and a discount rate ranges from **15.42%** to **16.36%** per annum (31-03-18 : 13.13% per annum). For both the CGU, cash flow projections during the five year period are based on the historical growth rate and margins. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum (31-03-18 : 5% per annum) growth rate which is the projected long-term average growth rate.

The Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.



Notes forming part of the financial statements for the year ended March 31, 2019

**4 Investment properties**

₹ Lakhs

Description	Gross block				Depreciation / Amortisation				Net block	
	As at 01-04-18	Additions	Deductions	As at 31-03-19	As at 01-04-18	Deductions	For the year	As at 31-03-19	As at 31-03-19	
Buildings	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Description	Gross block				Depreciation / Amortisation				Net block	
	As at 01-04-17	Additions	Deductions	As at 31-03-18	As at 01-04-17	Deductions	For the year	As at 31-03-18	As at 31-03-18	
Buildings	1.35	-	1.35	-	0.12	0.18	0.06	-	-	
<b>Total</b>	<b>1.35</b>	<b>-</b>	<b>-</b>	<b>1.35</b>	<b>0.12</b>	<b>0.18</b>	<b>0.06</b>	<b>-</b>	<b>-</b>	

**Notes:**

1	Amount recognised in profit and loss for investment properties	Year ended 31-03-19 ₹ Lakhs	Year ended 31-03-18 ₹ Lakhs
	Rental Income	-	24.31
	Direct operating expenses from property that generated rental income	-	(4.10)
	<b>Profit from investment properties before depreciation</b>	-	20.21
	Net Gain on disposal of investment properties	-	1,752.78
	Depreciation	-	(0.06)
	<b>Profit from investment properties</b>	-	1,772.93

During the previous year, the Company had sold the above investment property and recognised profit of ₹ 1752.78 lakhs.

	31-03-19 ₹ Lakhs	31-03-18 ₹ Lakhs
<b>5 Non-current financial assets : Loans</b>		
Security and other deposits (Unsecured, considered good)	<b>961.27</b>	915.81
Loans to employees	<b>9.47</b>	11.61
	<b>970.74</b>	927.42
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	<b>970.74</b>	927.42
Significant increase in Credit Risk	-	-
Credit impaired	-	-

Notes forming part of the financial statements for the year ended March 31, 2019

	31-03-19 ₹ Lakhs	31-03-18 ₹ Lakhs
<b>6 Other non-current assets</b>		
Capital advances	147.39	8.31
Indirect taxes recoverable	1,692.48	1,563.83
Prepayments	14.00	25.74
	<b>1,853.87</b>	<b>1,597.88</b>
<b>7 Current assets : Inventories</b>		
(Valued at the lower of cost and net realisable value)		
Raw materials	6,350.94	5,996.78
Packing materials	215.18	196.58
Work-in-progress	3,303.62	2,404.66
Finished goods	5,923.49	5,882.75
Stock-in-trade	1,924.32	1,819.85
Stores and spares	634.75	498.00
	<b>18,352.30</b>	<b>16,798.62</b>
<b>Included above, goods in transit</b>		
Raw materials	405.49	301.23
Stock-in-trade	901.10	838.65
	<b>1,306.59</b>	<b>1,139.88</b>
<b>8 Current financial assets : Investments</b>		
<b>Unquoted Investments (All fully paid)</b>		
<b>Investments in Mutual funds</b>		
Birla Sun Life Cash Plus - Regular Plan - DDR	301.91	819.31
DSP BlackRock Mutual Fund - Liquidity Fund Institutional Plan - DDR	301.75	1,012.37
L & T Liquid Fund - DDR	-	922.27
Reliance Liquid Fund - Treasury Plan - DDR	301.86	818.24
Axis Mutual Fund - DDR	301.83	502.08
	<b>1,207.35</b>	<b>4,074.27</b>
Of the above, investments mandatorily measured at FVTPL	<b>1,207.35</b>	<b>4,074.27</b>
<b>9 Current financial assets : Trade receivables</b>		
Secured, considered good	439.92	456.00
Unsecured, considered good	17,873.73	17,499.32
Significant increase in Credit Risk	-	-
Credit impaired*	211.01	150.87
	<b>18,524.66</b>	<b>18,106.19</b>
Less: Allowances for credit losses	<b>371.60</b>	<b>321.85</b>
	<b>18,153.06</b>	<b>17,784.34</b>

\*Credit impaired trade receivables are those which till last year were disclosed as doubtful receivables.

Notes forming part of the financial statements for the year ended March 31, 2019

	31-03-19 ₹ Lakhs	31-03-18 ₹ Lakhs
<b>10 Current financial assets : Cash and bank balances</b>		
<b>Cash and cash equivalents :</b>		
Cash on hand	1.85	1.38
Cheques, drafts on hand	93.43	39.77
Balances with banks		
In current accounts	1,867.36	896.15
Term deposits with original maturity of less than three months	850.87	1,076.81
	<b>2,813.51</b>	2,014.11
<b>Other bank balances :</b>		
Earmarked current account : Unclaimed dividend	695.62	765.01
	<b>695.62</b>	765.01
<b>11 Current financial assets : Loans</b>		
Security and other deposits (Unsecured, considered good)	38.79	74.11
Loans to employees	14.02	16.84
	<b>52.81</b>	90.95
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	52.81	90.95
Significant increase in Credit Risk	-	-
Credit impaired	-	-
<b>12 Current financial assets : Others</b>		
Unbilled Revenue	1.09	42.21
Others	111.46	162.81
	<b>112.55</b>	205.02
<b>13 Other current assets</b>		
Advances to suppliers	552.88	426.38
Balance with Government authorities	4,805.45	3,246.67
Prepayments	129.16	161.68
Export incentives receivable	687.36	631.10
Other current assets	21.14	110.12
	<b>6,195.99</b>	4,575.95

	31-03-19 ₹ Lakhs	31-03-18 ₹ Lakhs
<b>14 Assets classified as held for sale</b>		
Leasehold Land and Buildings	-	879.24
Less: Impairment	-	(146.23)
	-	733.01

In November 2017, the directors of Clariant Chemicals (India) Limited decided to sell a site. Site was classified as held for sale in the previous reporting period was measured at the lower of its carrying amount and fair value less cost to sale at the time of reclassification, resulting in the recognition of write down of INR 146.23 Lakhs as impairment loss in the statement of profit and loss. The fair value of site was determined using the sales comparison approach. This was level 2 measurement as per the fair value hierarchy.

<b>15 Share Capital</b>		
<b>Authorised</b>		
3,00,00,000 equity shares of ₹ 10/- each	<b>3000.00</b>	3000.00
<b>Issued, subscribed and paid up</b>		
2,30,81,798 equity shares of ₹ 10/- each fully paid up (31-03-18 : 2,30,81,798)	<b>2308.18</b>	2308.18

**15 a Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year**

	31-03-19		31-03-18	
	Number	₹ Lakhs	Number	₹ Lakhs
<b>Equity shares :</b>				
Outstanding as at the beginning of the year	<b>2,30,81,798</b>	<b>2308.18</b>	2,30,81,798	2308.18
Outstanding as at the end of the year	<b>2,30,81,798</b>	<b>2308.18</b>	2,30,81,798	2308.18

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

Name of Shareholder	31-03-19		31-03-18	
	Number	Percentage	Number	Percentage
EBITO Chemieeteiligungen AG. *	<b>41,09,426</b>	<b>17.80%</b>	41,09,426	17.80%
Clariant Plastic & Coating AG *	<b>76,62,624</b>	<b>33.20%</b>	76,62,624	33.20%

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

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

**15 d Shares bought back (during 5 financial years immediately preceding March 31, 2019)**

	31-03-19	31-03-18	31-03-17	31-03-16	31-12-15
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.

Notes forming part of the financial statements for the year ended March 31, 2019

### 15 e 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.

### 15 f Dividend on equity shares

The Board of Directors at its meeting held on May 15, 2018, recommended the payment of final dividend of ₹ 5 per equity share for the financial year ended March 31, 2018. The same was approved by the shareholders at the Annual General Meeting held on August 09, 2018 and paid during the year, resulting in a cash outflow of ₹ 1391.32 Lakhs (including corporate dividend tax of ₹ 237.23 Lakhs). The Board of Directors at their meeting held on November 1, 2018 declared interim dividend of ₹ 5 per equity and paid during the year, resulting in cash outflow of ₹ 1391.32 Lakhs (including corporate dividend tax of ₹ 237.23 Lakhs).

The Board of Directors at its meeting held on May 16, 2019, have recommended the payment of final dividend of ₹ 5 per equity share for the financial year ended March 31, 2019. The same is subject to approval by the shareholders at the forth coming Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 1391.32 Lakhs (including corporate dividend tax of ₹ 237.23 Lakhs).

	31-03-19 ₹ Lakhs	31-03-18 ₹ Lakhs
<b>16 Other equity</b>		
Capital reserve	730.11	730.11
Capital redemption reserve	495.39	495.39
General reserve	10,492.29	10,492.29
Deemed contribution from parent (Refer Note 40)	237.34	130.79
Retained earnings	47,379.73	48,304.09
	<b>59,334.86</b>	<b>60,152.67</b>
<b>17 Non - current liabilities : Provisions</b>		
<b>Provision for employee benefits</b>		
Compensated absences	899.63	848.09
Gratuity	412.61	393.09
Ex-gratia gratuity	-	11.00
	<b>1,312.24</b>	<b>1,252.18</b>

Notes forming part of the financial statements for the year ended March 31, 2019

	31-03-19 ₹ Lakhs	31-03-18 ₹ Lakhs
<b>18 Deferred tax liabilities (Net)</b>		
<b>Deferred tax liabilities</b>		
Property, plant and equipment and investment properties	2,426.71	2,722.29
Intangible assets	112.75	118.54
	<b>2,539.46</b>	<b>2,840.83</b>
<b>Deferred tax assets</b>		
Allowance credit losses and doubtful receivables	129.84	111.39
Impairment on assets held for sale	-	50.61
Provision for employee benefits	587.11	563.85
Other provisions	302.97	54.50
Others	4.32	2.52
	<b>1,024.24</b>	<b>782.87</b>
	<b>1,515.22</b>	<b>2,057.96</b>

**Movements in deferred tax liabilities (net) for the year ended 31-03-19**

₹ Lakhs

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing balance
Property, plant and equipment and investment properties	2,722.29	(295.58)	-	2,426.71
Impairment on assets held for sale	(50.61)	50.61	-	-
Intangible assets	118.54	(5.79)	-	112.75
Allowance for credit losses and doubtful receivables	(111.39)	(18.45)	-	(129.84)
Provision for employee benefits	(563.85)	(24.48)	1.22	(587.11)
Other provisions	(54.50)	(248.47)	-	(302.97)
Others	(2.52)	(1.80)	-	(4.32)
Net Deferred tax Liabilities / (Assets)	<b>2,057.96</b>	<b>(543.96)</b>	<b>1.22</b>	<b>1,515.22</b>

**Movements in deferred tax liabilities (net) for the year ended 31-03-18**

₹ Lakhs

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing balance
Property, plant and equipment and investment properties	2,303.03	419.26	-	2,722.29
Impairment on assets held for sale	-	(50.61)	-	(50.61)
Intangible assets	119.43	(0.89)	-	118.54
Financial assets at fair value through profit or loss	(37.57)	37.57	-	-
Allowance for credit losses and doubtful receivables	(84.48)	(26.91)	-	(111.39)
Provision for employee benefits	(446.95)	(88.09)	(28.81)	(563.85)
Other provisions	(54.50)	-	-	(54.50)
Others	(3.33)	0.81	-	(2.52)
Net Deferred tax Liabilities / (Assets)	<b>1,795.63</b>	<b>291.14</b>	<b>(28.81)</b>	<b>2,057.96</b>



Notes forming part of the financial statements for the year ended March 31, 2019

	31-03-19 ₹ Lakhs	31-03-18 ₹ Lakhs
<b>19 Current financial liabilities :Trade payables</b>		
Trade Payables:		
- Total outstanding dues of micro and small enterprises (Refer Note 37)	622.48	344.74
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18,297.66	18,008.61
	<b>18,920.14</b>	18,353.35
<b>20 Current financial liabilities : Others</b>		
Security and other deposits	686.73	686.50
Employee benefits payable	1,093.96	953.19
Payables for capital expenditure	437.05	62.28
Accrued liabilities	75.54	279.38
Unclaimed dividend *	695.62	765.01
	<b>2,988.90</b>	2,746.36
* There is no amount due and outstanding to be credited to Investor's Education and Protection Fund.		
<b>21 Other current liabilities</b>		
Advances from customers - Contract liabilities *	33.11	112.79
Statutory dues (including provident fund and withholding taxes)	222.51	223.26
Other liabilities	30.54	28.49
	<b>286.16</b>	364.54
* There has been no significant change in the contract liabilities and entire amount has been recongised as a revenue during current year from opening contract liabilities.		
<b>22 Current liabilities : Provisions</b>		
<b>Provision for employee benefits</b>		
Compensated absences	118.09	125.87
Gratuity	250.00	250.00
Ex-gratia gratuity	-	1.11
<b>Other Provisions</b>		
Provision for indirect tax matters	867.12	369.62
	<b>1,235.21</b>	746.60
<b>22a Movements in provision for indirect tax matters</b>		
Opening balance	369.62	378.54
Provision during the period	497.50	54.68
Amount utilised	-	(63.60)
<b>Closing balance</b>	<b>867.12</b>	369.62

The provision for indirect tax matters is an estimated amount to be paid to various government authorities on settlement of disputes at various forums.

Notes forming part of the financial statements for the year ended March 31, 2019

	Year ended 31-03-19 ₹ Lakhs	Year ended 31-03-18 ₹ Lakhs
<b>23 Revenue from operations (Refer Note 42)</b>		
<b>Revenue from contracts with customers</b>		
Sale of products (including excise duty)*	<b>98,393.89</b>	99,345.41
Sale of services	<b>2,853.33</b>	2,326.27
<b>Other operating revenue</b>		
Export incentives	<b>1,096.69</b>	748.56
Commission income	<b>304.91</b>	330.52
Scrap sale	<b>160.45</b>	115.78
	<b>1,02,809.27</b>	1,02,866.54
* Sale of products of current year is not strictly comparable with previous year as sale of products in previous year is inclusive of excise duty for the period from April 01, 2017 to June 30, 2017, whereas current year sales of products is exclusive. Pursuant to introduction of Goods and Services Tax (GST) with effect from July 01, 2017, sale of products from July 01, 2017 to March 31, 2018 is net of Goods and Services Tax (GST).		
<b>24 Other income</b>		
<b>Interest income on financial assets at amortised cost</b>		
Fixed deposits	<b>5.52</b>	6.24
Others	<b>5.46</b>	57.02
<b>Dividend Income from :</b>		
Financial assets mandatorily measured at FVTPL	<b>108.83</b>	209.22
<b>Rental income</b>		
Sublease of office premises	<b>509.07</b>	331.26
Investment properties	<b>-</b>	24.31
<b>Other gains and losses</b>		
Net Gain on disposal of property, plant and equipment	<b>127.58</b>	277.81
Net Gain on disposal of investment properties (Refer Note 4)	<b>-</b>	1,752.78
Foreign exchange gain (net)	<b>307.34</b>	-
Net gain on financial assets mandatorily measured at FVTPL	<b>18.00</b>	116.32
	<b>1,081.80</b>	2,774.96
<b>25 Cost of materials consumed *</b>		
Raw materials consumed	<b>56,954.38</b>	57,628.29
Packing materials consumed	<b>1,755.62</b>	1,600.04
	<b>58,710.00</b>	59,228.33

\* Cost of materials consumed is based on derived values.

Notes forming part of the financial statements for the year ended March 31, 2019

	Year ended 31-03-19 ₹ Lakhs	Year ended 31-03-18 ₹ Lakhs
<b>26 Changes in inventories</b>		
<b>Opening inventories</b>		
Finished goods	5,882.75	5,571.47
Stock-in-trade	1,819.85	1,274.86
Work - in - progress	2,404.66	2,021.29
	<b>10,107.26</b>	8,867.62
<b>Less: Closing inventories</b>		
Finished goods	5,923.49	5,882.75
Stock-in-trade	1,924.32	1,819.85
Work - in - progress	3,303.62	2,404.66
	<b>11,151.43</b>	10,107.26
Changes in inventories	<b>(1,044.17)</b>	(1,239.64)
<b>27 Employee benefits expense</b>		
Salaries, wages, bonus, etc.	7,435.36	7,005.77
Gratuity and Ex gratia gratuity	214.20	332.60
Provident fund	327.02	315.63
Contribution to superannuation fund	156.78	157.75
Share based payments (Refer Note 40)	106.55	8.03
Staff welfare expenses	1,277.21	1,240.60
	<b>9,517.12</b>	9,060.38
<b>28 Finance costs</b>		
Interest expenses - on financial liability at amortised cost	62.34	59.76
	<b>62.34</b>	59.76
<b>29 Depreciation and amortisation expenses</b>		
Depreciation of property, plant and equipment	3,610.90	3,620.50
Depreciation on investment properties	-	0.06
Amortisation of intangible assets	131.65	151.67
	<b>3,742.55</b>	3,772.23

	Year ended 31-03-19 ₹ Lakhs	Year ended 31-03-18 ₹ Lakhs
<b>30 Other expenses</b>		
Stores and spare parts etc. consumed	<b>381.56</b>	424.53
Repairs and maintenance :		
Plant and machinery	<b>1,698.19</b>	1,593.41
Buildings	<b>266.65</b>	236.79
Others	<b>293.92</b>	283.93
Impairment on assets held for sale	-	146.23
Power and fuel	<b>5,426.02</b>	5,208.73
Rent (including lease payments) (Refer Note 35)	<b>1,137.84</b>	1,136.15
Rates and taxes (including water charges)	<b>1,023.41</b>	858.83
Insurance	<b>211.56</b>	233.99
Clearing, forwarding and transport	<b>1,690.44</b>	2,183.85
Travelling and conveyance	<b>994.71</b>	1,012.59
Commission	<b>76.83</b>	56.72
Royalty	<b>84.12</b>	76.09
Legal and consultancy	<b>474.06</b>	516.38
Information technology services	<b>1,052.62</b>	1,062.59
Payment to statutory auditors :		
As auditors	<b>18.65</b>	28.30
For other services	<b>20.31</b>	27.45
For reimbursement of expenses	<b>4.14</b>	2.51
Property, plant and equipment written-off	-	12.16
Allowances for credit losses	<b>96.18</b>	77.76
Foreign exchange loss (net)	-	234.98
Expenditure towards corporate social responsibility (CSR) activities (Refer Note 38)	<b>46.75</b>	30.19
Miscellaneous expenses	<b>5,631.20</b>	5,886.98
	<b>20,629.16</b>	21,331.14
<b>31 Reconciliation of income tax expenses with accounting profit</b>		
Profit before tax	<b>3,014.48</b>	3,341.40
Income tax using the Company's domestic tax rate @ <b>34.94%</b> (PY 34.61%)	<b>1,053.26</b>	1,156.46
Effect of expenses that are not deductible in determining taxable profit	<b>112.95</b>	21.07
Effect of income that is not taxable	<b>(28.51)</b>	(52.90)
Effect on deferred tax balances due to the change in income tax rate	<b>20.78</b>	-
Effect of tax adjustments of prior years (net)	-	56.70
Income tax expense recognised in profit or loss	<b>1,158.48</b>	1,181.33

Notes forming part of the financial statements for the year ended March 31, 2019

## 32 Financial instruments and risk review

### Capital management

The Company's objectives when managing capital are to :

- (i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- (ii) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The capital structure of the Company consists of equity of the Company (comprising issued capital, reserves and retained earnings as detailed in notes 15 and 16). The Company is a zero debt company with no long-term borrowings as at 31-03-2019. The Company is not subject to any externally imposed capital requirements.

### Categories of financial instruments

Particulars	31-03-19 ₹ Lakhs	31-03-18 ₹ Lakhs
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Cash and bank balances	<b>3509.13</b>	2779.12
Trade receivables	<b>18153.06</b>	17784.34
Loans	<b>1023.55</b>	1018.37
Other financial assets	<b>112.55</b>	205.02
<b>Measured at fair value through profit and loss (FVTPL)</b>		
Mandatorily measured - Investments in mutual funds	<b>1207.35</b>	4074.27
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Trade payables	<b>18920.14</b>	18353.35
Other financial liabilities	<b>2988.90</b>	2746.36

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets.

### Financial risk management framework

"The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to reduce potential adverse effects on the Company's financial performance at reasonable hedging costs. The Company uses derivative financial instruments to hedge risks on net exposure basis.

Management identifies, evaluates and hedges financial risks under approved policies to manage overall foreign exchange risk, credit risk and investing surplus liquidity (counterparty risk).

Notes forming part of the financial statements for the year ended March 31, 2019

**Market risks****Foreign exchange risk**

The Company has exports to and imports from other countries and is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the Euro and the US-dollar. Foreign exchange risks arise from recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

To manage the foreign exchange risk arising from recognized assets and liabilities, the Company uses spot transactions and foreign exchange forward contracts, on net exposure basis in major foreign currencies.

Forward Exchange Contracts outstanding as at March 31, 2019

Currency	Amount in Foreign Currency		Amount ₹ Lakhs	
	31-03-19	31-03-18	31-03-19	31-03-18
EUR / USD	<b>NIL</b>	300,000	<b>NIL</b>	241.57

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

Particulars	31-03-19	31-03-18
<b>Amount receivable</b>		
USD (Amount in foreign currency)	<b>6725312.92</b>	7332978.98
₹ in Lakhs	<b>4649.81</b>	4770.86
EURO (Amount in foreign currency)	<b>39850.25</b>	67537.95
₹ in Lakhs	<b>30.95</b>	54.12
CHF (Amount in foreign currency)	<b>2314.80</b>	-
₹ in Lakhs	<b>1.61</b>	-
<b>Amount payable</b>		
USD (Amount in foreign currency)	<b>3440265.46</b>	2536778.74
₹ in Lakhs	<b>2378.56</b>	1651.54
EURO (Amount in foreign currency)	<b>2505922.95</b>	2631408.31
₹ in Lakhs	<b>1946.61</b>	2108.45
CHF (Amount in foreign currency)	<b>298560.47</b>	241891.00
₹ in Lakhs	<b>207.33</b>	164.27
JPY (Amount in foreign currency)	<b>35100000.00</b>	16200000.00
₹ in Lakhs	<b>219.01</b>	98.96



Notes forming part of the financial statements for the year ended March 31, 2019

Following is the analysis of foreign exchange risk sensitivity impacting the profit where the Indian Rupee strengthens and weakens by 1% against the relevant currency. A positive number below indicates an increase in profit and negative number below indicates a decrease in profit.:

Foreign currency	₹ Lakhs			
	Year ended 31-03-19		Year ended 31-03-18	
	1% strengthening	1% weakening	1% strengthening	1% weakening
USD	(22.71)	22.71	(31.19)	31.19
EURO	19.16	(19.16)	20.54	(20.54)
CHF	2.06	(2.06)	1.64	(1.64)
JPY	2.19	(2.19)	0.99	(0.99)

### Credit risk

Credit risk arises from entering into derivative financial instruments, from deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables. Customer credit risk exposure is triggered by customer default risk and country risk. As at balance sheet date, the Company does not have significant concentration of credit risk either due to size of customers or due to country risk.

Company has a credit risk policy in place to ensure that sales are made to customers only after an appropriate credit risk rating and credit line allocation process. Procedures are standardized within credit risk policy and supported by the IT system with respective credit management tools. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining collaterals viz Security Deposit or bank Guarantee as per Credit Policy, as a means of mitigating the risk of financial loss from defaults. The average credit period on sales of goods is 60 to 90 days.

The credit risk on Cash & cash equivalents and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies. Also, the credit risk on security deposits for rental premises and loans to employees have low credit risk because of no history of defaults and no concerns for the counterparties to meet their obligations in the future.

### Ageing of the receivables

Particulars	₹ Lakhs	
	31-03-19	31-03-18
Within credit period	16401.04	16250.44
Past dues:		
upto 60 days	1664.80	1296.13
61 to 180 days	221.45	101.01
more than 180 days	237.37	458.61
Allowance for life time expected credit Loss on trade receivables	371.60	321.85

### Movement in the credit loss allowance

Particulars	₹ Lakhs	
	Year ended 31-03-19	Year ended 31-03-18
Balance at the beginning of the year	321.85	244.09
Allowance for expected credit loss on trade receivable	96.18	77.76
Bad Debts write off	(46.43)	-
Balance at the end of the year	371.60	321.85

**Liquidity risk****Liquidity risk management:**

The Company is currently debt free having no long term financial liabilities. Management monitors the forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn borrowing facilities. Considering the liquidity advantage, funds surplus to the operational needs are invested in the liquid and liquid plus schemes of mutual funds and bank deposits. The cash & cash equivalents & investments in mutual funds are highly liquid and are readily available for payment of liabilities.

The following table analysis the maturity profile of the Company's financial liabilities. The amounts disclosed are the contractual undiscounted cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	₹ Lakhs		
	Less than 1 year	1 to 5 years	5 years and above
<b>As at 31-03-19</b>			
Trade payables	18920.14	-	-
Other financial liabilities	2988.90	-	-
<b>As at 31-03-18</b>			
Trade payables	18353.35	-	-
Other financial liabilities	2746.36	-	-

**33 Fair value measurement and related disclosures****Fair value of the Company's financial assets that are measured at fair value on a recurring basis:**

Some of the Company's financial assets are measured at fair value at the end of each reporting period.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-03-19	31-03-18		
Financial assets at fair value through profit or loss	<b>1207.35</b>	4074.27	Level 2	Net assets value of Mutual Funds

**Fair value of financial assets that are not measured at fair value (but fair value disclosures are required):**

The management considers that the carrying amounts of such financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

Notes forming part of the financial statements for the year ended March 31, 2019

**34 Contingent liabilities and commitments (to the extent not provided for)**

	₹ Lakhs	
	31-03-19	31-03-18
<b>(a) Contingent liabilities :</b>		
(i) in respect of income tax matters	<b>3082.59</b>	3625.35
(ii) in respect of sales tax / VAT matters	<b>2420.55</b>	3506.01
(iii) in respect of excise / service tax matters	<b>1160.23</b>	1190.98
(iv) Other matters in dispute	<b>284.82</b>	284.82
In respect of above items, future cash outflows, if any are determinable only on receipt of judgements pending at various forums/authorities.		
<b>(b) Commitments :</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	<b>646.16</b>	367.09
(ii) Others - amount of future minimum lease payments under non-cancellable operating leases (Refer note 35)	<b>3928.78</b>	5096.37

**35 Operating Leases :**

	₹ Lakhs	
	Year ended 31-03-19	Year ended 31-03-18
<b>As Lessee :</b>		
(a) Lease payments recognised as rent in the Statement of Profit and Loss for the year in respect of (Refer note 30) :		
Premises, vehicles and computers		
[includes minimum lease payments ₹ 763.37 Lakhs (Previous year ₹ 763.37 Lakhs)]	<b>1137.84</b>	1136.15
(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	<b>779.40</b>	763.37
For a period later than one year and not later than five years	<b>3149.38</b>	3362.88
Later than five years	-	970.12
Total [Refer note 34 (b) (ii)]	<b>3928.78</b>	5096.37

**As Lessor :**

The company has given certain leased properties and buildings on operating lease to third parties. The lease arrangements ranging from 11 months to 4 years are cancellable and are generally renewable by mutual consent or mutually agreeable terms. The rental income of ₹ **509.07 Lakhs** (Previous year ₹ 355.57 Lakhs, including ₹ 24.31 Lakhs relating to investment property) on such lease is included in Other Income (Refer Note 24).

**36 Earnings per share :**

	Year ended 31-03-19	Year ended 31-03-18
(a) Basic and diluted earnings per share (Amount in Rupees)	<b>8.04</b>	9.36
(b) Profit attributable to the equity holder of the company (in Lakhs)	<b>1856.00</b>	2160.07
Weighted average number of equity shares (Numbers)	<b>23,081,798</b>	23,081,798

Company does not have any dilutive potential ordinary shares and therefore diluted earning per share is the same as basic earning per share.

**37 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.**

	31-03-19	31-03-18
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>22.98</b>	5.45
(b) Principal amount not due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>599.50</b>	339.29
(c) Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	<b>0.20</b>	0.30
(d) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	<b>2686.50</b>	2019.95
(e) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(f) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(g) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	<b>7.54</b>	5.96
(h) Further interest remaining due and payable for earlier years	<b>50.46</b>	44.20

**38 Corporate Social responsibility**

(a) Gross amount required to be spent by the company during the year ₹ **59.46 Lakhs** (Previous year : ₹ 51.63 Lakhs)

(b) Amount spent during the year on :

Particulars	Year ended 31-03-2019			Year ended 31-03-2018		
	In Cash ₹ Lakhs	Yet to be paid in cash ₹ Lakhs	Total ₹ Lakhs	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	<b>46.75</b>	-	<b>46.75</b>	30.19	-	30.19

Notes forming part of the financial statements for the year ended March 31, 2019

	Year ended 31-03-19 ₹ Lakhs		Year ended 31-03-18 ₹ Lakhs	
	Funded	Unfunded #	Funded	Unfunded
<b>39 Employee benefits :</b>				
<b>(1) Defined benefits plans - As per actuarial valuation</b>				
<b>(a) Gratuity and Ex-Gratia gratuity</b>				
<b>(i) Expenses recognised in the statement of profit and loss for the year</b>				
1 Current service cost	183.60	-	153.83	1.40
2 Past service cost *	-	(11.36)	199.50	(41.84)
3 Interest cost	41.96	-	16.22	3.49
4 Expense recognised in statement of profit and loss	225.56	(11.36)	369.55	(36.95)
<b>(ii) Expenses recognised in other comprehensive income</b>				
1 Return on plan assets	20.41	-	(34.16)	-
2 Loss / (Gain) from change in financial assumptions	51.77	-	0.67	(0.60)
3 Loss/(Gain) from change in demographic assumptions	0.19	-	(6.40)	0.41
4 Experience (Gain)/Loss	(75.87)	-	123.30	0.01
5 (Income) / Expense recognised in Other comprehensive income	(3.50)	-	83.41	(0.18)
<b>(iii) Actual return on plan assets for the year</b>				
1 Expected return on plan assets	160.88	-	142.24	-
2 Actuarial gain on plan assets	(20.41)	-	34.16	-
3 Actual return on plan assets	140.47	-	176.40	-
<b>(iv) Net asset/(liability) recognised in the balance sheet as at the year end</b>				
1 Present value of the defined benefit obligation	2810.11	-	2656.37	12.11
2 Fair value of plan assets	2147.50	-	2013.28	-
3 Net (liability)/asset recognised in the balance sheet	(662.61)	-	(643.09)	(12.11)
<b>(v) Change in defined benefit obligation during the year</b>				
1 Present value of obligation at the beginning of the year	2656.37	12.11	2310.91	53.29
2 Current service cost	183.60	-	153.83	1.40
3 Past service cost	-	(11.36)	199.49	(41.84)
4 Interest cost	202.84	-	158.46	3.49
5 Benefits paid	(202.21)	(0.75)	(265.68)	(4.05)
6 Actuarial (Gain)/Loss on obligation	(23.91)	-	117.57	(0.18)
7 Transfer (out)	(6.58)	-	(18.21)	-
8 Present value of obligation as at the end of the year	2810.11	-	2656.37	12.11

Notice

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	Year ended 31-03-19 ₹ Lakhs		Year ended 31-03-18 ₹ Lakhs	
	Funded	Unfunded #	Funded	Unfunded
<b>(vi) Changes in fair value of plan asset during the year</b>				
1 Fair value of plan assets as at the beginning of the year	2013.28	-	1965.31	-
2 Expected return on plan assets	160.88	-	142.24	-
3 Contributions made	202.54	-	155.46	-
4 Transfer (out) on account of business acquisition / sale and employees transfer	(6.58)	-	(18.21)	-
5 Benefits paid	(202.21)	-	(265.68)	-
6 Actuarial gain on plan assets	(20.41)	-	34.16	-
7 Fair value of plan assets as at the end of the year	2147.50	-	2013.28	-
<b>(vii) Major categories of plan assets as a percentage of total plan assets</b>				
1 Government debt instruments	37.21%	-	37.20%	-
2 Other debt instruments	1.14%	-	19.56%	-
3 Insurer managed funds	34.63%	-	33.23%	-
4 Others	27.02%	-	10.01%	-
<b>(viii) Actuarial assumptions</b>				
1 Discount rate	7.85%	-	8.10%	8.10%
2 Expected rate of return on plan assets	7.85%	-	8.10%	-
3 Salary escalation	6.0%-9.0%	-	6.0%-9.0%	9.0%
<b>(ix) The company expects to contribute ₹ 250.00 Lakhs (Previous year : ₹ 250.00 Lakhs) to the funded gratuity plans in the next year.</b>				
<b>(x) The unfunded defined benefit plan represents “Ex-gratia gratuity”.</b>				

\* Gratuity :

i) Change in ceiling limit from ₹ 10 lakhs to ₹ 20 lakhs pursuant to “The Payment of Gratuity (Amendment) Act, 2018 notified by the Central Government on 29 March 2018 &

ii) Change in gratuity and ex-gratia benefit for certain employees

\* Exgratia : on account of change in gratuity and ex-gratia benefit for certain employees

# During the current year, the Company has discontinued Ex-gratia gratuity scheme.



Notes forming part of the financial statements for the year ended March 31, 2019

	31-03-2019	31-03-2018
<b>(b) Sensitivity analysis</b>		
<b>Impact of increase in 25 bps on DBO</b>		
1 Discount Rate Gratuity	-1.84%	-1.81%
2 Discount Rate Ex-gratia	-	-1.57%
3 Salary Escalation Gratuity	1.89%	1.86%
4 Salary Escalation Ex-gratia	-	0.08%
<b>Impact of decrease in 25 bps on DBO</b>		
1 Discount Rate Gratuity	1.90%	1.87%
2 Discount Rate Ex-gratia	-	1.73%
3 Salary Escalation Gratuity	-1.83%	-1.81%
4 Salary Escalation Ex-gratia	-	0.00%

- (c) The weighted average duration of the defined benefit obligation is **7.76 years** for gratuity. (Previous year : 7.68 years for gratuity and 6.55 years for ex-gratia).

The expected maturity analysis is as follows:

	Year ended 31-03-19		Year ended 31-03-18	
	₹ Lakhs		₹ Lakhs	
	Gratuity	Ex-gratia	Gratuity	Ex-gratia
Expected benefits for year 1	260.72	-	304.27	1.11
Expected benefits for year 2	278.65	-	166.10	0.90
Expected benefits for year 3	209.48	-	273.60	2.17
Expected benefits for year 4	386.11	-	204.85	2.07
Expected benefits for year 5	257.42	-	371.02	1.67
Expected benefits for year 6	284.87	-	259.57	1.00
Expected benefits for year 7	306.31	-	280.30	2.11
Expected benefits for year 8	300.46	-	289.59	1.43
Expected benefits for year 9	253.71	-	280.48	0.54
Expected benefits for year 10 and above	3309.12	-	3174.48	10.68

- (d) Gratuity is administered through duly constituted and approved independent trusts and also through Group gratuity scheme with Life Insurance Corporation of India.
- (e) 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.
- (f) 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 year for returns over the entire life of the related obligation.

	Year ended 31-03-19 ₹ Lakhs	Year ended 31-03-18 ₹ Lakhs
<b>(2) Other long term benefits</b>		
Compensated absences	<b>1017.72</b>	973.96
<b>(3) Provident fund</b>		
	Year ended 31-03-19 ₹ Lakhs	Year ended 31-03-18 ₹ Lakhs
Defined benefit obligation	<b>3038.94</b>	2659.58
Fund assets	<b>3038.94</b>	2659.58
Net liability	-	-
Actuarial assumptions		
1 Discount rate	<b>7.85%</b>	8.10%
2 Average historic yield on the portfolio	<b>8.26%</b>	9.14%
3 Discount rate for the remaining term to maturity of the portfolio	<b>7.05%</b>	7.65%
4 Expected investment return	<b>9.06%</b>	9.59%
5 Guaranteed rate of return	<b>8.65%</b>	8.55%

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.

The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

#### 40 Share based payments

Share option plan of the Parent Company

Few of the employees under senior management level have right to participate in Clariant Stock Option Plans introduced by the ultimate holding Company, Clariant AG, Switzerland.

Under the Group Senior Management – Long Term Incentive Plan (GSM-LTIP) a certain percentage of the actual bonus is granted to the plan participants in the form of registered shares of Clariant (investment shares). These shares vest immediately upon grant, but are subject to a 3-year blocking period. The plan participants receive an additional share free of cost (matching share) for each investment share held at the end of the blocking period.

Performance Share Unit (PSU) plan is a three-year vesting period plan. The vesting is conditional upon achievement of the performance targets at the end of the vesting period. If the performance targets are achieved, each PSU will be converted into one Clariant share and the plan participants receive Clariant share free of cost.

The total amount to be expensed in the statement of profit or loss is determined by reference to the fair value of the options granted and is recognised over the vesting period. Assumptions are made concerning the forfeiture rate which is adjusted during the vesting period so that at the end of the vesting period there is only a charge for the vested amounts.

Notes forming part of the financial statements for the year ended March 31, 2019

Set out below is the summary of shares granted under the plans:

Number of shares	31-03-19		31-03-18	
	GSM-LTIP	PSU	GSM-LTIP	PSU
Outstanding at the beginning of the year	7320	13234	7320	12390
Granted during the year	2174	17503	-	4251
Forfeited during the year	(5144)	(7352)	-	(3407)
Exercised and vested during the year	(2176)	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2174	23385	7320	13234
Weighted average fair value of the shares granted during the year ended (in CHF per share)	-	20.34	-	22.11
Weighted average remaining contractual life	1.99 Years	1.29 Years	1.17 years	1.35 years

The weighted average share price at the date of exercise of options during the year ended on 31-03-19 was **19.71 CHF** per share (31-03-18 NIL per share).

The fair value of shares granted is calculated based on market value of shares as at the grant date.

#### 41 Related party disclosures as required by Ind AS-24 "Related Party Disclosures" are given below :

##### Relationship :

##### (a) Enterprises where control exists:

- (i) Ultimate Holding Company
  - Clariant AG, Switzerland
- (ii) Principal Shareholders (subsidiaries of the Ultimate Holding Company) :
  - Clariant Plastic & Coating AG (Erstwhile known as Clariant Participations AG)
  - EBITO Chemiebeteteiligungen AG
  - Clariant International AG (upto 17-04-17)

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

##### Fellow subsidiary companies :

Clariant (New Zealand) Ltd.	Clariant Plastics & Coatings (Deutschland) GmbH
Clariant (Singapore) Pte. Ltd.	Clariant Plastics & Coatings (Japan) K.K.
Clariant (Türkiye) Boya ve Kimyevi Maddeler Sanayi ve Ticaret A.S.	Clariant Plastics & Coatings (Taiwan) Co., Ltd.
Clariant Chemicals (China) Ltd.	Clariant Plastics & Coatings (Thailand) Ltd
Clariant Chemicals Pakistan (Pvt.) Ltd.	Clariant Plastics & Coatings (UK) Ltd
Clariant Coatings (Shanghai) Ltd.	Clariant Plastics & Coatings México, S.A. de C.V
Clariant India Limited	Clariant Plastics & Coatings Polska Sp.z o.o.
Clariant Masterbatches (Malaysia) Sdn Bhd	Clariant Plastics & Coatings Southern Africa (Pty) Ltd
Clariant Masterbatches (Saudi Arabia) Ltd.	Clariant Polska, Sp. z.o.o.
Clariant Masterbatches (Shanghai) Ltd.	Clariant Produkte (Deutschland) GmbH
Clariant Masterbatches (Thailand) Ltd.	Clariant Services (Poland) Sp. z.o.o.
Clariant Medical Specialties India Limited	P.T. Clariant Plastics and Coatings,Indonesia
Clariant Plastics & Coating USA Inc	Süd-Chemie India Pvt. Ltd.
Clariant Plastics & Coatings (Argentina) SA	Clariant International AG (from 18-04-17)
Clariant Turkey Plastik Boya Ve Kimyevi Maddeler Sanayi Ve Ticaret Anonim Sirketi	

Notes forming part of the financial statements for the year ended March 31, 2019

(c) **Key management personnel:****Executive Directors**

Dr. Deepak Parikh (upto 31-05-17)

Adnan Ahmad (with effect from 03-04-17)

**Non-Executive Directors**

Kewal Handa

Sunirmal Talukdar

Indu Shahani

Alfred Muench

Karl Holger Dierssen

Mario Brocchi (up to 12-02-19)

Thomas Wenger (with effect from 12-02-19)

(d) **Transactions with entity over which key management personnel has significant influence :**

Conexus Social Responsibility Services Private Limited

Transactions entered into with related parties during the year and balances as at the year end:

	Year ended 31-03-19 ₹ Lakhs	Year ended 31-03-18 ₹ Lakhs
<b>(i) Principal Shareholders :</b>		
<b>Transactions during the year :</b>		
<b>Clariant Plastic &amp; Coating AG (Erstwhile known as Clariant Participations AG)</b>		
Sales of goods	-	-
Purchase of goods	6,088.14	5804.71
Indenting commission received	253.24	290.17
Royalty expenses	84.12	76.09
Expenses recovered	4.80	2.09
Dividend paid	766.26	1915.66
Purchase of Property, plant and equipment	6.35	-
<b>EBITO Chemieeteiligungen AG</b>		
Dividend paid	410.94	1027.36
Expenses recovered	-	0.17
<b>(ii) Fellow subsidiaries :</b>		
<b>Transactions during the year :</b>		
<b>Sales of goods</b>		
Clariant (Singapore) Pte. Ltd.	24,199.15	22486.87
Others	2,687.46	219.52

Notes forming part of the financial statements for the year ended March 31, 2019

	Year ended 31-03-19 ₹ Lakhs	Year ended 31-03-18 ₹ Lakhs
<b>(ii) Fellow subsidiaries : (Contd)</b>		
<b>Purchase of goods</b>		
Clariant (Singapore) Pte. Ltd.	<b>2,210.08</b>	1754.71
Clariant India Limited	<b>446.22</b>	62.93
Others	<b>525.95</b>	160.68
<b>Sales of property, plant and equipment</b>		
Clariant India Limited	-	16.17
Clariant Medical Specialties India Limited	-	31.79
<b>Purchase of property, plant and equipment</b>		
Clariant Plastics & Coatings (Deutschland) GmbH	<b>201.63</b>	82.13
<b>Rental income</b>		
Clariant India Limited	<b>447.20</b>	261.48
Clariant Medical Specialties India Limited	<b>56.83</b>	49.31
<b>Services rendered</b>		
Clariant India Limited	<b>1,895.41</b>	1376.47
Clariant Medical Specialties India Limited	<b>242.13</b>	230.48
<b>Indenting commission received</b>		
Clariant Masterbatches (Thailand) Ltd.	<b>10.23</b>	-
Clariant (Singapore) Pte. Ltd.	<b>41.41</b>	42.60
Clariant International AG	-	37.88
Others	<b>0.03</b>	0.07
<b>Commission paid</b>		
Clariant Chemicals Pakistan (Pvt.) Ltd.	<b>30.27</b>	18.70
<b>Expenses recovered</b>		
Clariant India Limited	<b>45.09</b>	59.49
Clariant International AG	-	0.30
Clariant Medical Specialties India Limited	-	31.56
Others	<b>3.97</b>	2.44
<b>Services received</b>		
Clariant India Limited	<b>185.31</b>	249.63
Clariant International AG	<b>803.04</b>	858.03
Clariant Polska, Sp. z.o.o.	-	41.97
Clariant Services (Poland) Sp. z.o.o.	<b>1,274.28</b>	953.51

Notice

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Notes forming part of the financial statements for the year ended March 31, 2019

	Year ended 31-03-19 ₹ Lakhs	Year ended 31-03-18 ₹ Lakhs
<b>(iii) Key management personnel :</b>		
<b>Executive Directors</b>		
Short-term employee benefits	<b>364.19</b>	409.41
Post-employment benefits	<b>15.91</b>	19.42
Long-term employee benefits	<b>6.18</b>	13.94
Employee share-based payment *	<b>136.56</b>	(5.38)
<b>Total Remuneration</b>	<b>522.83</b>	437.39
* amount is negative in previous year due to forfeiture of Performance Share Unit Plan of 2014.		
<b>Non-Executive Directors</b>		
Sitting fees	<b>24.80</b>	24.00
Commission	<b>13.50</b>	20.00
<b>Total Remuneration</b>	<b>38.30</b>	44.00
<b>(iv) Entity over which key management personnel has significant influence :</b>		
<b>Expenditure towards Corporate Social Responsibility activities</b>		
Conexus Social Responsibility Services Private Limited	<b>1.08</b>	1.89
<b>(v) Balances outstanding as at the year end :</b>		
<b>Principal Shareholders :</b>		
Trade payables	<b>1761.57</b>	1776.38
Trade receivables	<b>34.92</b>	68.88
<b>Fellow Subsidiaries :</b>		
Trade payables	<b>1593.34</b>	1084.00
Trade receivables	<b>6496.61</b>	5444.78
<b>Key Management Personnel :</b>		
Payable balance	<b>140.83</b>	106.95



Notes forming part of the financial statements for the year ended March 31, 2019

## 42 Segment Information :

- (a) Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Company.

The Company's reportable segments under Ind AS 108 are as follows:

- (i) **Plastics & Coatings :**  
Includes pigments, pigment preparations, additives and masterbatches.
- (ii) **Specialty Chemicals :**  
Includes dyestuff, synthetic resins, functional effects and coating, auxiliaries and chemicals.

- (b) During the previous year the Company has renamed its Segment names from "Pigments and Colors" to "Plastics and Coatings" and "Dyes and Specialty Chemicals" to "Specialty Chemicals".
- (c) The following is an analysis of the Company's revenue and results from continuing operations by reportable segment and reconciliation of segment revenue and Segment profit with total revenue and profit before tax respectively:

Particulars	Year ended 31-03-19 ₹ Lakhs			Year ended 31-03-18 ₹ Lakhs		
	Plastics and Coatings	Specialty Chemicals	Total	Plastics and Coatings	Specialty Chemicals	Total
<b>Revenue</b>						
External sales	96,276.45	6,532.82	102,809.27	98,201.71	4,664.83	102,866.54
<b>Results</b>						
Segment results	3,080.01	251.81	3,331.82	2,364.00	69.38	2,433.38
Unallocated corporate (expenses)/income (net)			(374.81)			904.52
<b>Operating profit</b>			2,957.01			3,337.90
Interest Income			119.81			63.26
Finance costs			(62.34)			(59.76)
<b>Profit before tax</b>			3,014.48			3,341.40
<b>Tax expense</b>						
Current tax			1,702.44			833.49
Deferred tax			(543.96)			291.14
Tax adjustments of prior years (net)			-			56.70
			1,158.48			1,181.33
<b>Profit for the year</b>			1,856.00			2,160.07

- (d) Segment revenue reported above represents revenue generated from external customers. There were no inter -segment sales.
- (e) The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 1. Segment results represents the profit before tax earned by each reportable segment without allocation of central administration costs, other income, finance costs as well as exceptional items. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

**Disclosure as per Ind AS 115 for the year ended March 31, 2019**

	(₹ in Lakhs)		
<b>Segments</b>	<b>Plastics and Coatings</b>	<b>Specialty Chemicals</b>	<b>Total</b>
<b>Primary geographical markets</b>			
India	68,244.76	6,532.82	74,777.58
Outside India	26,469.64	-	26,469.64
	<b>94,714.40</b>	<b>6,532.82</b>	<b>101,247.22</b>
<b>Major products/ service lines</b>			
Pigments	63,742.10	-	63,742.10
Masterbatches	28,282.00	-	28,282.00
Additives	2,690.30	-	2,690.30
Specialty Chemicals	-	6,532.82	6,532.82
	<b>94,714.40</b>	<b>6,532.82</b>	<b>101,247.22</b>

	(₹ in Lakhs)		
<b>Timing of revenue recognition</b>	<b>Plastics and Coatings</b>	<b>Specialty Chemicals</b>	<b>Total</b>
Goods transferred at a point of time	91,861.07	6,532.82	98,393.89
Services transferred over time	2,853.33	-	2,853.33
	<b>94,714.40</b>	<b>6,532.82</b>	<b>101,247.22</b>

<b>Segment Assets and liabilities</b>	31-03-19 ₹ Lakhs			31-03-18 ₹ Lakhs		
<b>Particulars</b>	<b>Plastics and Coatings</b>	<b>Specialty Chemicals</b>	<b>Total</b>	Plastics and Coatings	Specialty Chemicals	Total
Segment assets	<b>76,080.05</b>	<b>1,028.65</b>	<b>77,108.70</b>	73,600.22	963.47	74,563.69
Unallocated corporate assets			<b>12,344.48</b>			14,694.92
<b>Total assets</b>			<b>89,453.18</b>			89,258.61
Segment liabilities	<b>24,046.92</b>	-	<b>24,046.92</b>	22,698.00	-	22,698.00
Unallocated corporate liabilities			<b>3,763.22</b>			4,099.76
<b>Total liabilities</b>			<b>27,810.14</b>			26,797.76

(f) For the purposes of monitoring segment performance and allocating resources between segments:

All assets are allocated to reportable segments other than investments, loans, certain financial assets and current and deferred tax assets. Goodwill is allocated to reportable segments; and

All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities.

Notes forming part of the financial statements for the year ended March 31, 2019

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

- (i) India
- (ii) Outside India

Geographical segment information	Year ended 31-03-19 ₹ Lakhs			Year ended 31-03-18 ₹ Lakhs		
	India	Outside India	Total	India	Outside India	Total
External sales from operations	76,339.63	26,469.64	102,809.27	77,938.68	24,926.86	102,865.54
Non-current assets	41,869.99	-	41,869.99	41,288.97	-	41,288.97

(h) Non-current assets exclude financial assets.

(i) Revenues of approximately ₹ 24199.15 Lakhs (31.03.2018 : ₹ 22486.87 Lakhs) is arising from sales to the Company's largest customer of Plastics and Coatings segment. No other single customers contributed 10% or more to the Company's revenue.

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, 16<sup>th</sup> May, 2019

For and on behalf of the Board,

**K. Handa**

Chairman  
DIN:00056826

**A. Ahmad**

Vice-Chairman & Managing Director  
DIN:00046742

**S. Talukdar**

Director  
DIN:00920608

**S. Ghadge**

Chief Financial Officer

**A. Joshi**

Company Secretary  
Membership No. A22502

Navi Mumbai, 16<sup>th</sup> May, 2019

## FINANCIAL PERFORMANCE 10 Years' Highlights

₹ Million

	Financial Year Ended 31 <sup>st</sup> March				Financial Year Ended 31 <sup>st</sup> December					
	2019	2018	2017	## 2016	2014	2013	2012	2011	2010	2009
<b>I OPERATING RESULT</b>										
Net Sales	9,839.4	9,783.0	9,412.0	10,958.0	10,082.0	12,132.0	10,712.0	9,561.0	9,748.0	9,213.0
Gross Earning Before Depreciation/Impairment and Taxation +	675.7	711.4	757.7	1,237.3	370.6	1,369.8	1,547.1	1,722.0	1,895.1	2,079.4
Profit Before Taxation #	301.4	334.1	362.9	736.8	11,874.1	2,257.8	1,423.1	3,954.1	1,653.2	1,631.1
Profit After Taxation	185.6	216.0	244.8	593.7	9,433.2	1,667.7	1,013.0	3,040.4	1,124.2	1,081.4
Equity Dividend	230.8	115.4	577.1	3,963.3	1,039.8	799.8	733.2	1,599.6	799.8	666.5
<b>II FINANCIAL POSITION</b>										
Gross fixed Assets @	3,680.3	3,714.5	3,932.4	4,199.6	5,520.4	4,051.8	4,088.3	3,944.1	3,554.8	3,556.6
Net Fixed Assets @	3,306.0	3,337.3	3,537.6	3,699.0	3,640.9	2,041.7	1,879.7	1,853.8	1,592.4	1,527.3
Investments	120.7	407.4	1,124.8	739.7	330.1	2,674.0	2,346.5	2,665.1	1,918.4	1,245.0
Net Current Assets	2,722.8	2,501.4	2,066.9	2,255.5	10,187.6	1,100.2	842.8	383.0	159.8	698.5
Equity	230.8	230.8	230.8	230.8	266.6	266.6	266.6	266.6	266.6	266.6
Reserves	5,933.5	6,015.3	6,498.4	6,463.5	13,693.6	5,476.9	4,748.5	4,587.7	3,404.4	3,211.3
Shareholders' Fund	6,164.3	6,246.1	6,729.2	6,694.3	13,960.2	5,743.5	5,015.1	4,854.3	3,671.0	3,477.9
Loans and Deferred Payment Credits	-	-	-	-	94.5	-	-	2.0	10.5	20.5
Capital Employed	6,164.3	6,246.1	6,729.2	6,694.3	14,054.7	5,743.5	5,015.1	4,856.3	3,681.5	3,498.4
<b>III PER EQUITY SHARES</b>										
Earning ₹ #	8.04	9.36	10.61	23.42	353.82	62.55	38.00	114.04	42.16	40.56
Interim & Proposed Dividend	10.0	5.0	25.0	150.0	39.0	30.0	27.5	60.0	30.0	25.0

# After exceptional items.

+ Before exceptional items.

@ Include capital advance

## Figures are for 15 months ended March 31, 2016 and hence are not directly comparable.

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